HOUSE OF REPRESENTATIVES—*Wednesday, April 23, 1969*

The House met at 12 o'clock noon.

Rabbi Stanley Rabinowitz, Adas Israel Synagogue, Washington, D.C., offered the following prayer:

Our God and God of our fathers: We are grateful for those whose lives are consecrated to the service of man. May we be blessed in our deliberations so that where there is ignorance and superstition, there may be knowledge and enlightenment;

Where there is prejudice and hatred, there may be tolerance and love;

Where there is fear and suspicion, there may be confidence and trust;

Where there is tyranny and oppression, there may be freedom and justice;

Where there is illness, hunger and poverty, there may be healing, sustenance and bounty;

Where there is strife and discord, there may be harmony and tranquillity. Amen.

THE JOURNAL

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries.

MESSAGE FROM THE SENATE

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

H.R. 3832. An act to amend title 10, United States Code, to provide the grade of general for the Assistant Commandant of the Marine Corps when the total active duty strength of the Marine Corps exceeds 200,000.

HOUSE OF REPRESENTATIVES RESTAURANT WORKERS SHOULD BE PAID SALARY REQUIRED BY LAW

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

Mr. JACOBS. Mr. Speaker, I note with regret that the House of Representatives has found sufficient funds to pay a fee of $200,000 to the lawyer representing the House of Representatives in the so-called Adam Clayton Powell Supreme Court case. In my judgment, as a member of the committee which investigated this matter, relatively little legal work is involved in this case before the Court. And yet the House of Representatives cannot find sufficient funds to pay the salary required by law to employees of the Capitol Hill restaurants and cafeterias.

HAPPY BIRTHDAY TO ISRAEL

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

Mr. ADDABBO. Mr. Speaker, this week the nation of Israel celebrates its 21st birthday.

I join in extending congratulations to this bastion of democracy and freedom in the Middle East and I hope that Israel will finally receive the recognition of sovereignty which it deserves.

What better birthday present could Israel receive than acceptance of her sovereignty by her Arab neighbors and by all the nations of the world?

If the Arab nations would only admit that Israel exists as an autonomous state, then there would be no roadblock to direct peace talks in the Mideast.

If the Big Four powers accept Israel's sovereignty, then there need be no fear of an "imposed peace" in the Mideast.

If the Soviet Union and the United States agree on the meaning of Israeli sovereignty, there could be a deescalation of the arms race in the Middle East.

The key to a lasting peace between Israel and her Arab neighbors is recognition of Israel's sovereignty and the principles of international law which flow from such sovereignty.

On her 21st birthday Israel has more than earned the right to be accepted as a member of the world community with full rights and status. The United States can help assure Israel that recognition by using its influence during four-power talks to spur direct peace talks and avoid an imposed settlement in the Middle East.

SOVIET BLOC FISHING VESSELS OFF OUR SHORES

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

Mr. WHITEHURST. Mr. Speaker, I wish to call attention to the continued presence of Soviet bloc fishing vessels off our shores. I believe that our commercial fishermen will have their livelihood diminished considerably if something is not done to restrict Soviet fishing activity.

Recently, I received a complaint from one of my constituents, Capt. Julian A. Penello, of Portsmouth, Va. Captain Penello tells me that the large Soviet fishing vessels are now present off the Virginia Capes with nets having a capacity of 50,000 to 100,000 pounds of fish. He told me that he had seen these vessels take as much as 100,000 pounds of fish within an hour's time. Frequently, they move among our own fishing vessels and within 1 or 2 hours, all of the fish were gone. There is strong evidence that the Soviets are violating their agreements with us which protect certain species of fish. Captain Penello told me that the large Russian factory ships frequently intimidate the smaller American vessels and force them out of the way.

How much longer are we going to behave in this craven fashion? We permit our aircraft to be shot down and our ships to be seized in regions where they have a right to be. Now Red ships are depriving our own fishermen of their livelihood almost in sight of our own shores.

CONGESTION AT AIRPORTS

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

Mr. CAHILL. Mr. Speaker, one of the great frustrations and I think imminent dangers to the citizens of the eastern part of the United States and perhaps throughout the entire United States is the congestion at airports.

I have made a study of this, and I have become convinced that one of the problems is the inadequate legislative authority for the CAB to regulate the scheduling of airlines. As a result, we now have foolish competitive scheduling which is reducing the payload in the airplanes to about 50 percent and is bringing about dangerous congestion and frustrating delays at all major airports.

I have therefore today introduced legislation to empower Federal regulatory agencies to take effective action to remedy this problem. I would welcome the support of the membership in bringing this essential aid to the citizens who rely on air travel.

FILING FOR RADIO STATIONS

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

Mr. LUJAN. Mr. Speaker, a situation in the broadcast industry has been called to my attention by radio stations in my congressional district, which seems to be extremely unfair.

I am told that under present laws of the Federal Communications Commission, it is possible for an individual or group to file for a station's license at the time of license renewal, even though the present licensee is found by the FCC to have served his area in the public interest. This means hearings can be held pitting performance against promises. If this becomes common practice, practically every radio and TV station in the country will be subjected to costly hearings once every 3 years when it comes time to renew their license.

This right of the Federal Communications Commission has never been exercised to the extent of an existing station's license being given to another who promised more, but under present law it can happen. It is my understanding some members of the present Commission favor this method of determining licensees.

I am not an expert on communications, Mr. Speaker, but I would like to introduce this bill which calls attention to the program. It is my hope that through the bill's introduction, there will be study and debate, and through

this process a decision will be made that is fair to all.

CENSUS QUESTIONNAIRE CHANGED

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

Mr. MIZE. Mr. Speaker, in view of the controversy which has arisen about plans for the 1970 census of population and housing, I am grateful to receive from the Secretary of Commerce, the honorable Maurice H. Stans, a letter and an accompanying factual statement of what is actually contemplated. The Secretary's communication clearly sets forth the Nation's needs for accurate statistics as well as showing a desire to conform to some of the most frequently voiced wishes of the Congress. I am also glad to note his decision to alter procedures in the interest of our present trend toward economy in government.

This is evidence that progress is being made in developing a questionnaire to give the Government agencies the essential information they need without placing an undue burden upon the respondents. In my opinion we must continue to evaluate these fact-gathering procedures looking toward further simplification and less compulsion, but I certainly commend Secretary Stans and his staff for their consideration of the complaints which have been raised and their responsiveness in doing something about them.

FINANCIAL DISCLOSURE

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

Mr. PRICE of Illinois. Mr. Speaker, now that the ides of April deadline—if we can stretch a bit and call April 15 the ides of April—has been met, or so I trust, I should like to call attention to another deadline.

Under the rules of the House, as amended last year, April 30 is the deadline for the filing of financial disclosure reports with the Committee on Standards of Official Conduct, of which I have the honor to be chairman.

Forms for making these reports were mailed early this year, with instructions, to all Members, officers, members of the professional staffs of committees, and principal assistants, so far as the latter had been designated at that time, to Members and officers. Additional forms, if needed, may be obtained from the committee offices.

Only 1 week remains for the filing of these reports, so time is fleeting for Members and others who have not complied. They should get their reports to the committee offices at 2360 Rayburn Building as promptly as possible. The committee staff will be glad to help in any way possible.

Since part A of these reports must be maintained, under the rules of the House, for responsible public inquiry, it follows that the identity of delinquent filers, if any, may become public property. In other words, if the committee staff cannot supply, on request, the reports of specified Members or employees, it will have no alternative to telling the inquirer that the requested reports have not been filed.

The committee urges, therefore, that all who are required to file make sure that their reports reach the committee offices before the close of business on Wednesday, April 30.

COMPENSATION OF ATTORNEY REPRESENTING HOUSE IN ADAM CLAYTON POWELL CASE

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

Mr. CONYERS. Mr. Speaker, I take this moment to point out to the House that in yesterday's Washington Post we were advised that an attorney representing this House of Representatives in the Adam Powell case, now before the Supreme Court, was to be compensated some $200,000 for representing the House.

It occurs to me that the Solicitor General might have been the more appropriate person to represent this House, and it would have been cost free.

Considering some of the working conditions and inadequate compensation which presently attain with respect to many of the House employees in the cafeteria and other areas of employment here, this money could have been much more wisely spent for some more useful purpose, rather than hiring New York counsel to represent the House of Representatives.

I think this is a very serious matter, and I take exception to this wasteful expenditure of funds.

PERSONAL ANNOUNCEMENT

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

Mr. MOSS. Mr. Speaker, due to other obligations, it was not possible for me to be present on the House floor last week when this body passed H.R. 4148, the Water Quality Improvement Act of 1969.

Had I been present when the vote was taken on this measure, I would have voted "yea".

COMPENSATION OF ATTORNEY REPRESENTING HOUSE BEFORE SUPREME COURT

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

Mr. HAYS. Mr. Speaker, I was moved to speak to the House after hearing the gentleman from Michigan (Mr. CONYERS) and to point out that I read in the newspaper some of the answers to questions propounded by the Justices which the lawyer representing the House gave. I think, if he is being paid $200,000, and I guess he is—I voted in committee against paying him—that he is being paid $199,998.50 too much.

DISMISSING CONTESTED ELECTION CASE OF WYMAN C. LOWE, CONTESTANT, AGAINST FLETCHER THOMPSON, CONTESTEE, FIFTH CONGRESSIONAL DISTRICT OF GEORGIA

Mr. ABBITT. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 91–157) on the resolution (H. Res. 364) dismissing the contested election case of Wyman C. Lowe, contestant, against FLETCHER THOMPSON, contestee, Fifth Congressional District of Georgia, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

H. RES. 364

Resolved, That the election contest of Wyman C. Lowe, contestant, against Fletcher Thompson, contestee, Fifth Congressional District of the State of Georgia, be dismissed.

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

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

Mr. ABBITT. Mr. Speaker, only one election contest evolved from the 1968 general election and that was in the Fifth Congressional District of the State of Georgia. For the third time in recent years Wyman C. Lowe has initiated a contest. In 1951 and again in 1967 the House dismissed contests brought by Mr. Lowe on the basis that he lacked standing to bring a contest under the contested-election statute. That is the basis for recommending dismissal of the current contest. In none of the contests was Mr. Lowe a candidate in the general election for the congressional seat.

FLETCHER THOMPSON, the Republican nominee, was reelected to the office of Representative from the Fifth Congressional District of Georgia in the general election held on November 5, 1968. His Democratic opponent was Charles L. Weltner. The result of the election was officially certified in accordance with the laws of Georgia. His credentials having been presented to the Clerk of the House, Mr. THOMPSON appeared, took the oath of office, and was seated on January 3, 1969.

The contest of Mr. THOMPSON's election was initiated by Mr. Lowe, an unsuccessful candidate in the Democratic primary, by service upon the Member on December 18, 1968, of a notice of contest pursuant to the Federal contested election law claiming that the contestee's election was null and void and that his seat should be declared vacant. The grounds of the contest asserted in the notice of contest are that the general election was invalid because the Democratic candidate Mr. Weltner had not been lawfully nominated or that there are such grounds as to raise grave doubts that he had been lawfully nominated. Mr. Weltner won the nomination from Mr. Lowe, his only opponent, in the Democratic primary election on September 11, 1968. Contestant claims that Mr. Weltner's victory in the primary election was the result of certain specified "malconduct, fraud and/or irregularity" on the part of poll officers in 40 of the

155 precincts of the fifth district. There is no allegation of wrongful conduct on Mr. Weltner's part or any attribution to him of the alleged misconduct of the poll officers. Nor is it contended that contestee engaged in any wrongful conduct in the general election. The sole basis for attacking contestee's election is the alleged invalidity of his Democratic opponent's nomination.

The record before the committee reveals that contestant brought an action against Mr. Weltner in the superior court of Fulton County, Ga., to set aside his nomination under the Georgia Election Code. This suit was dismissed on September 20, 1968. On appeal to the Georgia Court of Appeals, the lower court's ruling was affirmed and a subsequent petition for certiorari filed with the Supreme Court of Georgia was denied.

The contest came before the Subcommittee on Elections on contestee's request that the notice of contest be dismissed for failure to state a cause of action. Having considered the oral arguments of the parties and the brief filed by contestant, the committee concludes that contestant has no standing to bring the contest and that the notice of contest does not state grounds sufficient to change the result of the general election. Contestant, an unsuccessful candidate in the Democratic primary, was not a candidate for the Fifth Congressional District seat in the general election and does not claim any right to the seat. There are a number of recent precedents from 1941 to 1967 involving contests brought by persons who were not candidates in the general election indicating that the House of Representatives regards such persons as lacking standing to bring an election contest under the statute.

The Elections Subcommittee, after careful consideration of the notice of contest, the oral arguments and the brief filed by the contestant, unanimously concludes that contestant Wyman C. Lowe, not being a candidate in the general election, has no standing to bring a contest under the contested election law and that he has failed to state sufficient grounds to change the result of said election. It is recommended that House Resolution 364 be adopted dismissing the contested election case.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

The SPEAKER. The Chair lays before the House a message from the President of the United States.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 45]

Ashley	Hathaway	Powell
Bates	Hawkins	Purcell
Blanton	Hébert	Rees
Camp	Ichord	Reid, N.Y.
Clark	Jarman	Rivers
Culver	Kirwan	Rumsfeld
Cunningham	Landgrebe	Scheuer
Davis, Ga.	Leggett	Sisk
Dawson	Mailliard	Steiger, Wis.
Diggs	May	Stuckey
Dwyer	Moorhead	Ullman
Edwards, La.	Murphy, N.Y.	Wiggins
Esch	Patman	
Goodling	Philbin	

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

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

ORGANIZED CRIME MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 91–105)

The SPEAKER. The Clerk will read the message from the President of the United States.

The following message from the President of the United States was read and referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

Today, organized crime has deeply penetrated broad segments of American life. In our great cities, it is operating prosperous criminal cartels. In our suburban areas and smaller cities, it is expanding its corrosive influence. Its economic base is principally derived from its virtual monopoly of illegal gambling, the numbers racket, and the importation of narcotics. To a large degree, it underwrites the loan-sharking business in the United States and actively participates in fraudulent bankruptcies. It encourages street crime by inducing narcotic addicts to mug and rob. It encourages housebreaking and burglary by providing efficient disposal methods for stolen goods. It quietly continues to infiltrate and corrupt organized labor. It is increasing its enormous holdings and influence in the world of legitimate business. To achieve his end, the organized criminal relies on physical terror and psychological intimidation, on economic retaliation and political bribery, on citizen indifference and governmental acquiescence. He corrupts our governing institutions and subverts our democratic processes. For him, the moral and legal subversion of our society is a life-long and lucrative profession.

Many decent Americans contribute regularly, voluntarily and unwittingly to the coffers of organized crime—the suburban housewife and the city slum dweller who place a twenty-five cent numbers bet; the bricklayer and college student who buy a football card; the businessman and the secretary who bet illegally on a horse.

Estimates of the "take" from illegal gambling alone in the United States run anywhere from $20 billion, which is over 2% of the nation's gross national product, to $50 billion, a figure larger than the entire federal administrative budget for fiscal year 1951. This wealth is but one yardstick of the economic and political power held by the leaders of organized crime who operate with little restriction within our society.

Organized crime's victims range all across the social spectrum—the middle-class businessman enticed into paying usurious loan rates; the small merchant required to pay protection money; the white suburbanite and the black city dweller destroying themselves with drugs; the elderly pensioner and the young married couple forced to pay higher prices for goods. The most tragic victims, of course, are the poor whose lack of financial resources, education and acceptable living standards frequently breed the kind of resentment and hopelessness that make illegal gambling and drugs an attractive escape from the bleakness of ghetto life.

BACKGROUND

For two decades now, since the Attorney General's Conference on Organized Crime in 1950, the Federal effort has slowly increased. Many of the Nation's most notorious racketeers have been imprisoned or deported and many local organized crime business operations have been eliminated. But these successes have not substantially impeded the growth and power of organized criminal syndicates. Not a single one of the 24 Cosa Nostra families has been destroyed. They are more firmly entrenched and more secure than ever before.

It is vitally important that Americans see this alien organization for what it really is—a totalitarian and closed society operating within an open and democratic one. It has succeeded so far because an apathetic public is not aware of the threat it poses to American life. This public apathy has permitted most organized criminals to escape prosecution by corrupting officials, by intimidating witnesses and by terrorizing victims into silence.

As a matter of national "public policy", I must warn our citizens that the threat of organized crime cannot be ignored or tolerated any longer. It will not be eliminated by loud voices and good intentions. It will be eliminated by carefully conceived, well-funded and well-executed action plans. Furthermore, our action plans against organized crime must be established on a long-term basis in order to relentlessly pursue the criminal syndicate. This goal will not be easily attained. Over many decades, organized crime has extended its roots deep into American society and they will not be easily extracted. Our success will first depend on the support of our citizens who must be informed of the dangers that organized crime poses. Success also will require the help of Congress and of the State and local governments.

This administration is urgently aware of the need for extraordinary action and I have already taken several significant steps aimed at combating organized crime. I have pledged an unstinting commitment, with an unprecedented amount of money, manpower and other resources to back up my promise to attack organized crime. For example—I have authorized the Attorney General to engage

in wiretapping of organized racketeers. I have authorized the Attorney General to establish 20 Federal racketeering field offices all across the nation. I have authorized the Attorney General to establish a unique Federal-State Racket Squad in New York City. I have asked all Federal agencies to cooperate with the Department of Justice in this effort and to give priority to the organized crime drive. I have asked the Congress to increase the fiscal 1970 budget by $25 million, which will roughly double present expenditures for the organized crime effort.

In addition, I have asked the Congress to approve a $300 million appropriation in the 1970 budget for the Law Enforcement Assistance Administration. Most of these funds will go in block grants to help State and local law enforcement programs and a substantial portion of this assistance money will be utilized to fight organized crime. I have had discussions with the State Attorneys General and I have authorized the Attorney General to cooperate fully with the States and local communities in this national effort, and to extend help to them with every means at his disposal. Finally, I have directed the Attorney General to mount our Federal anti-organized crime offensive and to coordinate the Federal effort with State and local efforts where possible.

ASSISTANCE TO STATES AND LOCAL GOVERNMENTS

Through the Law Enforcement Assistance Administration, and other units of the Department of Justice, the Attorney General has already taken some initial steps:

1) A program is being established so that State and local law enforcement people can exchange recent knowledge on the most effective tactics to use against organized crime at the local level.

2) The Justice Department is furnishing technical assistance and financial help in the training of investigators, prosecutors, intelligence analysts, accountants, statisticians—the professional people needed to combat a sophisticated form of criminal activity.

3) The Justice Department is encouraging municipalities and States to reexamine their own laws in the organized crime area. We are also encouraging and assisting in the formation of State-wide organized crime investigating and prosecuting units.

4) A computerized organized crime intelligence system is being developed to house detailed information on the personalities and activities of organized crime nationally. This system will also serve as a model for State computer intelligence systems which will be partially funded by the Federal Government.

5) We are fostering cooperation and coordination between States and between communities to avoid a costly duplication of effort and expense.

6) We are providing Federal aid for both State and local public information programs designed to alert the people to the nature and scope of organized crime activity in their communities.

These actions are being taken now. But the current level of Federal activity must be dramtically increased, if we expect progress. More men and money, new administrative actions, and new legal authority are needed.

EXPANDED BUDGET

There is no old law or new law that will be useful without the necessary manpower for enforcement. I am therefore, as stated, asking Congress to increase the Fiscal Year 1970 budget for dealing with organized crime by $25 million. This will roughly double the amount spent in the fight against organized crime during Fiscal Year 1969, and will bring the total Federal expenditures for the campaign against organized crime to the unprecedented total of $61 million. I urge Congress to approve our request for these vital funds.

REORGANIZATION OF THE CRIME EFFORT

I have directed the newly appointed Advisory Council on Executive Organization to examine the effectiveness of the Executive Branch in combating crime—in particular, organized crime.

Because many departments and agencies of the Executive Branch are involved in the organized crime effort, I believe we can make lasting improvement only if we view this matter in the full context of executive operations.

FEDERAL RACKETEERING FIELD OFFICES

The focal center of the Federal effort against organized crime is the Department of Justice. It coordinates the efforts of all of the Federal agencies. To combine in one cohesive unit a cadre of experienced Federal investigators and prosecutors, to maintain a Federal presence in organized crime problem areas throughout the nation on a continuing basis, and to institutionalize and utilize the valuable experience that has been gained by the "Strike Forces" under the direction of the Department of Justice, the Attorney General has now established Federal Racketeering Field Offices in Boston, Brooklyn, Buffalo, Chicago, Detroit, Miami, Newark, and Philadelphia. These offices bring together, in cohesive single units, experienced prosecutors from the Justice Department, Special Agents of the FBI, investigators of the Bureau of Narcotics and Dangerous Drugs, the finest staff personnel from the Bureau of Customs, the Securities and Exchange Commission, the Internal Revenue Service, the Post Office, the Secret Service, and other Federal offices with expertise in diverse areas of organized crime.

The Racketeering Field Offices will be able to throw a tight net of Federal law around an organized crime concentration and through large scale target investigations, we believe we can obtain the prosecutions that will imprison the leaders, paralyze the administrators, frighten the street workers and, eventually, paralyze the whole organized crime syndicate in any one particular city. The Attorney General plans to set up at least a dozen additional field offices within the next two years.

FEDERAL-STATE RACKET SQUAD

Investigations of the national crime syndicate, La Cosa Nostra, show its membership at some 5,000, divided into 24 "families" around the nation. In most cities organized crime activity is dominated by a single "family"; in New York City, however, the lucrative franchise is divided among five such "families."

To deal with this heavy concentration of criminal elements in the nation's largest city, a new Federal-State Racket Squad is being established in the Southern District of New York. It will include attorneys and investigators from the Justice Department as well as from New York State and City. This squad will be directed by the Department of Justice, in conjunction with a supervisory council of officials from State and local participating agencies, who will formulate policy, devise strategy and oversee tactical operations. Building on the experience of this special Federal-State Racket Squad, the Attorney General will be working with State and local authorities in other major problem areas to determine whether this concept of governmental partnership should be expanded to those areas through the formation of additional squads.

NEW LEGISLATION

From his studies in recent weeks, the Attorney General has concluded that new weapons and tools are needed to enable the Federal government to strike both at the Cosa Nostra hierarchy and the sources of revenue that feed the coffers of organized crime. Accordingly the Attorney General will ask Congress for new laws, and I urge Congress to act swiftly and favorably on the Attorney General's request.

WITNESS IMMUNITY

First, we need a new broad general witness immunity law to cover all cases involving the violation of a Federal statute. I commend to the Congress for its consideration the recommendations of the National Commission on Reform of Federal Criminal Laws. Under the Commission's proposal, a witness could not be prosecuted on the basis of anything he said while testifying, but he would not be immune from prosecution based on other evidence of his offense. Furthermore, once the government has granted the witness such immunity, a refusal then to testify would bring a prison sentence for contempt. With this new law, government should be better able to gather evidence to strike at the leadership of organized crime and not just the rank and file. The Attorney General has also advised me that the Federal Government will make special provisions for protecting witnesses who fear to testify due to intimidation.

WAGERING TAX AMENDMENTS

We shall ask for swift enactment of S. 1624 or its companion bill H.R. 322, sponsored by Senator Roman Hruska of Nebraska and Congressman Richard Poff of Virginia respectively. These measures would amend the wagering tax laws and enable the Internal Revenue Service to play a more active and effective role in collecting the revenues owed on wagers; the bills would also increase the Federal operator's tax on gamblers from $50 annually to $1000.

CORRUPTION

For most large scale illegal gambling enterprises to continue operations over any extended period of time, the cooperation of corrupt police or local of-

ficials is necessary. This bribery and corruption of government closest to the people is a deprival of one of a citizen's most basic rights. We shall seek legislation to make this form of systematic corruption of community political leadership and law enforcement a federal crime. This law would enable the Federal Government to prosecute both the corruptor and the corrupted.

ILLEGAL GAMBLING BUSINESSES

We also shall request new legislation making it a Federal crime to engage in an illicit gambling operation, from which five or more persons derive income, which has been in operation more than thirty days, or from which the daily "take" exceeds $2000. The purpose of this legislation is to bring under Federal jurisdiction all large-scale illegal gambling operations which involve or affect inter-state commerce. The effect of the law will be to give the Attorney General broad latitude to assist local and state government in cracking down on illegal gambling, the wellspring of organized crime's financial reservoir.

This Administration has concluded that the major thrust of its concerted anti-organized crime effort should be directed against gambling activities. While gambling may seem to most Americans to be the least reprehensible of all the activities of organized crime, it is gambling which provides the bulk of the revenues that eventually go into usurious loans, bribes of police and local officials, "campaign contributions" to politicians, the wholesale narcotics traffic, the infiltration of legitimate businesses, and to pay for the large stables of lawyers and accountants and assorted professional men who are in the hire of organized crime.

Gambling income is the life line of organized crime. If we can cut it or constrict it, we will be striking close to its heart.

PROCEDURAL LAWS

With regard to improving the procedural aspects of the criminal law as it relates to the prosecution of organized crime, the Attorney General has been working with the Senate Subcommittee on Criminal Laws and Procedures to develop and perfect S. 30, the "Organized Crime Control Act of 1969." As Attorney General Mitchell indicated in his testimony on that bill, we support its objectives. It is designed to improve the investigation and prosecution of organized crime cases, and to provide appropriate sentencing for convicted offenders. I feel confident that it will be a useful new tool.

DEVELOPMENT OF NEW LAWS

Finally, I want to mention an area where we are examining the need for new laws: the infiltration of organized crime into fields of legitimate business. The syndicate-owned business, financed by illegal revenues and operated outside the rules of fair competition of the American marketplace, cannot be tolerated in a system of free enterprise. Accordingly, the Attorney General is examining the potential application of the theories underlying our anti-trust laws as a potential new weapon.

The injunction with its powers of contempt and seizure, monetary fines and treble damage actions, and the powers of a forfeiture proceeding, suggest a new panoply of weapons to attach the property of organized crime—rather than the unimportant persons (the fronts) who technically head up syndicate-controlled businesses. The arrest, conviction and imprisonment of a Mafia lieutenant can curtail operations, but does not put the syndicate out of business. As long as the property of organized crime remains, new leaders will step forward to take the place of those we jail. However, if we can levy fines on their real estate corporations, if we can seek treble damages against their trucking firms and banks, if we can seize the liquor in their warehouses, I think we can strike a critical blow at the organized crime conspiracy.

Clearly, the success or failure of any ambitious program such as I have outlined in this Message depends on many factors. I am confident the Congress will supply the funds and the requested legislation, the States and communities across the country will take advantage of the Federal capability and desire to assist and participate with them, and the Federal personnel responsible for programs and actions will vigorously carry out their mission.

RICHARD NIXON.

THE WHITE HOUSE, *April 23, 1969.*

ORGANIZED CRIME

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

Mr. GERALD R. FORD. Mr. Speaker, I rise today to urge every Member of this House to join with President Nixon in placing the leaders of La Cosa Nostra at the top of America's most wanted criminals list.

Mr. Speaker, I also urge every Member of this House to help arouse the law-abiding citizens of this land.

We have before us today, Mr. Speaker, a battle plan from the President of the United States—an outline of the strategy and a list of the weapons needed to strike at the crime lords of this country, the greedy, vicious, rapacious criminal kings whose subjects are the gamblers, drug pushers, panderers, and other criminal types who drain away America's moral strength and economic lifeblood like millions of leeches.

In the message we have received from the White House today, President Nixon has branded organized crime as public enemy No. 1. He has told us what we are doing now to fight the enemy. He has urged us to do more—far more—in terms of men and money and new laws. We must accept that challenge.

The President has spelled out his plans to make life miserable for the Mafia. And on the basis of his plans, if Congress concurs, I would advise anyone with stock in the Mafia to sell it right now.

I agree completely with the President that the best-laid plans are useless without the manpower to carry them out—the manpower to carry out the President's declared objective of convicting the heads of the Mafia, paralyzing crime syndicate administrators, frightening the street workers and ultimately squeezing to death the whole crime syndicate operation in our cities.

I therefore join the President in urging this House to vote the additional funds needed to double our present Justice Department outlays for fighting organized crime and to vote the full $300 million authorization to help the States and local communities join with Federal authorities in a nationwide drive against racketeers and street criminals.

I applaud the proposed increase in the number of Federal racketeering field offices and the establishment of a new special Federal-State racket squad in the southern district of New York.

I also urge congressional approval of President Nixon's requests for new authority aimed at stepping up the rate of Mafia prosecutions and convictions—authority dealing with general witness immunity, bribery and corruption of police or local officials, illicit gambling operations in interstate commerce, and wagering tax law amendments.

These are anticrime weapons Congress should make immediately available to our antiracketeering forces.

As the President has so well put it:

The Federal Government must prosecute both the corruptor and the corrupted.

Mr. Speaker, organized crime is like an octopus stretching its tentacles into every corner of our land. From time to time we have lopped off an arm or a leg but new members have grown in their place. It is long past time to strike at the head of the operation, to cut deep into the brains of this monstrosity which has the entire Nation in its grip.

We must hunt down the chieftains of organized crime. We must bring every one of them to book if we are to halt the crime wave which has swept over America like a poisonous torrent.

President Nixon has asked for the weapons to do the job. Let us, the chosen representatives of the people, give him the tools he needs.

THE PRESIDENT'S CRIME MESSAGE TRANSLATES IDEAS INTO PROSPECTIVE ACTION

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

Mr. McCULLOCH. Mr. Speaker, I am pleased to say to the House that, in my opinion, President Nixon's crime message translates ideas into prospective action, generalities into definite programs, and fragmented approaches into direct and significant projects.

The message dramatically illustrates the administration's recognition that the States and local units of government must be joined into the coordinated attack against organized crime if we are to preserve our public institutions.

The President has directed our attention toward the improvement of the capabilities of our State agencies. He understands that we have neglected to take advantage of our available resources. We have deployed a fragmented approach to the problem of organized crime, which is ineffective. I subscribe to the need to develop expertise at every level

of law enforcement which is directed against organized crime.

As the President so clearly recognized, if we are to be successful against the organized criminal syndicates, we must be prepared to establish the statewide investigatory and prosecutorial office, intelligence divisions composed of persons of various disciplines, national and interstate compacts that foster meaningful exchange of information, equipment, and training facilities.

The President has advocated the establishment of permanent offices in States with the most significant organized crime problems, manned by attorneys and investigators from various Federal agencies. These men, cooperating with our local prosecutors and investigators, are essential. The resources available for our Federal law-enforcement agencies are woefully inadequate. Successful law enforcement requires adequate financing and trained manpower which is repayed in tax dollars and preservation of our economy and self-respect. The Law Enforcement Assistance Administration is dedicated to making funds available to those States that wish to increase and improve their capability to deal with organized crime. It is essential that the Federal agencies have the resources to complement the States' efforts.

Too often the executive branch of the Government, when confronted with substantial and unsolved problems, thinks in terms of legislation, more statutes and more unenforced or unenforceable laws. Organized crime can be destroyed with the addition of a few tools and the effective deployment of existing sanctions coupled with maximum cooperation and coordination of efforts.

The need for a broad general immunity law to compel testimony is essential as is the Federal gambling tax amendments. We must examine additional areas such as the power of injunction and forfeiture, but most important is the direct, coordinated, fully sponsored attack.

This is a unique opportunity, my colleagues. The public is our audience, we are the directors, and law enforcement the players. The show must begin and the ultimate conclusion must be the destruction of the power of organized crime in this Nation.

PRESIDENT NIXON KEEPS PLEDGE OF ALL-OUT FIGHT AGAINST ORGANIZED CRIME

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

Mr. ARENDS. Mr. Speaker, as a candidate for the Presidency, Mr. Nixon pledged an all-out fight against organized crime. As our President, he is intent upon keeping that pledge. He says what he means, and he means what he says.

In his message today President Nixon has presented a carefully prepared plan for concerted action that we may rid our society of the criminal cartels and syndicates that have been insidiously destroying our economic and moral vitality.

President Nixon is to be congratulated on the forthright leadership he is furnishing for marshaling all our instrumentalities at all levels of Government—Federal, State, and local—for the overthrow of the crime overlords, such as the Cosa Nostra. In this all-out attack on all such organizations, of whatever size and wherever located, President Nixon is entitled to our full cooperation.

I commend the President on the action he has already initiated for the establishment of Federal racketeering field offices and for the establishment of a new Federal-State racket squad in New York to deal with the concentration of criminal elements in New York City.

It is at the local level that the organized crime syndicates exercise their corrupting power. President Nixon has determined that in this fight against crime the State and local governments shall have a significant and vital part to play, with the Federal Government providing the leadership and coordinating all its efforts and available resources in cooperation with the States.

President Nixon's approach to the crime problem and to all our national problems is: First, first things first; second, deal with that which is fundamental; and, third, adhere to our basic concepts of a federal system of government comprising 50 sovereign States

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

Mr. ARENDS. I yield to the gentleman from Virginia.

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

Mr. POFF. Mr. Speaker, this is the first preplanned, coordinated, systematically organized attack the Nation has attempted on the problem of organized crime. It is bold, imaginative, innovative, and yet realistic and altogether responsible. It recognizes that the jurisdiction and responsibility are shared jointly by the Federal, State, and local governments and it does not attempt to blink away the unblinkable fact that more citizen safety is going to cost the citizens more money. The expenditure increase for fiscal year 1970 is the only increase made in any agency of Government by the new Nixon budget.

I am particularly pleased that the President has endorsed new witness-immunity legislation. We now have more than 50 such statutes on the Federal law books. For a variety of reasons, these 50 are now practically useless. The National Commission on Reform of Federal Criminal Laws has recommended a universal witness-immunity law applying not only to courts and grand juries but to Congress and executive agencies of the Government. It will employ a new concept. More importantly, it will facilitate a new function. It will greatly enhance the information and evidence gathering capacity of the Federal Law-Enforcement Establishment.

I am also pleased that the President supports the policy announced earlier by the Attorney General. The Achilles heel of the organized crime apparatus is its vast treasure houses of property and money. Those treasure houses were filled by income acquired illegally and surreptitiously in violation of both Federal and State laws. Needless to say, it is money which has not been declared for Federal tax purposes. Moreover, it is the money from these storehouses that has been used by organized crime to invade the world of legitimate business enterprise.

The President and the Attorney General intend to target upon these treasure houses, using wherever possible the antitrust laws or the techniques illustrated by the antitrust laws.

Initially, the principal thrust will be against the largest single source of income; namely, that derived from illegal gambling. The wagering tax amendment bills introduced by Senator ROMAN HRUSKA and I can be helpful in this effort. Our bills are designed to fill, so far as it is legislatively possible to do so, the void in law enforcement left by the decisions in the Marchetti and Grosso cases. Beyond this, the Attorney General shortly will submit a draft of a new statute bottomed upon the interstate commerce clause which makes professional gambling in areas where it is unlawful under State laws a Federal crime as well. The definition is so structured as to focus Federal concern principally upon the gambling mechanisms of syndicated crime rather than upon the conduct of individuals. The new statute will recognize the problem of official corruption in connection with gambling. The simple fact of the matter is it is difficult for illegal gambling apparatus to grow big enough to operate profitably without the active cooperation of law enforcement officials in key places.

I was impressed that the President understands the organized crime problem enough to refrain from pledging that his organized crime program will eliminate organized crime. Those knowledgeable in the area agree that no single law and no package of laws is likely ever to be wholly successful. This is because the dimensions and the complexities of the problem are in many respects beyond the capacity of any government but a government so powerful as to be unacceptable to America.

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

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

Mr. PUCINSKI. Mr. Speaker, I join with the minority whip in his praise of the President's excellent message, but I wonder if the gentleman would not join me in an appeal that the President ask for full funding of the Safe Streets Act and the Juvenile Delinquency Act which we have already on the books. I would be a great deal more persuaded if we could fully fund the programs we have already enacted to deal with the crime problem and move forward.

Mr. ARENDS. Mr. Speaker, let me say in reply to the matter raised by the gentleman from Illinois, let us adequately fund all programs necessary to carry out the fight against crime.

THE PRESIDENT'S ANTICRIME MESSAGE

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

minute and to revise and extend his remarks.)

Mr. CRAMER. Mr. Speaker, as a longtime supporter and sponsor of anticrime legislation, I rise in support of the President's anticrime message to the Congress. The most effective and comprehensive program in my memory during 15 years of service in the House.

I note with approval the President's call for an across-the-board application of immunity laws, providing uniformity and proper applicability. As the author of the immunity of witnesses bill of a more restricted nature, which became a part of the 1968 anticrime act and which was previously recommended by the President's Crime Commission, I am very much in support of this needed approach.

As the coauthor of the McClory-Cramer amendment to the Omnibus Crime Control and Safe Streets Act of 1968, providing for the establishment of a National Institute of Law Enforcement and Criminal Justice, which was a proposal I had introduced initially some 6 years previously, I am gratified that the administration is considering the full implementation of that section. The administration will place particular stress on the phases of technology, research, and development on crime detection, prevention and techniques, together with all other types of technological breakthroughs that would help accomplish an effective nationwide fight against crime and riots.

I would hope that the establishment of such an Institute would be ready for submission to the Congress in the not too distant future and perhaps as an adjunct to the already recommended Federal law enforcement training center institute scheduled for location at Beltsville, Md. I intend to support wholeheartedly this $18,073,000 project when it comes before the Public Works Committee of the House for approval of the prospectus. The center would accommodate the proper training of all law-enforcement authorities on the Federal level and in the District of Columbia, with the exception of the FBI which will continue its training program presently located at the Quantico, Va., Marine Corps base. It seems to me a natural adjunct to this facility would be this National Institute of Law Enforcement and Criminal Justice, established to protect the moral health of the country, just as the National Institutes of Health serve the mental and physical health and well-being of the Nation.

A further laudable objective of the President's message is the development of a computerized organized crime intelligence system to house detailed information on the personalities and activities of organized crime nationally, which system will also serve as a model for State computer intelligence systems. I previously proposed this in the anticrime package I introduced in 1961 and I am glad to see it is being implemented.

The wagering tax amendments bill deserves the support of the Congress and is similar to the legislation proposed by the Republican task force on crime, which I had the privilege of being a member of last session. I have also cosponsored this proposed legislation in the current Congress.

As the coauthor of the wiretapping and electronic surveillance title of last year's anticrime act, I am pleased to note the President's action in authorizing the Attorney General to engage in wiretapping of organized racketeers.

In addition to the proposals already referred to, I have reintroduced and sponsored in this Congress the following bills:

First, to establish a Joint Committee on Organized Crime;

Second, the Criminal Activities Profits Act;

Third, to amend the Sherman Act to prohibit the investment of certain income in any business enterprise affecting interstate or foreign commerce;

Fourth, amendment of the Bail Reform Act to allow for the consideration of danger to the community in determining conditions of release of a person charged with a crime;

Fifth, to authorize conditional pretrial release or pretrial detention of certain persons who have been charged with noncapital offenses;

Sixth, to provide for the investigative detention and search of persons suspected of involvement in, or knowledge of, Federal crimes;

Seventh, to make it unlawful to assault or kill any member of the armed services engaged in the performance of his official duties while on duty under orders of the President;

Eighth, to establish extended terms of imprisonment for certain offenders convicted of felonies in Federal courts; and

Ninth, to strengthen the penalty provision applicable to a Federal felony committed with a firearm.

I would hope action on these measures, some of them the same as those recommended by the administration, will receive careful and speedy consideration by Congress.

I particularly note the Miami Federal racketeering field office, at the city where the leaders of Cosa Nostra were arrested and in Florida where racketeer investments run rampant.

Mr. Speaker, I would like also just briefly to reply to the gentleman from Illinois, that the President did ask for double the money for the Anti-Crime Act of 1968 and has asked for additional funds—$25 million, double that money—for the anticrime effort the President has referred to in his message. I am confident more will be forthcoming.

FUNDING OF CRIME BILLS

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

Mr. PUCINSKI. Mr. Speaker, the gentleman from Florida is correct. The fact still remains that we are not funding the crime bills we have passed. This Congress, with the cooperation of both sides of the aisle, since 1967 has passed 13 different anticrime bills or bills designed to deal effectively with crime.

Until we get these programs funded and get them going, it seems to me it is just idle talk to be talking about starting some new program.

I am for the program outlined in the President's message, and intend to support it. The fact remains that we need some funding for the programs we have now.

As one example, we authorized $50 million for juvenile crime. No one needs to recite or repeat today the fact that in this country the largest single area of the problem in crime is among the young people. We have a fantastic problem with respect to juvenile crime, yet we are being told we can only appropriate, actually, $10 million even though the House authorized $50 million. In my judgment, that kind of a shortchanging of that program is giving nothing more than lipservice to the war on crime.

Until we get the administration to support fully the authorizations we worked out in this House, I say to you that these messages are nothing but idle words.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

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

Mr. HUTCHINSON. Mr. Speaker, the President has sent to the Congress a message which I hope will emphasize for the Members of this body and for all the American people a danger which too many of us have ignored in the past, a danger which, if forceful and immediate action is not taken, threatens to rot the structure of our society and our economy from within. I do not exaggerate, for organized crime in all its varied aspects, is a force more powerful than any one of us can realize—a force which grows in strength as it feeds on people who do not realize that the $2 bet leads to the $1,000 bribe.

It is the bribe—the weapon of corruption—which is the ultimate evil. The organized criminal element uses the money supplied by its illicit enterprises to subvert the administration of justice on all levels—so that it may insure that its members may disobey the law with virtual impunity and ease their infiltration into legitimate businesses. It is particularly vital, therefore, that we take some action to bring the resources of the Federal Government to bear on this problem, and to that end I particularly urge the enactment of the proposed legislation making it a Federal offense to obstruct local and State law enforcement in connection with illegal gambling operations. At the same time, it is important that we expand the jurisdiction of the Federal Bureau of Investigation so that they can more readily attack the source of the "fixer's" funds. In this connection I think it beyond dispute that the illegal gambling business, with its estimated income in the billions of dollars, has so important an effect on interstate commerce as to call for the exercise of congressional power to its fullest constitutional extent.

Until some 15 months ago, the drive against illegal gambling was substantially enhanced by the investigative efforts of the Intelligence Division of the Internal Revenue Service, whose special agents had developed an expertise in the rooting out of such operations. This effort was cut short, however, when the

Supreme Court ruled that the wagering tax statutes, under which the service has jurisdiction to act, could not be criminally enforced in the face of a defendant's claim of his privilege against self-incrimination. It is vital that they be brought back into the fight, and that result will be accomplished by passage of the proposed amendments to the wagering tax laws which are intended to eliminate from the statutory scheme those constitutional infirmities which now preclude its enforcement.

But whatever new statutes are enacted or new programs initiated, they cannot alone have any meaningful effect on the organized crime menace. All federal, State, and local efforts to eradicate organized crime will come to nought if the public does not understand the danger which faces them, and for that reason I am gratified to note that the President has placed particular emphasis on the need for a program which will inform the people of the importance of the problem and of the ways in which organized crime affects their daily lives. A concerned and alert citizenry is the key to any effective drive against the professional criminal and the local and national news media must do their part in insuring that sufficient accurate information is made available to the public.

The achievement of these goals will not be easy; nor will it be inexpensive. The Federal Government must be willing to devote a meaningful share of its resources and energies to the elimination of this evil.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

Mr. BIESTER. Mr. Speaker, I rise to commend the President of the United States for the forthright and thought-provoking message on organized crime that he has sent today to this Chamber. During his campaign the President promised that if people saw fit to place upon his shoulders the responsibility of governing this land he would make organized crime a prime target in the war on the domestic problems confronting our Nation. His message today constitutes the fruition of this promise. This Presidential message presents for our consideration a broad and comprehensive plan for waging a war against the organized armies of vicious corruption which weaken our society today. This plan envisions a whole new group of weapons that can be employed in attacking the roots of organized corruption.

The President's message, however, is only the beginning. Now the torch has been passed to us, the representatives of the people. We must not shirk our responsibilities. We must act now. We must act with deliberation, but we must act quickly. The President's message points out directions in which we can move. It suggests various areas for new legislation. Let us examine these suggestions carefully, weighing the advantages and disadvantages of particular proposals.

As the legislative body we have the responsibility to see that the war against organized crime is buttressed by a concrete legislative program. Certainly we cannot hope to repair in a year or two the tremendous damage done by the organized underworld over a great many years. Rome was not built in a day. But we can make a strong beginning.

The President has shown us the way. Let us shoulder our burden and join the fight.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

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

Mr. McCLORY. Mr. Speaker, the Nation has received a most significant statement today from President Nixon on the subject of organized crime. The threat to our Nation and its institutions by members of the organized crime syndicate is one which is spoken of too infrequently. The President has been forthright and courageous in denouncing organized crime and its activities.

In addition, he has provided a well thought-out and comprehensive program to combat organized crime in our Nation.

The broad three-pronged program which he has outlined, and which the Attorney General is directed to carry out, has the potential of checking the growth of this horrendous threat to our Nation and its citizens.

The President has proposed: First, financial and technical assistance to the States and local governments; second, a massive increase in Federal resources of men and money; and third, essential new legislation. For the first time we find a balanced type of effort which is necessary to sustain a long-range and persistent campaign against the entrenched forces of organized crime.

The President's program recognizes that the States and local communities are indispensable partners in any meaningful Federal effort against the forces of organized crime, and he has wisely provided for creating a capability within the States and local governments to deal with this problem by having the Justice Department furnish both financial and technical assistance to these bodies for the purpose of recruiting and training investigators, prosecutors, intelligence analysts, and other types of professional people needed to staff State and local crime investigating and prosecuting units. This is a particularly wise and sound policy since in the final analysis it is at the State and local level where organized crime breeds and thrives and where the decisive battles against it will ultimately be fought.

Until the States and local bodies of Government have acquired the specialized skills and resources needed to launch effective programs against organized crime, however, the Federal Government must continue to bear the brunt of the struggle. To meet this responsibility the President has proposed a vast escalation in the current level of Federal activity. His request that the Congress increase the budget for fiscal year 1970 by $25 million, about double the amount spent by the Department of Justice in the fight against organized crime during fiscal year 1969—will insure that the finest investigators and prosecutors available will be committed to the expanding Federal effort against this national enemy. This increase in funds will also allow the Department of Justice to establish Federal racketeering field offices in many of our urban crime centers where a permanent effort against organized crime is essential if the program is to have any lasting effects.

The legislative proposals contained in the President's message have been carefully chosen and reflect a keen awareness of the gaps in present Federal law which make it difficult to curtail the activities of the organized crime overlords.

The proposed new statutes designed to suppress large scale commercial gambling enterprises, and their attendant corruption of State and local law enforcement officials, will close the final loopholes which presently allow big-time gamblers to escape the reach of the Federal Government. These proposals will not preempt the field of gambling regulation but will simply make the Federal Government a more effective member of the established State-Federal law enforcement partnership which has long been waging a common war on organized crime and illegal gambling. The proposed amendments to the wagering tax laws will remedy the problems in these laws which were the subject of the Supreme Court cases of Marchetti against United States, and Grosso against United States, and will insure the efficient collection of taxes of such wagering operations without infringing the constitutional rights of the taxpayers.

The general immunity statute proposed by the President is a greatly needed tool in dealing with the code of secrecy that surrounds the operations of organized crime, and it will enable Government prosecutors to penetrate this secrecy by compelling witnesses to testify or to be imprisoned for contempt.

The President deserves the support of the Congress and the people in carrying out his commitment "to unleash the full power of this Government to confront organized crime at the local and State and Federal level—wherever it operates, wherever it exists." I pledge him my support and call upon the Congress and all of the decent, law-abiding citizens of this country to do likewise.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

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

Mr. MacGREGOR. Mr. Speaker, the President's message on organized crime in the United States contains some alarming statistics on the scope of the problem, but also contains some original and promising proposals for solving it. One that strikes me as being particularly worthwhile, and which should be pursued, is the recommendation that the antitrust laws be utilized as a weapon against organized crime.

The individuals who comprise the organized criminal fraternity are clustered within the national La Cosa Nostra syndicate as "families." These individuals

are totally subservient to the organization and the ruthless rules of conduct designed to govern their lives. The organization is such that the loss of individual life or lives or the displacement of any person appears to do no appreciable damage to the structure as a whole. This, of course, seriously hampers law enforcement efforts, for the jailing of a racketeer does not appear to necessarily curtail racketeering.

Therefore, I believe that focusing upon the property of organized crime presents definite possibilities. A Mafia lieutenant may be easily replaced, but perhaps the assets and property of organized crime are more permanently vulnerable.

Once we decide to move against the property of organized crime, the antitrust laws constitute a useful tool. There is the injunction with its concomitant powers of contempt and seizure. Heavy fines and treble damages may have a crippling effect if repeatedly imposed. Another penalty which Congress built into the original Sherman Act—although not used for over 40 years—is forfeiture, a sanction uniquely promising in certain types of cases. Finally, the antitrust laws are designed to afford the courts with broad discretion in the formulation of remedies placing limitations on the use of property. The fact that the property of organized crime is often in the form of legitimate business assets may result in a situation where such civil remedies are not only the most appropriate sanction, but, indeed, are the sole sanctions available.

The President's suggestion that use of the antitrust laws be explored is representative of the new and imaginative thinking which has been directed toward the organized crime problem. Such thinking takes into account the cold fact that in the criminal underworld men tend to be a cheaper commodity than property. Given this situation, a successful attack on the syndicate's property may prove in the long run to be the most effective means of eradicating or sharply reducing organized criminal activity.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

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

Mr. RAILSBACK. Mr. Speaker, I would like to commend the President of the United States for his forthright and comprehensive message dealing with one of the major problems facing the Nation today—that of organized crime.

Organized crime is a complex structure operating outside the control of the American people and our governmental structures. It involves thousands of criminals whose actions are deliberately carried out, the result of intricate conspiracies, over long periods of time. If unchecked they will continue to grow in both size and intensity.

Organized crime has long thrived on the basest forms of criminal activity—narcotics, loan sharking, and other forms of vice. In addition its gambling network is of international proportions. While organized crime affects the lives of every American citizen there is no reason why it should continue to thrive or even exist.

An attack on organized crime will require a commitment from every American. Dedicated effort must replace past inactivity and apathy. In this area, as in few others, our national integrity is at stake. Those who cherish freedom must rise to this challenge, for as long as organized crime continues to exist, no man is truly free. It is my hope that all of our law-abiding citizens will join our President in his commitment to do away with this most important menace.

PRESIDENT'S MESSAGE ON ORGANIZED CRIME

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

Mr. FISH. Mr. Speaker, we Americans are known to the world—and often characterize ourselves—a permissive society. In no area are we better known, or with more reason, for this permissiveness, than in our attitudes toward organized crime.

The romantic notion of a Jesse James, or a Bonnie and Clyde infect us all to a degree, dulling our senses to the danger of organized crime so that we often view with indulgence rather than horror the deadly corrosive effects of crime on our citizens and our society.

I feel that President Nixon's clear declaration of war on organized crime can provide an antidote to apathy—give a healthy injection of purpose and planning in our fight wtih criminal elements that are infecting our society.

In his message that marks an end to permissiveness, the President clearly outlines the essential steps necessary to combat organized crime effectively. This clear call to battle is long overdue. The voice of our people called for such a stand last November, and President Nixon is heeding that voice.

In his message the President indicates he not only will not hesitate to use the crime fighting tools already provided by Congress, yet ignored by the last administration, but he asks for new and sharper weapons to carry on this war effectively. These weapons should be provided by us in the same spirit Congress provides the best weapons available to our troops when they fight a war.

Mr. Speaker, to more adequately assist the President in this struggle I would like to suggest the creation of a special subcommittee of the House Judiciary Committee be formed to deal directly with legislation aimed at fighting organized crime. The Senate has long had such a committee; the Committee on Criminal Laws and Procedures. I feel it is time we in the House moved to meet this problem by the formation of this special subcommittee. I have discussed this suggestion with Congressman RICHARD POFF, second-ranking Republican on the Judiciary Committee, who chaired the Republican task force on crime during the last election, and he supports the idea.

THE PRESIDENT'S ORGANIZED CRIME MESSAGE

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

Mr. ANDERSON of Illinois. Mr. Speaker, the President has once again exhibited those qualities of statesmanship and leadership which are characteristic of him. In presenting to us today his message on organized crime he has once again shown to the American people his deep and heartfelt concern about the pressing problems of crime in our society today.

I must say, Mr. Speaker, that I was shocked when I read some of the facts and figures in the President's report. I am sure all of us are aware that organized crime has a tremendous impact upon our society. But the true size of this monolithic creature of evil and viciousness is far greater than any of us could have imagined. The President's message states that the "take" from illegal gambling alone is between $20 and $50 billion annually. When we consider how many hungry mouths this ill-gotten gain could fill, how many clothes could be bought to place on the rag-covered backs of little children of the ghettos, this one fact alone must fill us with a sense of outrage, with a consuming desire to do all in our power to assist the President in ridding our society of this monstrous vulture of evil which feeds upon the carrion of poverty and dispair.

Mr. Speaker, let us act with dispatch in doing our part. Let us gird our loin, to do battle with this domestic enemy which pervades our society at all levels.

The President has shown the way. Let us follow, and let us strive together until the blight of lawlessness is wiped from the land.

PRESIDENT'S MESSAGE ON CRIME—GENERAL LEAVE

Mr. SMITH of California. Mr. Speaker, President Nixon today delivered a message on a program to halt organized crime; a program that can be termed comprehensive and most encouraging.

Illegal gambling, the numbers rackets, and narcotics are the moneymaking criminal endeavors that demean and destroy human life.

President Nixon accurately assessed this situation, and called for a coordinated attack upon the $20 billion-a-year gambling take that supplies the funds for all types of assorted Cosa Nostra activities.

The President noted not one of the 24 Cosa Nostra "families" has been destroyed and he has outlined affirmative action such as wiretapping, racketeering control field offices, better coordination of State, local and Federal activity, information, and so forth.

And the President has tied these administrative moves to an extensive legislative package. His message today should bring hope to the many people subjected to the cruelties and the intimidation of organized crime.

Mr. DEVINE. Mr. Speaker, President

Nixon has placed a vast and sobering job on the shoulders of our very able Attorney General, John Mitchell, and the Department of Justice. In his typical sound, unemotional approach to complicated and momentous problems, President Nixon points out that organized crime relies on physical terror, psychological intimidation, economic retaliation, political bribery, citizen indifference, and governmental acquiescence, all of which results in a take from illegal gambling alone between $20 to $50 billion. Further, that organized crime's victims run the whole gamut—the middle-class businessman paying usurious loan rates; the small merchant paying protection; the white suburbanite and black city dweller destroying themselves with drugs; the elderly pensioner and young married couple robbed by high prices—all across the board.

The Nixon plan serves notice on the 24 Cosa Nostra families with a membership of some 5,000, and all others that the U.S. Government will no longer tolerate illegal activity; that organized crime will be eliminated by carefully conceived, well-funded, and well-executed action plans on a long-term basis. Success, of course, will depend in large measure on the support of our citizens.

The President has authorized the Attorney General to: first, engage in wiretapping of organized racketeers; second, to establish 20 Federal racketeering field offices; and, third, to establish a unique Federal-State racket squad in New York City. Further, Mr. Nixon has requested all Federal agencies to cooperate with the Justice Department and give priority to the organized crime drive, and for the Congress to increase the 1970 fiscal budget by $25 million, as well as approve a $300 million appropriation in the 1970 budget for the Law Enforcement Assistance Administration.

The action program proposed by President Nixon is aimed in the direction of obtaining prosecutions which will result in convictions and imprisonment of the leaders, paralyze the administrators, frighten the street workers, and eventually paralyze the whole organized crime syndicate in any one particular city. The plan contains a number of innovative approaches, including broad new witness immunity laws in order to better gather evidence to strike at the leadership of organized crime and not just the rank and file, or little operator.

Wagering tax law amendments would enable IRS to become more active in collecting revenues owed on wagers, and would increase a Federal operator's tax on gamblers from $50 to $1,000 annually. More importantly, the President recommends legislation making it a Federal crime to bribe or corrupt police or local officials, aimed at the premise illegal gambling enterprises cannot continue without cooperation through either of these sources.

The major thrust of the administration is directed at gambling activities which provide the bulk of the revenues ultimately going into usurious loans, bribes of police and local officials, "campaign contributions," narcotics, infiltration into legitimate business, as well as providing the wherewithal to finance a stable of lawyers, accountants, and pros for hire.

Mr. Speaker, it will take bipartisan, or nonpartisan cooperation in this Congress to implement this Nixon action plan, and I am hopeful immediate consideration will be given to the legislative needs spelled out in the message. The country demanded affirmative, aggressive steps in the field of law and order and justice in the elections last fall, and this is an opportunity to take responsible and meaningful action.

Mr. FASCELL. Mr. Speaker, I rise to commend the President of the United States on the program that he has outlined to the Congress to continue the fight on organized crime.

For the past 3 years, the Legal and Monetary Affairs Subcommittee on the House Committee of Government Operations has been continuing an intensive study of the Federal effort against organized crime. In the last Congress, the subcommittee, of which I am chairman, held many days of public hearings at which we explored all aspects of the organized crime problem, what was being done to combat that enemy in our society and how the Federal part of the fight could be improved.

In a committee report issued last summer entitled "The Federal Effort Against Organized Crime," we assessed the resources, capabilities, and operations of the Department of Justice, including the FBI, and of some 24 other Federal agencies that are involved in the Federal fight against organized crime. The study concluded that "the Federal Government has not borne its obligations with a constancy and force that its role in the overall battle against organized crime demands," and recommended a series of actions to combat the organized crime menace.

While some of these recommendations have been put into effect, much remains to be done. I am happy to see that the President agrees that further action is needed. His statement signifies a comprehension of the importance of the threat of organized crime and provides a battle plan for action that deserves the full consideration of Congress.

The President's approach to the problem closely parallels the recommendations that were made in our committee report.

As the subcommittee carefully documented, there can no longer be any doubt about the menace that syndicated crime presents to every one of us, in our private lives, in business, and in Government. The battle against that enemy in the past had many shortcomings. The most salutary development that we noted after the subcommittee hearings began was the fact that the Federal drive was increased. Much more had to be done, however, as we indicated in the report.

I could not agree with President Nixon more when he says that action plans against organized crime must be established on a long-term basis. In fact, the committee's recommendations were predicated upon the belief. Organized crime has expanded over a long period of years and unfortunately it is firmly entrenched in too many localities. The possible financial gains are so great that successors are always available to take the place of those who are imprisoned or otherwise lose their leadership positions.

One of the things we pointed out in our report was that it was too easy for many of the battlers against syndicated crime to become bogged down in day-to-day operations on a case-by-case basis. One of the prime essentials was a need for careful long-range planning. Apparently that recommendation has been taken to heart, because the President's program clearly shows that much thought has been given to long-range strategy to fight organized crime.

After our hearings which probed into the adequacy of the Federal effort, the committee report concluded:

The Federal effort against organized crime is not a single coordinated venture which is conducted under the management and direction of any one department or agency. It is, rather, the sum of the Federal prosecutions, investigations, administrative proceedings and judical actions, plus the aid extended to State and local law enforcement.

In this regard, the President's message states:

I have asked all Federal agencies to cooperate with the Department of Justice in this effort and to give priority to the organized crime drive. * * * I have directed the Attorney General to mount our Federal anti-organized crime offensive and to coordinate the Federal effort with State and local efforts where possible.

Other parallels between what the President is seeking and what the committee recommended are as follows. The committee said:

The question is raised, should consideration be given to development of a uniform inter-agency organized crime intelligence system for greater efficiency and for avoidance of duplication, but containing adequate safeguards against misuses of such information?

And the President says:

A computerized organized crime intelligence system is being developed to house detailed information on the personalities and activities of organized crime nationally. This system will also serve as a model for State computer intelligence systems which will be partially funded by the Federal Government.

The committee said:

There are other areas of possible Federal aid that should be explored. For instance, the establishment by each State of an organized crime unit probably would best enable it to contend with that menace.

And the President says:

The Justice Department is encouraging municipalities and States to reexamine their own laws in the organized crime area. We are also encouraging and assisting in the formation of State-wide organized crime investigating and prosecuting units.

The committee said:

In cooperating with State and local law enforcement by exchanging information, Federal law enforcement agencies do so largely on an investigator-to-investigator basis. * * * It would appear that greater overall (Federal, State and local) results would be possible if the Organized Crime and Racketeering Section (of the Justice Department) issued guidelines for such exchanges in cases which involve violations that are usual in organized crime operations, such as gambling, narcotics dangerous drugs, and racketeering.

And the President says:

A program is being established so that State and local law enforcement people can exchange recent knowledge on the most effective tactics to use against organized crime at the local level.

The committee said:

Public apathy towards some crimes on which organized crime feeds (most notably gambling) accounts for much of organized crime's success. * * * The question arises of whether the combined knowledge and experience of all Federal agencies, including Organized Crime and Racketeering Section, should be put into a national coordinated educational campaign to relieve public apathy.

And the President says:

We are providing Federal aid for both State and local public information programs designed to alert the people to the nature and scope of organized crime activity in their communities.

It is gratifying to see these committee proposals endorsed by the President. There are other significant conclusions by the committee which perhaps are implicit in the President's message, but which require further attention. For one thing, our report pointed out that various Federal agencies have the power to extend licenses, privileges, contracts, and loans, but that not all of the agencies adequately comprehend the potential danger that organized crime can present to areas within their operation. As we said in our report:

The plain fact is that organized crime is moving into legitimate businesses of every kind, through nominees and through apparently respectable associates. Quite obviously, all agencies should be alert to that fact—particularly since the operations of those agencies are responsible for the regulation, and frequently the creation, of businesses in every line which involve multi-billions of dollars of commerce annually. The public interest requires that the agencies not only protect themselves against being used to expand the operations of organized crime but that they also aid in the overall Federal effort to defeat that enemy in every way they can.

Another matter that requires further attention is the need to devise some means of measuring the effectiveness of the Federal effort against organized crime, particularly when the President is asking for millions in increased funds. Many more millions will be expended over the years in attempting to eradicate organized crime. As the committee report pointed out, there is a genuine need on the part of all concerned in the fight to know on a continuing basis what results are being obtained, so that shortcomings can be remedied and duplications avoided.

In the revised budget sent to Congress, additional funds are sought for fiscal 1970, most of which would provide for the hiring of 415 new FBI agents and 271 other persons to work with them. The Immigration and Naturalization Service also would receive extra funds to hire 16 investigators and six clerks. The budget also adds money for marshals and Federal attorneys, and for strengthening the Bureau of Narcotics and Dangerous Drugs.

Significantly, these increases in the Government's fight against organized crime come at a time when most Government agencies are absorbing a spending cutback. The Justice Department is the only Government agency to receive an increase in the administration's proposed revisions of the budget. I again congratulate the President for giving this emphasis to the drive to eliminate organized crime.

Another source of funds for the fight against organized crime was provided by the Congress last summer in the Omnibus Crime Control Act. Under section 306 of that act, the Law Enforcement Assistance Administration is to allocate to the States 85 percent of the funds appropriated for law enforcement grants and the remaining 15 percent in the manner LEAA determines. The next provision of the act, section 307, provides that in making grants, the LEAA and State planning agencies shall give special emphasis to programs and projects which, among others, deal with the "prevention, detection and control of organized crime." Clearly these two provisions must be read together to accomplish the objectives of the act and the intentions of Congress, so that in allocating the discretionary funds, LEAA must give special emphasis to programs that are aimed at eradicating organized crime. I am happy to see that the President is asking Congress to approve a full $300 million appropriation for LEAA, one effect of which will be to increase the amount of discretionary funds available to that agency for use against syndicated crime.

I sincerely hope that efforts to end public apathy on the organized crime menace will meet with success. The Miami Herald recently published an editorial warning that continued and expanded support by ordinary citizens is needed if the battle is to be won. "Federal Crime Fighters Can Use Your Help, Too," is the title, and this could well serve as the theme for involving the public in this epic task. The Herald declares:

The trouble with anti-crime drives, is that they lose momentum as the public lapses into apathy after the first surge of excitement and satisfaction. The contrast between 11 indictments in 1960 and 1,166 in 1968 is statistical evidence of that fact.

Thus, the Federal effort calls for the widest citizen support.

Because of the Government's current drive against organized crime, I believe we are slowly winning this fight. But it will require constant effort and dedication. Continued citizen support is the essence of the battle, and I hope that each person will do all that he can to help in this cause.

I, for one, can promise that the Legal and Monetary Affairs Subcommittee will continue its efforts to improve the overall Federal effort against organized crime.

Mr. BOW. Mr. Speaker, the President's message on organized crime asks the Congress to double—to $25 million—the amount that we have been spending on law-enforcement activities to combat this menace to American society.

The President states the extent of the problem in this sentence:

Estimates of the take from illegal gambling alone in the United States run anywhere from $20 billion dollars, which is over two percent of America's gross national product, to $50 billion dollars, which is roughly equivalent to the combined national products of Argentina, Brazil, and Chile.

As ranking member of the Appropriations Subcommittee on Justice Department Appropriations, I have worked closely with my chairman, the gentleman from New York (Mr. ROONEY), in efforts to develop a satisfactory program in this area. As the President has pointed out in his message, we have had some minor successes but the effort thus far has failed to halt the expansion and entrenchment of the criminal establishment.

The President's proposals for fighting organized crime are sound and forceful. They deserve the support of the Congress and the public. I am confident the President's request for the additional funds will receive the most sympathetic consideration in the Appropriations Committee and I trust it will have approval. The President is organizing the troops to fight this battle, and we must give him the support he requires.

Mr. RHODES. Mr. Speaker, I approve of the President's message on organized crime.

We have no choice but to carry out the program he has outlined. The threat to this great Nation is immediate and it cannot be put aside.

We concern ourselves with the danger of external aggression, while our internal structure is being slowly eaten away to satiate the gluttonous appetite of the underworld.

We seek an end to crime in our streets by eliminating its perpetrators, while the dope pushers of the Mafia create new ones.

We pour millions of dollars into programs to protect our allies, while our underbelly is eaten away by moral decay at home.

The President has faced the problem for what it is—a threat to our way of life. We cannot bury our heads in the sand and hope the problem goes away. Our duty to this great Nation compels our immediate and complete support of the President's program.

There is nothing partisan about crime prevention. It is paramount in the interest of all of us. Each day the dope pusher entices new addicts who commit new crimes. Every day our people lose respect for law enforcement personnel.

The mountain may seem insurmountable, but it can never be known if it can be scaled if we do not take the first step toward the top.

GENERAL LEAVE TO EXTEND

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks following the message of the President.

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

There was no objection.

A GREATER NEED FOR UNIFORM NATIONAL WELFARE STANDARDS

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

minute and to revise and extend his remarks.)

Mr. MONAGAN. Mr. Speaker, the Supreme Court decision that struck down the residency requirements that 40 States impose upon potential welfare recipients, certainly serves to point up the urgency of immediate action by the Congress on my bill, H.R. 9952, to amend the public assistance provisions of the Social Security Act to require the establishment of nationally uniform minimum standards for eligibility for aid or assistance thereunder.

We have a crisis in welfare today. The crisis exists most emphatically in several States including Connecticut where the highest in humanitarian welfare standards have been established and where the taxpayers are paying a penalty because by doing their utmost to aid the needy they have provided easy access to these benefits by refugees from less concerned States where provision for the unfortunate is far less liberal. This generosity of our hardpressed taxpayers should not be penalized. These welfare recipients are no longer the local paupers of other days. They are a nationwide phenomenon. The task of caring for them should be borne by all U.S. taxpayers.

It is a sad lack of system that results in this heavy financial burden on those who exert their best efforts to help the most disadvantaged segment of our population.

Poverty is a problem that crosses State lines and should be met with single national commitment.

The strains on our State budgets are severe.

If Connecticut—or any other State—is forced to cut back its program to assist the needy, it will not be due to a change in the humanitarianism of our citizenry.

ELEMENTARY AND SECONDARY EDUCATION

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

Mr. DENNEY. Mr. Speaker, I believe it would be unwise to extend the Elementary and Secondary Education Act of 1965 more than 2 years. I favor extension of the act to June 30, 1972, in order to give effect to forward-funding provisions and to assure advanced program planning. I support certain changes in the act to make it a more effective instrument for educational improvement. Therefore, I oppose the committee-reported bill because it fails to deal responsibly with urgent educational problems.

ESEA expires June 30, 1970. However, if the forward-funding provisions, which the Republican members of the House Education and Labor Committee strongly supported, are to be operable, the act must be extended. I support a 2-year extension as recommended by the Secretary of Health, Education, and Welfare for two reasons. First, an assurance of 3 more years of operation is desirable in order to encourage advance program planning. Second, and even more important, the census data which forms the basis of the distribution of funds under title I will be updated in 1969–70 and the new information very likely will necessitate major changes in title I, which is by far the most vital part of the act. The administration has undertaken a complete review of this legislation in the context of our total national effort to overcome educational and social problems, and the Congress should be assured of the opportunity to act upon any recommendations of the executive branch. Perhaps the best single example of why the act needs thorough revision at the earliest possible time is provided by the discussed but little understood formula in title I of the act.

ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1969

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 514) to extend programs of assistance for elementary and secondary education, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 514, with PRICE, of Illinois, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Kentucky (Mr. PERKINS) had 11½ minutes remaining and the gentleman from Ohio (Mr. AYRES) had 10 minutes remaining.

The Chair recognizes the gentleman from Kentucky.

Mr. PERKINS. Does the gentleman from Ohio (Mr. AYRES) wish to use time?

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

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

Mr. AYRES. I yield to the gentleman from Kansas.

Mr. MIZE. Mr. Chairman, even as we debate the merits of the Elementary and Secondary Education Act, and consider its extension, we reaffirm the predominant role that State and local authorities must continue to play in education.

Traditional burdens borne by school boards and State departments of education have never been heavier than they are today. The task has never been more difficult. The revenue needed for an adequate school system becomes a larger proportion of total government revenue each year, and properly so. Most of that revenue, without question, should come from local sources.

Local authorities must maintain control of curriculum, teachers' salaries, construction of facilities, selection of textbooks, and qualitative standards of instruction. These are responsibilities left to the States and to the people by the Constitution, and the Congress may not properly entertain an ambition to assume any of them.

For what purpose, then, has the Federal Government initiated programs of Federal aid to elementary and secondary education? What national responsibility has the Congress embraced with the passage of the ESEA? We must define the extent of our duties, then measure the legislation before us by that standard. If there are problems in education which the Congress can not properly move to solve, then congressional restraint must be exercised. Our constitutional mandate demands no less. The traditions of our people must be respected.

THE FEDERAL MOTIVE

The Elementary and Secondary Education Act does not presume to preempt the historic role of local school boards.

This act is consistent, in theory, with historic concepts of educational responsibility, for it was passed—in the main—to meet a narrowly defined challenge quite beyond the capacity of many local and State resources.

That challenge is the challenge of providing an adequate education to seriously disadvantaged students, the habitual underachievers. Congress recognized that local authorities required significant outside assistance in order to provide disadvantaged students with the educational equipment they must have to become participating, contributing citizens in our society.

The underachiever becomes a national liability, for the National Government is required to contribute to his welfare payments if he fails to learn a trade. The National Government loses his tax contributions when he is unemployed. The National Government provides his food stamps and his commodities when he cannot feed his children.

The National Government, clearly no less than the State government or the local government, must share the burden of providing for a citizen who cannot provide for himself.

Further, there is a moral obligation which every National Government, including our own, has to each of its citizens. That obligation is to provide an atmosphere and reasonable opportunity for each man and woman to live a life of dignity and purpose.

In the modern world, the National Government is almost powerless to provide such an atmosphere to one who has not achieved a basic education.

In view of all this, there is pressing need for Federal assistance to elementary and secondary education in America. Perhaps, if this assistance had been provided a generation earlier, we would not today be burdened with many of the problems that are collectively characterized as the "urban crisis." In truth, many of these problems can be traced to educational failings in rural America.

FIVE-YEAR EXTENSION OF CURRENT ACT UNMERITED

Mr. Chairman, I have reviewed the reasons for my support for the concept of Federal aid to elementary and secondary education. For practical reasons, I favor a 2-year extension of the basic legislation. Without such an extension, local and State authorities will be denied the program continuity and advance

funding they require for proper financial planning.

But, Mr. Chairman, I oppose a 5-year extension of ESEA. The distribution formula which is currently employed is beyond rational explanation. Under the allotment procedures for distribution of title I appropriations, the rich are getting richer, and the poor are getting relatively poorer.

I will include table I, which I have prepared from statistics provided me by the Office of Education, in the RECORD at this point:

TABLE I.—COMPARISON OF 4 SCHOOL DISTRICTS, SELECTED S TATISTICS, FISCAL YEAR 1967

	White Plains, Westchester County, N.Y.	Montgomery County, Md.	Oklahoma City, Oklahoma County, Okla.	Mobile, Ala.
Assessed taxable property value per pupil	$31,462	$20,855	$5,359	$6,005
Expenditures per pupil in average attendance	$1,077.17	$714.35	$379.19	$323.20
Disadvantaged children qualifying for assistance under title I, ESEA:				
(a) Low income children (age 5 to 17)	367	2,180	7,884	12,967
(b) AFDC supported children	193	314	2,444	0
(c) Neglected and delinquent children	173	0	239	117
(d) Foster home children	43	351	118	188
Total qualifying children	776	2,845	10,685	13,272
Title I entitlement (fiscal year 1967)	$212,531	$503,215	$1,764,669	$1,654,852
Title I entitlement per qualifying disadvantaged child	$274	$177	$166	$125

Source: Office of Education records.

Mr. Chairman, Members reviewing the facts presented in table I will see that distribution of funds prior to fiscal year 1968 was grossly unjust. Those school districts with vast resources and revenue capacity, exemplified by White Plains and Montgomery County, received a bonus from the Federal Government for their wealth. Those districts with the greatest local capacity to assist disadvantaged students received, in many instances, absurdly high allotments from the Federal Government under title I.

In stark contrast, school districts with meager resources, and a floodtide of poor children received a mere trickle of Federal assistance—assistance so insufficient per disadvantaged pupil that educational opportunity was made more disproportionate for the poor wherever they were crowded together.

Wealthy suburban school districts were provided with assistance which they appreciated, no doubt. But the pressing need remained in the poorest districts, and those districts lost ground in their attempt to provide parallel educational opportunity.

If you give a rich man more money than you give a poor man, the poor man is poorer, in comparison, than before the dispensation.

That, in a nutshell, was the situation created by the distribution formula of the ESEA prior to fiscal year 1968. Allotment of funds, per disadvantaged pupil, was an embarrassment and an absurdity.

HAS ANYTHING CHANGED SINCE FISCAL YEAR 1967?

In fairness to the administrators of ESEA, these inequities were recognized quite early. The distribution formula was revised for fiscal year 1968, and the national average of expenditures for education became the "floor" in applying the formula to determine allotments for the school districts.

The States spending less than the national average for education per pupil were programed to receive more money per disadvantaged pupil than they had before.

While extensive statistics are not yet readily available for fiscal year 1968, the following are indicative of the results achieved under the revised method of ESEA title I allotments. I include table II in the RECORD at this point:

TABLE II.—COMPARISON OF 4 SCHOOL DISTRICTS, SELECTED STATISTICS, FISCAL YEAR 1968

	White Plains, Westchester County, N.Y.	Montgomery County, Md.	Oklahoma City, Oklahoma County, Okla.	Mobile, Ala.
Disadvantaged children qualifying for assistance under title ESEA:				
(a) Low income children (age 5 to 17)	367	2,180	6,931	12,967
(b) AFDC supported children	193	485	4,379	0
(c) Neglected and delinquent children	173	37	210	117
(d) Foster home children	43	351	104	188
Total qualifying children	776	3,053	11,624	13,272
Title I entitlement (fiscal year 1968)	$220,696	$492,380	$1,757,979	$2,009,397
Title I entitlement per qualifying disadvantaged child	$284	$161	$151	$151

Source: Office of Education records.

Mr. Chairman, table II shows that good intentions were frustrated. Today, after revision, the results are almost as inequitable as before.

The allotment to each school district per disadvantaged pupil is the real paydirt under this act. That allotment, after all slide-rule manipulations are completed, is the criterion upon which the ESEA title I distribution, and therefore, the effectiveness of the program, should be judged.

The continued comparative poverty of poverty-stricken districts should not be extended by this Congress for 5 full years. There is no justification for such imprecise work.

Mr. Chairman, I urge all Members to vote for a 2-year extension of the ESEA, and then turn to the task of revising this legislation to meet the real need which it is intended to meet.

School districts which have large numbers of disadvantaged children have desperate problems. Upon the administrators of those districts we must depend for the ultimate break in the poverty cycle which has captured so many American families.

The Congress properly addresses itself to upgrading educational opportunity for the very poor. But in our wisdom, we have created a program which has made a mockery of our good intentions. I suggest that a 5-year extension of the ESEA would be an unwarranted perpetuation of an inequity which we have an obligation to eliminate.

Mr. AYRES. Mr. Chairman, in view of the fact that the proposals have been debated quite thoroughly in the past 2 days, and Members are anxious to get on to consideration of the bill, I yield back the remainder of my time.

Mr. PERKINS. Mr. Chairman, I yield the remainder of the time on our side to the distinguished majority leader (Mr. ALBERT).

Mr. ALBERT. Mr. Chairman, I shall try not to take all the time, because I concur with what the distinguished gentleman from Ohio said. The House is anxious to get on with the important business which is before us.

It is my privilege to rise today in support of H.R. 514, a bill to extend the Elementary and Secondary Education Act of 1965.

This legislation has, since its enactment in 1965, been more important to the grade schools and high schools of our Nation than any previous education legislation ever enacted. We cannot today calculate its total impact—for that will be felt in the years to come in the increased earning power and good citizenship of many millions of schoolchildren whose education was in some way significantly improved through the application of funds under the provisions of this act.

It may be the Mexican-American child whose enrollment in a bilingual education program enabled him to keep pace with the English-speaking majority; it may be the deaf child who was reached by a teacher especially trained to understand his needs; it may be the potential dropout who was encouraged to continue his education and obtain his high school diploma.

All of these individuals and many others whose needs have heretofore not been adequately met by the schools because of lack of funds, of skilled teachers or of relevant materials are, and will continue to be, served by the programs under this act.

If ever Congress was faced with an imperative to enact immediately a piece of legislation, that time is now. Although the present act does not expire until 1970, we cannot afford to let it wait until next year for extension. Repeated testimony

and evidence before the Committee on Education and Labor indicate that present late funding means that many schools do not receive their moneys until well after the school year has begun, thus greatly reducing the effectiveness of the legislation.

By extending it now, and extending it for 5 years, we make sure that advance funding is possible, and we will give school officials and administrators a chance to prepare in advance for optimum use of the funds they are to receive.

What is more, they will be able to plan with certainty on an expected amount of income, and will not be forced to cut crucial programs at the last moment, or exclude children from programs already underway, because the appropriations from Washington fell short of what they had expected.

Mr. Chairman, there has been much banter about a 2-year extension being more desirable than a longer extension and a lot of misconceptions have been promoted in support of the effort to cut back this authorization. For example, it is utterly wrong that a longer extension will preclude or result in no congressional consideration of the legislation during the 5-year period.

Largely through the efforts and leadership of the very able and distinguished gentlewoman from Oregon, we engineered through the Congress an extension of the Higher Education Act until June 30, 1971. Yet, at this moment, I am advised that the Special Subcommittee on Education, which she chairs, is in the process of holding hearings on possible amendments to the Higher Education Act.

Three months after ESEA was first enacted—Public Law 89-10—the Congress held hearings and took action on amendments to it—Public Law 89-313.

The Vocational Education Act, as embodied in Smith-Hughes, George-Barden, the Vocational Education Act of 1963, and the Vocational Education Act of 1968, all contain not limited authorizations but permanent authorizations, yet these acts have been the subject of congressional investigations, hearings, and have been amended many times.

The distinguished chairman of the Committee on Education and Labor has personally and publicly advised the Honorable Robert Finch, Secretary of Health, Education, and Welfare, that when the administration comes forth with any amendments or modifications of the Elementary and Secondary Education Act, he will promptly initiate proceedings to entertain them. I am further confident, in view of the statements of the chairman of the committee, that the committee will be bringing to the floor of the House, during the life of this act, legislation to modify and improve the Elementary and Secondary Education Act.

Mr. Chairman, an extension of more than 2 years is imperative if we are to get the most effective educational use of Federal dollars. The committee has held hearings in 1965, 1966, 1967, and again this year, in which it has exhaustively probed the minds of the best education experts in the country. Throughout this wealth of testimony, one common denominator underlies all of their thinking:

First, better planning for the use of Federal dollars.

Second, the securing of qualified personnel, and

Third, the coordination of Federal dollars with local State funds.

Maximum program impact can be obtained if schoolteachers, principals, and school administrators can be assured that Congress really means business and recognizes that the effort contained in the Elementary and Secondary Education Act is a long-range effort and not a temporary venture of the Congress.

The program instability which is occasioned by the ups and downs of congressional action from year to year on this measure creates havoc in local educational planning. The teachers, specialists, and other technical personnel cannot be hired for programs when they have only a 1-year assurance that the program will continue.

Mr. Chairman, I believe the Congress wants to insist upon the wise management of Federal dollars going into education, but the overwhelming weight of evidence indicates that we preclude this with short-term authorizations.

In addition to extending the Elementary and Secondary Education Act, H.R. 514 also extends Public Laws 815 and 874, the impacted area aid laws. These important laws have been providing assistance to school districts, suddenly and severely overburdened with a school-age population to be educated as a result of Federal activities in the area, since their enactment in 1950. Public Law 815 provides assistance for school construction, and Public Law 874 provides funds for operation and maintenance. Payments to local educational agencies are based on the existence of Federal property in or within reasonable commuting distance of a school district where children reside with their parents or on which the parents are employed. These payments are intended to compensate the school district for loss of revenue from untaxed property. Today, there are many school districts which receive a major portion of their budget from the funds allotted under Public Law 874, and thus the law plays a substantial role in providing a good education for the Nation's school children, many of whose families provide substantial service to their Government in the Armed Forces.

Mr. Chairman, this bill is needed. I am sure that the gentlewoman from Oregon was right when she said much more is needed than this bill offers. Surely, we can do no less today for the schoolchildren of America than what the great Committee on Education and Labor proposes here.

Mr. PERKINS. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by title the substitute committee amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Elementary and Secondary Education Amendments of 1969".

TITLE I—EXTENSION AND AMENDMENT OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

EXTENSION OF TITLE I OF ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 101. (a) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out "June 30, 1970" and inserting in lieu thereof "June 30, 1975".

(b) Section 121(d) of title I of the Elementry and Secondary Education Act of 1965 is amended to read as follows:

"(d) For the purpose of making grants under this part there are authorized to be appropriated not in excess of $50,000,000 for the fiscal year ending June 30, 1969, and for each of the six succeeding fiscal years."

(c) The third sentence of section 103(a)(1)(A) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out "for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,".

(d) The second sentence of section 103(c) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out "years ending June 30, 1968, June 30, 1969, and June 30, 1970," and inserting in lieu thereof "year ending June 30, 1968, and for each succeeding fiscal year,".

DESIGNATION OF RESPONSIBILITY FOR PROVISION OF SPECIAL EDUCATIONAL SERVICES FOR INSTITUTIONALIZED NEGLECTED OR DELINQUENT CHILDREN

SEC. 203. (a) Section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following sentence: "Notwithstanding the foregoing provisions of this paragraph, upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children, described in clause (C) of the first sentence of this paragraph, who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency which does assume such responsibility shall be eligible to receive such portion of the allocation."

(b) Section 103(d) of such Act is amended by adding at the end thereof the following new sentence: "For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children."

REQUIRING GRANTS FOR MIGRATORY CHILDREN TO BE BASED ON THE NUMBER TO BE SERVED

SEC. 104. (a) The first sentence of paragraph (6) of section 103(a) of title I of the Elementary and Secondary Education Act of 1965 is, effective with the first allocation of funds pursuant to such title by the Commissioner after the date of enactment of this Act, amended to read as follows: "A State educational agency which has submitted and had approved an application under section 105(c) for any fiscal year shall be entitled to receive a grant for that year under this part, based on the number of migratory children of migratory agricultural workers to be served, for establishing or improving programs for such children."

(b) The second sentence thereof is amended by striking "shall be" the first time it appears and inserting in lieu thereof "may be made".

USE OF MOST RECENT DATA UNDER TITLE I

SEC. 105. (a) The third sentence of section 103(d) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting immediately before the period at the end thereof the following: "or, to the extent that such data are not available to him before April 1 of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination".

(b) Section 103(e) of such title is amended by inserting the following after "during the second fiscal year preceding the fiscal year for which the computation is made": "(or, if satisfactory data for that year are not available at the time of computation, then during the earliest preceding fiscal year for which satisfactory data are available)".

CONTENT OF STATE AND LOCAL EDUCATIONAL AGENCY REPORTS

SEC. 196. (a) The parenthetical phrase in clause (A) of section 106(a)(3) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting "and of research and replication studies" immediately before the closing parenthesis.

(b) Section 105(a)(7) of such title is amended by striking out "in such form and containing such information, as may be reasonably necessary" and inserting in lieu thereof "in accordance with specific performance criteria related to program objectives".

STATE ADVISORY COUNCILS

SEC. 107. Part A of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"STATE ADVISORY COUNCILS

"SEC. 109. (a) Any State which desires to receive payments under this part for any fiscal year shall establish a State advisory council within its State educational agency for the purpose of advising such agency in all matters relating to the carrying out of this title within the State. The State advisory council shall be appointed by the Governor or, in the case of States in which the State educational agency is a State board of education the members of which are elected, then by such board.

"(b) The State advisory council established pursuant to subsection (a) shall be broadly representative of the educational resources of the State and of the public. Representation on the State advisory council shall include, but not be limited to, persons representative of—

"(1) public and nonprofit private elementary and secondary schools,

"(2) institutions of higher education, and

"(3) area of educational competence dealing with children qualified for special educational assistance under this title.

"(c) The State advisory council shall—

"(1) advise the State educational agency on the preparation of, and policy matters arising in the administration of, State and local educational programs including the development of criteria for approval of applications in such State;

"(2) review and make recommendations to the State educational agency on the action to be taken with respect to applications for grants by local educational agencies;

"(3) evaluate programs and projects assisted under this title;

"(4) prepare and submit through the State educational agency a report of its activities, recommendations, and evaluations, together with such additional comments as the State educational agency deems appropriate, to the Commissioner and to the National Advisory Council on the Education of Disadvantaged Children established pursuant to this title, at such times, in such form, and in such detail, as the Secretary may prescribe; and

"(5) obtain such professional, technical, and clerical assistance as may be necessary to carry out its functions under this title."

STAGGERED TERMS FOR NATIONAL ADVISORY COUNCIL ON EDUCATION OF DISADVANTAGED CHILDREN; TECHNICAL ASSISTANCE

SEC. 108. (a) Section 134(a) of such title is amended by striking out ", within ninety days after the enactment of this title,".

(b) The second sentence of subsection (b) of such section is amended to read as follows: "Such members shall be appointed for terms of three years, except that (1) in the case of the initial members appointed after January 20, 1969, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only."

(c) Such section is further amended by redesignating subsection (e) as subsection (f) and by inserting immediately after subsection (d) the following new subsection:

"(e) The Council is authorized, without regard to the civil service laws, to engage such secretarial, clerical, and technical assistance as may be required to carry out its functions, and to this end up to one-fortieth of 1 per centum of any appropriations for grants under this title will be available for this purpose."

(d) Subsection (f) of such section (as so redesignated by the preceding subsection) is amended by striking out "annual report" and inserting in lieu thereof "annual reports" and by striking out "to be made not later than January 31, 1969".

TECHNICAL AMENDMENT

SEC. 109. Section 107(b)(2) of such title is amended by striking out "Wake Island,".

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: Strike out everything after the enacting clause and insert in lieu thereof:

"TITLE I—EXTENSION AND AMENDMENT OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE I OF ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 101. (a) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'June 30, 1970' and inserting in lieu thereof 'June 30, 1972'.

"(b) Section 121(d) of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"'(d) For the purpose of making grants under this part there are authorized to be appropriated not in excess of $50,000,000 for the fiscal year ending June 30, 1969, and for each of the three succeeding fiscal years.'

"(c) The third sentence of section 103(a)(1)(A) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(d) The second sentence of section 103(c) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'years ending June 30, 1968, June 30, 1969, and June 30, 1970,' and inserting in lieu thereof 'year ending June 30, 1968, and for each succeeding fiscal year,'.

"DESIGNATION OF RESPONSIBILITY FOR PROVISION OF SPECIAL EDUCATIONAL SERVICES FOR INSTITUTIONALIZED NEGLECTED OR DELINQUENT CHILDREN

"SEC. 103. (a) Section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following sentence: 'Notwithstanding the foregoing provisions of this paragraph, upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children, described in clause (C) of the first sentence of this paragraph, who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency which does assume such responsibility shall be eligible to receive such portion of the allocation.'

"(b) Section 103(d) of such Act is amended by adding at the end thereof the following new sentence: 'For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.'

"REQUIRING GRANTS FOR MIGRATORY CHILDREN TO BE BASED ON THE NUMBER TO BE SERVED

"SEC. 104. (a) The first sentence of paragraph (6) of section 103(a) of title I of the Elementary and Secondary Education Act of 1965 is, effective with the first allocation of funds pursuant to such title by the Commissioner after the date of enactment of this Act, amended to read as follows: 'A State educational agency which has submitted and had approved an application under section 105(c) for any fiscal year shall be entitled to receive a grant for that year under this part, based on the number of migratory children of migratory agricultural workers to be served, for establishing or improving programs for such children.'

"(b) The second sentence thereof is amended by striking 'shall be' the first time it appears and inserting in lieu thereof 'may be made'.

"USE OF MOST RECENT DATA UNDER TITLE I

"SEC. 105. (a) The third sentence of section 103(d) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting immediately before the period at the end thereof the following: 'or, to the extent that such data are not available to him before April 1 of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination'.

"(b) Section 103(e) of such title is amended by inserting the following after 'during the second fiscal year preceding the fiscal year for which the computation is made': '(or, if satisfactory data for that year are not available at the time of computation, then during the earliest preceding fiscal year for which satisfactory data are available)'.

"CONTENT OF STATE AND LOCAL EDUCATIONAL AGENCY REPORTS

"SEC. 106. (a) The parenthetical phrase in clause (A) of section 106(a)(3) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting 'and of research and replication studies' immediately before the closing parenthesis.

"(b) Section 105(a)(7) of such title is amended by striking out 'in such form and containing such information, as may be reasonably necessary' and inserting in lieu thereof 'in accordance with specific performance criteria related to program objectives'.

"STAGGERED TERMS FOR NATIONAL ADVISORY COUNCIL ON EDUCATION OF DISADVANTAGED CHILDREN; TECHNICAL ASSISTANCE

"SEC. 107. (a) Section 134(a) of such title is amended by striking ', within ninety days after the enactment of this title,'.

"(b) The second sentence of subsection (b) of such section is amended to read as follows: 'Such members shall be appointed for terms of three years, except that (1) in the case of the initial members appointed after January 20, 1969, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only.'

"(c) Such section is further amended by redesignating subsection (a) as subsection (f) and by inserting immediately after subsection (d) the following new subsection:

"'(e) The Council is authorized, without regard to the civil service laws, to engage such secretarial, clerical, and technical assistance as may be required to carry out its functions, and to this end up to one-fortieth of 1 per centum of any appropriations for grants under this title will be available for this purpose.'

"(d) Subsection (f) of such section (as so redesignated by the preceding subsection) is amended by striking out 'annual report' and inserting in lieu thereof 'annual reports' and by striking out 'to be made no later than January 31, 1969'.

"SALARY BONUSES FOR TEACHERS IN SCHOOLS WITH HIGH CONCENTRATIONS OF EDUCATIONALLY DEPRIVED CHILDREN

"SEC. 108. Section 105(a)(1) is amended by inserting 'payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools eligible for assistance under this section' after 'including the acquisition of equipment,'.

"TECHNICAL AMENDMENT

"SEC. 109. Section 107(b)(2) of such title is amended by striking out 'Wake Island,'.

"TITLE II—EXTENSION OF TITLE II OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 201. (a) Section 201(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"(b) Section 202(a)(1) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(c) Section 204(b) of such Act is amended by striking out 'for any fiscal year ending prior to July 1, 1970,'.

"TITLE III—EXTENSION AND AMENDMENT OF TITLE III OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE III

"SEC. 301. (a) Section 301(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years', and by striking out 'two' in the last sentence and inserting in lieu thereof 'four'.

"(b) The third sentence of section 302(a)(1) of such Act is amended by striking out 'for each fiscal year ending prior to July 1, 1969,'.

"(c) Clause (2) of section 307(b) of such Act is amended by striking out 'during the fiscal year ending June 30, 1970' and inserting in lieu thereof 'for any fiscal year ending after June 30, 1969'.

"PROVISIONS TO ASSURE PARTICIPATION BY ALL ELIGIBLE STUDENTS

"SEC. 302. Section 307 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"'(f)(1) In any State which has a State plan approved under section 305 and in which no State agency is authorized by law to provide, or in which there is a substantial failure to provide, for effective participation on an equitable basis in programs authorized by this part by children and teachers in any one or more elementary or secondary schools of such State in the area or areas served by such programs, the Commissioner shall arrange for the provision, on an equitable basis, of such programs and shall pay the costs thereof for any fiscal year, out of that State's allotment. The Commissioner may arrange for such programs through contracts with institutions of higher education, or other competent nonprofit institutions or organizations.

"'(2) In determining the amount to be withheld from any State's allotment for the provision of such programs, the Commissioner shall take into account the number of children and teachers in the area or areas served by such programs who are excluded from participation therein and who, except for such exclusion, might reasonably have been expected to participate.'

"TITLE IV—EXTENSION OF TITLE V OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 401. Section 501(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out '$80,000,000 each for the fiscal years ending June 30, 1969, and June 30, 1970' and inserting in lieu thereof '$80,000,000 for the fiscal year ending June 30, 1969, and for each of the three succeeding fiscal years'.

"TITLE V—EXTENSION AND AMENDMENT OF TITLE VI OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AND OF OTHER ACTS RELATING TO EDUCATION OF THE HANDICAPPED

"EXTENSION OF TITLE VI OF THE ACT

"SEC. 501. (a) Section 602 of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"(b) Section 603(a)(1)(B) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the succeeding fiscal year,'.

"EXTENDING AUTHORITY FOR REGIONAL RESOURCE CENTERS FOR THE IMPROVEMENT OF THE EDUCATION OF HANDICAPPED CHILDREN

"SEC. 502. Section 608(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"CENTERS AND SERVICES FOR DEAF-BLIND CHILDREN

"SEC. 503. Section 609(j) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"RECRUITMENT OF PERSONNEL AND INFORMATION ON EDUCATION OF THE HANDICAPPED

"SEC. 504. Section 610(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out 'two' and inserting in lieu thereof 'four'.

"EXTENSION OF AUTHORIZATION FOR GRANTS FOR TEACHING IN THE EDUCATION OF HANDICAPPED CHILDREN; TRAINING OF SUBPROFESSIONAL PERSONNEL

"SEC. 505. (a) Section 7 of the Act of September 6, 1958 (Public Law 926, Eighty-fifth Congress, 20 U.S.C. 617), is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"(b) The second sentence of the first section of such Act (20 U.S.C. 611) is amended (1) by striking out 'professional or advanced' before 'training', and (2) by striking out 'specialists' before 'providing special services' and inserting in lieu thereof 'special personnel'.

"EXTENSION OF AUTHORIZATION FOR RESEARCH IN EDUCATION OF THE HANDICAPPED

"SEC. 506. The first sentence of section 302(a) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 20 U.S.C. 618), is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"EXTENSION OF AUTHORIZATIONS AND TECHNICAL AMENDMENTS IN PROVISIONS FOR TRAINING OF PHYSICAL EDUCATORS AND RECREATION PERSONNEL FOR MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

"SEC. 597. (a)(1) Section 501(b) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 42 U.S.C. 2698), is amended by inserting after '1970,' the following 'and for each of the two succeeding fiscal years,'.

"(2) Section 501(a) of such Act is amended by striking out 'professional or advanced' before 'training', and by inserting 'educators or' before 'supervisors'.

"(b)(1) Section 502(a)(1) of such Act (42 U.S.C. 2698a) is amended by striking out 'two' and inserting in lieu thereof 'four'.

"(2) Section 502(a)(1) of such Act is further amended by (A) striking out so much of the sentence as follows 'organizations,' and (B) inserting in lieu thereof 'and to make contracts with States, State or local educational agencies, public and private institutions of higher learning, and other public or private educational or research agencies and organizations, for research and related purposes (as defined in section 302(1) of this Act) relating to physical education or recreation for mentally retarded and other handicapped children (as defined in section 302(a) of this Act), and to conduct research, surveys, or demonstrations relating to physical education or recreation for such children.'.

"TITLE VI—EXTENSION AND AMENDMENT OF TITLE VII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF BILINGUAL EDUCATION PROGRAMS

"SEC. 601. Section 703(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"APPLICATION TO INDIANS ON RESERVATIONS

"SEC. 602. (a) Section 705 of the Elementary and Secondary Education Act of 1965 is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection immediately after subsection (b):

"'(c) From the sums appropriated pursuant to section 703, the Commissioner may also make payments to the Secretary of the Interior for elementary and secondary school programs to carry out the policy of section 702 with respect to individuals on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. The terms upon which payments for that purpose may be made to the Secretary of the Interior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702.'

"(b) Section 706(a) of such Act is amended by inserting the following before the period at the end thereof: 'or, in the case of payments to the Secretary of the Interior, an amount determined pursuant to section 705(c)'.

"TITLE VII—EXTENSION AND AMENDMENT OF TITLE VIII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF AUTHORIZATION FOR DROPOUT PREVENTION PROGRAMS

"SEC. 701. Section 807(c) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"REVISION OF FEDERAL ADMINISTRATION SECTION

"SEC. 702. Section 803(c) of the Elementary and Secondary Education Act of 1965 is amended by striking out '(1)' and by striking out everything after 'by such other departments and agencies' and inserting in lieu thereof the following: ', Federal departments and agencies administering programs which may be effectively coordinated with programs carried out under this Act or any Act amended by this Act, including community action programs carried out under Title II of the Economic Opportunity Act of 1964, shall, to the fullest extent permitted by other applicable law, carry out such programs in such a manner as to assist in carrying out, and to make more effective, the programs under this Act or any Act amended by this Act.'

"TITLE VIII—EXTENSION AND AMENDMENT OF IMPACTED AREAS PROGRAMS

"EXTENSION OF IMPACTED AREAS PROGRAMS

"SEC. 801. (a)(1) Section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out 'June 30, 1970' and inserting in lieu thereof 'June 30, 1972'.

"(2) Section 15(15) of such Act is amended by striking out '1965–1966' and inserting in lieu thereof '1967–1968'.

"(b) Sections 2(a), 3(b), and 4(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), are each amended by striking out '1970' wherever it occurs and inserting in lieu thereof '1972'.

"EXTENSION OF SCHOOL ASSISTANCE IN DISASTER AREAS

"SEC. 802. (a) Section 16(a)(1)(A) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1972'.

"(b) Section 7(a)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1972'.

"ASSISTANCE FOR THE MAINTENANCE AND OPERATION OF SCHOOLS, BASED ON CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSING

"SEC. 803. (a) Title I of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended, effective July 1, 1969, by adding at the end thereof the following new section:

"'ASSISTANCE FOR CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSING

"'SEC. 8. (a) Subject to the reduction provided for in subsection (b), each local educational agency shall be entitled to receive for each fiscal year ending before July 1, 1972, an amount equal to the product of—

"'(1) one-half the number of children (other than children with respect to whom the agency is entitled to receive a payment under section 3) who were in average daily attendance at the schools of the agency, and for whom such agency provided free public education, during such fiscal year and who, while in attendance at such schools, resided in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, and

"'(2) the local contribution rate (as determined under section 3(d)) for such agency.

"'(b) The amount to which a local educational agency is entitled under subsection (a) for a fiscal year shall be reduced by the amount it received from payments made by the public housing agency for such year under section 10(h) of the United States Housing Act of 1937 on account of such low-rent housing.

"'(c) If the funds appropriated for making the payments provided in this section are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this section for such year, the amount so appropriated shall be available for payment of a percentage of the amount to which each local educational agency is entitled under this section, such percentage to be equal to the percentage which the amount so appropriated is of the amount to which all such agencies are entitled under this section. In case additional funds become available for carrying out this section, the additional funds shall be paid by the Commissioner on the same basis as is provided above for the initial allocation.'

"(b)(1) Section 5(a) of such Act is amended by striking out 'or 4' and inserting in lieu thereof '4, or 8'.

"(2) The first sentence of section 5(c) of such Act is amended by inserting after 'this title' both times it appears the following: '(other than section 8)'.

"COUNTING CHILDREN IN FEDERALLY ASSISTED PUBLIC HOUSING FOR PURPOSES OF CONSTRUCTION ASSISTANCE IN FEDERALLY IMPACTED AREAS

"SEC. 804. (a) Section 1 of the Act of September 23, 1950 (20 U.S.C. 631), is amended by striking out the second sentence and inserting in lieu thereof the following: 'There is hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a) and for carrying out the provisions of sections 9 and 10. There is also authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraph (4) of section 5(a).'

"(b) Section 3 of such Act is amended by striking out 'or (3)' in the first sentence and inserting in lieu thereof '(3), or (4)', and by striking out the second sentence and inserting in lieu thereof the following: 'The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a). He shall also by regulation prescribe a separate order of priority to be followed in approving applications on the basis of the number of children in an increase under paragraph (4) of section 5(a). The orders of priority so established shall be followed in the event the funds appropriated under the second sentence or under the third sentence of section 1 and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds appropriated under the second sentence or the third sentence, as the case may be, of subsection (a) of section 1 have not already been obligated.)'

"(c) Paragraph (4) of section 5(a) of such Act is amended to read as follows:

"'(4) the estimated increase, since the base year, in the number of children in the membership of schools of such agency residing in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated.'

"(d) Section 5(b) of such Act is amended (1) by striking out 'the paragraphs' and inserting in lieu thereof 'paragraphs (1), (2), and (3)', and (2) by adding at the end thereof the following new sentence: 'If paragraph (1), (2), or (3) of subsection (a) applies to a child to whom paragraph (4) also applies, then only paragraphs (1), (2), and (3) shall be deemed to apply to such child, except that paragraph (4) shall apply to such child if the local educational agency was not eligible for payments for the increase period on account of children counted under paragraphs (1), (2), and (3).'

"(e) Section 5(c) of such Act is amended (1) by striking out 'or (3)' and inserting '(3), or (4)', and (2) by striking out 'or (2)' and inserting ', (2), or (4)'.

"(f) Section 5(f) of such Act is amended by striking out 'or (3)' and inserting '(3), or (4)'.

"(g) The amendments made by this section shall become effective July 1, 1969. For purposes of sections 5(a)(4) and 5(f) of such Act of September 23, 1950, the number of children in the membership of a local educational agency residing in low-rent housing assisted under the United States Housing Act of 1937 located in the school district of the local educational agency during the years of the base period preceding such effective date shall be determined by the Commissioner on the basis of estimates.

"TITLE IX—MISCELLANEOUS

"EXTENSION OF ADULT EDUCATION PROGRAM

"SEC. 901. Section 314 of the Adult Education Act of 1966 (title III of Public Law 89–750) is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"REQUIRING REPORTS TO CONGRESS WITH RESPECT TO CONTRACTS FOR EVALUATIONS

"SEC. 902. Section 402 of the Elementary and Secondary Education Amendments of 1967 is amended by inserting '(a)' after 'SEC. 402.' and by adding at the end thereof the following new subsection:

"'(b) No later than July 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 401, a report containing (1) a brief description of each contract or grant for evaluation of a program or programs referred to in section 401 (whether or not such contract or grant was made under this section), any part of the performance under which occurred during the preceding fiscal year, (2) the name of the firm or individual who is to carry out the evaluation, and (3) the amount to be paid under the contract or grant.'

"JOINT FUNDING

"SEC. 903. Pursuant to regulations prescribed by the President, where funds are advanced by the Office of Education and one or more other Federal agencies for a project or any activity funded in whole or in part under a statute for the administration of which the Commissioner of Education has responsibility (either as provided by statute or by delegation), any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.

"RULEMAKING REQUIREMENTS

"SEC. 904. No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act may take effect

until thirty days after it is published in the Federal Register.

"INDIRECT COSTS AMENDMENT

"SEC. 905. The Elementary and Secondary Act of 1965 is amended by adding the following new section at the end thereof:

"'INDIRECT COSTS

"'SEC. 808. Local educational agencies are authorized to use organized and systematic approaches in determining cost collection, cost measurement, and cost reporting as may be required by this Act: Provided, That such conform generally to the concept of reimbursement procedures prescribed by the Bureau of the Budget in circular numbered A–21 (revised) as in effect on March 1, 1969.'

"PROGRAM CONSOLIDATION

"SEC. 906. The Elementary and Secondary Education Act of 1965 is further amended by adding a new title as follows:

"'TITLE IX—CONSOLIDATION OF SPECIAL STATE-GRANT PROGRAMS

"'APPROPRIATIONS AUTHORIZED

"'SEC. 901. (a) The Commissioner shall carry out a program for making grants to the States for the uses and purposes set forth in section 903 of this title.

"'(b) For the purpose of making grants under this title, there are hereby authorized to be appropriated the sum of $1,000,000,000 for the fiscal year ending June 30, 1971, and for the succeeding fiscal year.

"'ALLOTMENTS TO STATES

"'SEC. 902. (a)(1) There is hereby authorized to be appropriated for each fiscal year for the purposes of this paragraph an amount equal to not more than 3 per centum of the amount appropriated for such year for payments to States under section 901(b). From the amount appropriated for any fiscal year pursuant to the preceding sentence the Commissioner shall allot (A) among Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands an amount determined by him according to their respective needs for assistance under this title, and (B) to (i) the Secretary of the Interior the amount necessary to provide programs and projects for the purposes of this title for individuals on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior, and (ii) the Secretary of Defense the amount necessary for such assistance for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payments for such purpose shall be made to the Secretary of Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"'(2) From the sums appropriated for carrying out this title for any fiscal year pursuant to section 901 (b), the Commissioner shall allot to each State an amount which bears the same ratio to the total of such sums as the number of children aged five to seventeen, inclusive, in that State bears to the total number of such children in all the States. The amount allotted to any State under the preceding sentence for any fiscal year which is less than its aggregate base year allotment shall be increased to an amount equal to such aggregate, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being reduced to less than its aggregate base year allotment. For the purposes of this subsection, (A) the term "aggregate base year allotment" with respect to a State means the sum of the allotments to that State, for the fiscal year ending June 30, 1969, under titles II and III of this Act and part A of title III and part A of title V of the National Defense Education Act of 1958; (B) the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; and (C) the number of children aged five to seventeen, inclusive, in each State and in all of the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"'(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to section 901 shall be deemed part of its allotment under subsection (a) for such year.

"'USES OF FEDERAL FUNDS

"'SEC. 903(a) It is the purpose of this title to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs formerly authorized by titles II and III of the Elementary and Secondary Education Act of 1965 and by titles III–A and V–A of the National Defense Education Act, and except as expressly modified by this title, Federal funds may be used for the purchase of the same kinds of equipment and materials and the funding of the same types of programs previously authorized by those titles.

"'(b) Grants under this title may be used, in accordance with State plans approved under section 906, for

"'(1) the provision of library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials for the use of children and teachers in public and private elementary and secondary schools of the State;

"'(2) the provision of supplementary educational centers and services to stimulate and assist in the provision of vitally needed educational services not available in sufficient quantity or quality, and to stimulate and assist in the development and establishment of exemplary public and private elementary and secondary school educational programs to serve as models of regular school programs; and

"'(3) programs for testing students in the public and private elementary and secondary schools and in junior colleges and technical institutes in the State, and programs designed to improve guidance and counseling services at the appropriate levels in such schools.

"'(c) In addition to the uses specified in subsection (b), funds appropriated for carrying out this title may be used for—

"'(1) proper and efficient administration of the State plan;

"'(2) obtaining technical, professional, and clerical assistance and the services of experts and consultants to assist the advisory council authorized by this title in carrying out its responsibilities; and

"'(3) evaluation of plans, programs, and projects, and dissemination of the results thereof.

"'PARTICIPATION OF PUPILS AND TEACHERS IN NONPUBLIC SCHOOLS

"'SEC. 904. (a) Except with respect to uses described in subsection (c), funds appropriated pursuant to section 901 shall be utilized only for programs which provide for the effective participation on an equitable basis of children and teachers in private elementary and secondary schools in the State which comply with the compulsory attendance laws of the State or are otherwise recognized by it through some procedure customarily used in the State.

"'(b) In order to facilitate the policy set forth in subsection (a) the State educational agency shall take appropriate action to provide liaison with private elementary and secondary school officials in the State.

"'(c) The State educational agency, in approving applications of local educational agencies for programs and projects funded under this Act, shall assure that in the planning of such programs and projects there has been, and in the establishment and carrying out thereof there will be, suitable involvement of private elementary and secondary school officials in the area to be served by such programs or projects.

"'PUBLIC CONTROL OF LIBRARY RESOURCES AND INSTRUCTIONAL EQUIPMENT AND TYPES WHICH MAY BE MADE AVAILABLE; PROHIBITION OF USE FOR RELIGIOUS INSTRUCTION OR WORSHIP

"'SEC. 905. (a) Title to library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials furnished pursuant to this title, and control and administration of their use, shall vest only in a public agency.

"'(b) The library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials made available pursuant to this title for use of children and teachers in any school in any State shall be limited to those which have been approved by an appropriate State or local educational authority or agency for use, or are used, in a public elementary or secondary school of that State, and provision for the participation of private school pupils and teachers shall not include the construction or remodeling of private school facilities.

"'(c) The library resources, textbooks, instructional materials and equipment, and educational services of all kinds made available pursuant to this title shall be used only for secular purposes and for instruction in secular studies and the use of such resources, textbooks, materials and equipment, or educational services for religious instruction or in connection with religious worship is expressly prohibited.

"'STATE PLANS

"'SEC. 906. (a) Any State which desires to receive grants under this title shall submit to the Commissioner, through its State educational agency, a State plan, in such detail as the Commissioner deems necessary, which—

"'(1) designates the State educational agency (which may act either directly or through arrangements with other State or local public agencies) as the sole agency for administration of the State plan;

"'(2) sets forth a program under which funds paid to the State from its allotment under section 901 will be expended solely by public agencies and only for the purposes set forth in section 903;

"'(3) provides assurances satisfactory to the Commissioner that the requirements of sections 904 and 905 will be effectively carried out and sets forth in such detail as the Commissioner may deem necessary the criteria, methods, and procedures to be utilized in meeting these requirements;

"'(4) provides assurances that the funds allocated for each of the uses authorized for section 903 shall not be less than 50 per centum of the State allotment for fiscal year 1969 for each such use under titles III–A and V–A of the National Defense Education Act and titles II and III of the Elementary and Secondary Education Act of 1965;

"'(5) provides that not less than 15 per centum of funds allocated for supplementary educational centers and services shall be used for special programs or projects for the education of handicapped children;

"'(6) takes into consideration the relative need, as determined from time to time, of the children and teachers of the State for the services, materials, and equipment provided under this title, sets forth principles for achieving an equitable distribution of assistance under this title giving appropriate consideration to (A) the geographic distribution and density of population within the State and (B) the relative need of children and teachers in different geographic areas and within different population groups in the State for the assistance provided under this title, and for determining the priority of applications in the State for such assistance, and provides for approving such applications in the order so determined;

"'(7) provides for adoption of effective procedures (A) for the evaluation, at least annually, of the effectiveness of programs and projects supported under the State plan, (B) for appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects, and (C) for adopting, where appropriate, promising educational practices developed through such programs or projects;

"'(8) contains the necessary certification of the State advisory council established pursuant to the requirements of section 907(b);

"'(9) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year (A) will not be commingled with State funds and (B) will be so used as to supplement and, to the extent practical, increase the fiscal effort (determined in accordance with criteria prescribed by the Commissioner, by regulation) that would, in the absence of such Federal funds, be made by the applicant for educational purposes;

"'(10) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this title;

"'(11) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the extent to which funds provided under this title have been effective in improving the educational opportunities of persons in the areas served by the programs or projects supported under the State plan and in the State as a whole, including reports of evaluations made in accordance with objective measurements under the State plan pursuant to paragraph (7), and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"'(12) provides that final action with respect to any application (or amendment thereof) regarding the proposed final disposition thereof shall not be taken without first affording the local educational agency or agencies submitting such application reasonable notice and opportunity for a hearing; and

"'(13) contains satisfactory assurance that, in determining the eligibility of any local educational agency for State aid or the amount of such aid, grants to that agency under this title shall not be taken into consideration.

"'(b) The Commissioner may, if he finds that a State plan for any fiscal year is in substantial compliance with the requirements set forth in subsection (a), approve that part of the plan which is in compliance with such requirements and make available (pursuant to section 908) to that State that part of the State's allotment which he determines to be necessary to carry out that part of the plan so approved. The remainder of the amount which such State is eligible to receive under this section may be made available to such State only if the unapproved portion of that State plan has been so modified as to bring the plan into compliance with such requirements: *Provided*, That the amount made available to a State pursuant to this subsection shall not be less than 50 per centum of the maximum amount which the State is eligible to receive under this section.

"'(c)(1) The Commissioner shall not finally disapprove any plan submitted under subsection (a), or any modification thereof, without first affording the State educational agency submitting the plan reasonable notice and opportunity for a hearing.

"'(2) Whenever the Commissioner, after reasonable notice and opportunity for hearings to any State educational agency, finds that there has been a failure to comply substantially with any requirement set forth in the approved plan of that State or with any requirement set forth in the application of a local educational agency approved pursuant to such plan, the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this title, or payments by the State educational agency under this title shall be limited to local educational agencies not affected by the failure, as the case may be.

"'(3)(A) If any State is dissatisfied with the Commissioner's final action with respect to the approval of a plan submitted under subsection (a) or with his final action under paragraph (2), such State may, within sixty days after notice of such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28, United States Code.

"'(B) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make a new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings.

"'(C) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"'STATE ADVISORY COUNCIL

"'SEC. 907(a). Any State desiring to receive payments to carry out a State plan under this title shall establish a State Advisory Council (hereinafter referred to as "the Council") which shall—

"'(1) be appointed by the State educational agency, and be broadly representative of the cultural and educational resources of the State and of the general public, including persons representative of—

"'(A) public elementary and secondary schools,

"'(B) private elementary and secondary schools,

"'(C) urban education,

"'(D) rural education,

"'(E) higher education, including junior and community colleges,

"'(F) the State library system, and

"'(G) areas of professional competence in dealing with children needing special education because of physical or mental handicaps;

"'(2) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan, including development of criteria for the allocation of funds within the State and the approval of applications under such State plan;

"'(3) assist the State educational agency in evaluating programs and projects assisted under this title;

"'(4) prepare and submit through the State educational agency a report of its activities and recommendations, together with such additional comments as the State educational agency may deem appropriate, to the Commissioner and to the National Advisory Council, established pursuant to this title, at such time, in such form, and in such detail as the Secretary may prescribe; and

"'(5) obtain such professional, technical, and clerical assistance as may be necessary to carry out its functions under this title.

"'(b) The Commissioner shall not approve a State plan submitted under section 906 unless it is accompanied by a certification of the Chairman of the Council that such plan has been reviewed by the Council. Such certification shall be accompanied by such comments as the Council or individual members thereof deem appropriate, and shall indicate whether the plan meets with the approval of the Council and, if not, the reasons for its disapproval. Upon the disapproval of a State plan by the Council the Commissoner shall not approve such plan until he has afforded the Council or its designated representative an opportunity for a hearing.

"'PAYMENTS TO STATES

"'SEC. 908. (a)(1) From each State's allotment under section 902 (or the part thereof made available to the State under section 906(b)) for any fiscal year the Commissioner shall pay to that State, if it has in effect a State plan approved pursuant to section 906 for that fiscal year, an amount equal to the amount expended by the State for the uses referred to in section 903 (a) and (b) in accordance with its State plan.

"'(2) The Commissioner is further authorized to pay each State, from its allotment for any fiscal year, amounts necessary for the activities described in section 903(c), except that the total of such payments pursuant to this paragraph shall not exceed 7½ per centum of its allotment for that year or $175,000 ($60,000 in the case of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), whichever is greater.

"'(b) In any State which has a State plan approved under section 906 and in which no State agency is authorized by law to provide library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, or audiovisual equipment and materials for the use of children and teachers in any one or more elementary or secondary schools in such State, the Commissioner shall arrange for the provision on an equitable basis of such library resources, textbooks, other instructional materials, laboratory and other instructional equipment, or audiovisual equipment and material for such use and shall pay the cost thereof for any fiscal year out of that State's allotment.

"'(c)(1) In any State which has a State plan approved under section 906 and in which no State agency is authorized by law to provide, or in which there is a substantial

failure to provide, testing or counseling and guidance services, or to provide for effective participation in supplementary educational centers and service, for the use of children and teachers in any one or more elementary or secondary schools of such State, the Commissioner shall arrange for the provision on an equitable basis of such service or services and shall pay the cost thereof for any fiscal year out of that State's allotment.

"'(2) In determining the amount to be withheld from any State's allotment for the provision of such services, the Commissioner shall take into account the number of children and teachers in the area or areas served by such programs who are excluded from participation therein and who, except for such exclusion, might reasonably have been expected to participate; the Commissioner may arrange for such services through contracts with institutions of higher education or other competent institutions or organizations, or by other appropriate methods.

"'RECOVERY OF PAYMENTS

"'SEC. 909. If within twenty years after completion of any construction for which Federal funds have been paid under this title—

"'(a) the owner of the facility shall cease to be a State or local educational agency, or

"'(b) the facility shall cease to be used for the educational and related purposes for which it was constructed, unless the Commissioner determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court or the district in which the facility is situated.

"'NATIONAL ADVISORY COUNCIL

"'SEC. 910 (a) The President shall, by January 31, 1970, appoint a National Advisory Council on Educational Assistance which shall—

"'(1) review the administration of, general regulations for, and operation of this title, including its effectiveness in meeting the purposes set forth in section 903;

"'(2) review, evaluate, and transmit to the Congress and the President its evaluation of the reports submitted pursuant to sections 906(a)(11) and 907(a)(4);

"'(3) evaluate programs and projects carried out under this title, and disseminate the results thereof; and

"'(4) make recommendations for the improvement of this title, and its administration and operation.

"'(b) The Council shall be appointed by the President without regard to the civil service laws and shall consist of twelve members, a majority of whom shall be broadly representative of the educational and cultural resources of the United States including at least one person who has professional competence in the area of education of handicapped children. Such members shall be appointed for terms of three years except that (1) in the case of the initial members, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only. When requested by the President, the Secretary of Health, Education, and Welfare shall engage such technical and professional assistance as may be required to carry out the functions of the Council, and shall make available to the Council such secretarial, clerical and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

"'(c) The Council shall make an annual report of its findings and recommendations (including recommendations for changes in the provisions of this title) to the President and the Congress not later than January 20 of each year. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report.

"'(d) Members of the Council who are not regular full-time employees of the United States shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the President, but not exceeding $100 per day, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"'LABOR STANDARDS

"'SEC. 911. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).'

"TECHNICAL AND CONFORMING AMENDMENTS

"SEC. 19. Title VIII of the Elementary and Secondary Education Act is amended by inserting at the end of section 801, 'Definitions', the following:

"(1) The term 'laboratory and other instructional equipment and audiovisual equipment and materials' means equipment and materials (other than supplies consumed in use) suitable for use in providing education in science, mathematics, history, civics, geography, economics, industrial arts, modern foreign languages, English, or reading (or, when available and suitable, for instruction in other subjects not involving religious instruction or worship if there exists a critical need therefor in the judgment of local school authorities) in public and private elementary or secondary schools, or both, and testgrading equipment for such schools and specialized equipment for audiovisual libraries serving such schools, and minor remodeling of laboratory or other space used for such materials or equipment in public elementary or secondary schools.

"USE OF FUNDS AVAILABLE UNDER AUTHORIZATIONS CONSOLIDATED BY THIS ACT

"SEC. 907. Title VIII of the Elementary and Secondary Education Act is amended by adding thereto the following new section:

"'CONSOLIDATION OF PROGRAMS

"'SEC. 809. Funds appropriated pursuant to the following authorizations shall be considered as funds appropriated pursuant to section 901 of the Elementary and Secondary Education Act of 1965, as amended by this Act:

"'(1) Section 301 of the National Defense Education Act of 1958 (as amended);

"'(2) Section 501 of the National Defense Education Act of 1958 (as amended);

"'(3) Section 201 of the Elementary and Secondary Education Act of 1965; and

"'(4) Section 301 of the Elementary and Secondary Education Act of 1965.'"

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read, printed in the RECORD, and open to amendment at any point.

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

Mr. CAREY. Mr. Chairman, reserving the right to object, I have taken this occasion to reserve the right to object for the purpose of asking the gentlewoman from Oregon (Mrs. GREEN) or the gentleman from Minnesota (Mr. QUIE) in behalf of those of us on this side who are concerned with the language in the substitute amendment, if they would let us have a copy of this substitute amendment?

Further reserving the right to object, Mr. Chairman, I am sure the gentleman from Minnesota knows what the substitute amendment contains, but we do not, and we certainly have the right to know what is contained in it. It used to be that those offering such amendments would give us copies of them a day or so before they were presented on the floor.

Mr. QUIE. I learned my experience 2 years ago.

Mr. CAREY. The gentleman means it is better to grope in the dark than come forth to the light?

Mr. QUIE. I recall what the gentleman did 2 years ago.

Mr. CAREY. Would the gentleman clarify that last statement, or does the gentleman mean that the gentleman did not succeed 2 years ago because the House knew what he was doing?

Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The CHAIRMAN. The gentlewoman from Oregon (Mrs. GREEN) is recognized for 5 minutes in support of her amendment.

(Mrs. GREEN of Oregon asked and was given permission to proceed for 5 additional minutes.)

Mrs. GREEN of Oregon. Mr. Chairman, we have tried to make copies of this substitute available. A copy was given to the chairman and, in fact, there are two or three copies at the desk there. We have made as many copies available as we had the time to do in drawing up the bill.

Mr. Chairman, during the next few minutes I hope to spell out the exact changes that have been made in the committee bill.

May I say first of all, this substitute bill is cosponsored on a truly bipartisan basis by the gentleman from Ohio (Mr. AYRES), the gentleman from Minnesota (Mr. QUIE), and by two former Democratic members of the Committee on Education and Labor—the gentleman from Georgia, (Mr. LANDRUM) and the gentleman from Connecticut (Mr. GIAIMO), two people who were extremely hardworking members during the years they served on the Committee on Education and Labor—two gentlemen who are very knowledgeable about bills enacted by this Congress and two people who share my concern about the proliferation of educational programs.

The gentleman from Nebraska, I be-

lieve, made reference to about 110 or 111, somewhere in that neighborhood, of Federal bills that have been enacted by Congress. May I suggest that since those statistics were gathered, there probably have been an additional 75 or 80 bills. Now we are to the place where there are close to 200 different kinds of educational bills—bills with different matching requirements, bills with different formulas specifying certain categories where aid should be given.

So, Mr. Chairman, the five of us in offering this bill today on a truly bipartisan basis do so because of our deep concern about the proliferation of programs, and because of the increased amount of paperwork required at State and local levels, and endless hours that have to be spent by people, already busy enough, to fill out forms and in filling out all kinds of reports.

Mr. Chairman, we also share a concern about the increased concentration of direction here in Washington. The amendments we have made to the committee bill go directly to those two concerns. They go directly to the proliferation of programs, and we hope that we can at least make a start, even though a small one, toward the coordination of some of these programs, particularly in terms of local and State planning and in terms of allocation of funds from the Federal Government to the States.

Mr. Chairman, the other amendments address the point of decreasing Federal direction of individual school districts and States in regard to the categories and ways in which funds shall be spent.

May I make special note that the Congress ought to give high priority to the number of advisory committees that we are establishing throughout the Department of Health, Education, and Welfare and also as to the use of consultants.

This ought to be an item of high priority on the agenda of the Committee on Education and Labor.

May I also say to my colleagues that certain changes Secretary Finch recommended were put in the committee bill and are also in this bill. Other recommendations made by Secretary Finch to the committee when he appeared before it have been deleted from the substitute bill, especially a group of amendments that we considered extremely obnoxious.

This, may I say, goes to the establishment of a new advisory committee for every single local school district. This is on top of all the other advisory committees that we have.

In the committee bill there is a provision that every school district must, because of Federal law, depend upon the local advisory committee. And reference was made to maximum feasible participation.

This language, may I remind my colleagues, is in the Office of Economic Opportunity legislation, that is the war-on-poverty legislation in title II.

Let me make perfectly clear, first of all, what this substitute bill does not do. It does not make any change, and may I repeat, it does not make any change whatsoever in the Federal impact provisions of the bill except as far as the extension of time is concerned, to June 1972.

All the rest of the bill on impacted aid is identical to the committee bill. It does not make any change in the title I formula for the distribution of funds to the States. The only change it makes in title I is to permit local school boards to give teachers in disadvantaged areas a salary bonus as an incentive to obtain and keep good teachers in the schools that most need them.

We are all aware of the tremendous turnover of teachers in the ghetto schools, in the schools that are most difficult. Yesterday I referred to the fact that our classrooms are turning into battlefields, into battlegrounds. Teachers cannot teach and children cannot learn where this is the case. So yesterday I referred to this as combat pay. I repeat the figures for those who were not here yesterday; 131,000 teachers left the education profession in 1968, not including those who retired. Also, of the newly trained people, 79,000 people who had considered teaching a desirable profession, at least desirable enough to spend 4 or 5 years of their lives in preparing for it, 79,000 new teachers that prepared for it, when they got to the door of the classroom, decided that they did not want to go into teaching.

Statements and reports have been made that this shortage of qualified teachers is the most critical problem facing American education today. So we make a provision in title I that some of these funds—if the school district, and only if the school district, wants to use it for teachers in the most disadvantaged areas—can be used as bonus pay.

Let me now outline some of the changes that the substitute bill does make:

First. It extends the act to June 30, 1972. This is actually a 3-year extension from this time, and it is a 2-year extension of the authorizations. In the committee bill it actually extends the time for 6 years, and as I pointed out yesterday, it extends it to 1975. This is not only beyond the life of the Nixon administration but, as I suggested yesterday, it goes 2½ years into the Democratic administration to be elected in 1973.

May I also say that the committee bill that extends the public law for 6 years forecloses any serious possibility of a major revision. What if we decided to make revisions? The Senate is not required to do it. They do not have to take up the bill if they do not want to. One person in the Senate, the chairman of the committee, or someone else, could thwart any serious consideration of review as far as a change in the law is concerned.

I say the things that are happening to our schools, the changes that are occuring so rapidly, are too serious not to demand that Congress review the law and to make the desirable changes.

Second. It has been argued that if we extend the legislation for 6 years, it will bring stability, that it will allow school districts to engage in long-range planning. May I suggest to this committee that if this bill is extended for 6 years or 10 years or 20 years, it will not offer one bit of stability. It will not offer one single bit of long-range planning, because the thing that makes it impossible for school districts to have any long-range planning is the appropriation, and we do not make appropriations 5 years in advance. We do not make appropriations 10 years in advance. School districts have found that even though we have authorized a higher level of spending each year, we have decreasing amounts of money. They cannot plan. They must cut back every single year, a year at a time. So I suggest that is not a legitimate argument for the extension of the bill for 6 years.

Third. The substitute bill eliminates the committee bill's unnecessary and pernicious requirement that the Commissioner of Education from Washington force every school board in the country to set up local advisory councils to superintend the work school boards themselves are elected or chosen to do.

This provision is not found in title I, but in title VIII of the committee bill. It is not found in the substitute bill, because we have deleted that section from the substitute bill.

Fourth. The substitute bill permits the local school boards to use a portion of title I funds if they so choose, as I said a moment ago, as a bonus for teachers.

The CHAIRMAN. The time of the gentlewoman from Oregon has expired.

(By unanimous consent, Mrs. GREEN of Oregon was allowed to proceed for 5 additional minutes.)

Mrs. GREEN of Oregon. Next, Mr. Chairman, it amends title VIII of ESEA to remove the requirement that local school boards clear the title I school programs with local community action agencies and instead requires other Federal education programs be coordinated with programs carried on by the schools.

This would eliminate much needless delay and a great deal of pointless controversy in the development of school programs for disadvantaged children.

May I say to my colleagues in the House I really invite their attention to this, and I had not read the guidelines until about 2 weeks ago when I was home in my own city of Portland, we did not intend this in the law when we passed this. But let me read from the guidelines offered by HEW. Any Member of Congress can get a copy of it:

> In any area where a community action program under Title II of the Economic Opportunity Act of 1964 is in effect, any project under Title I of the Elementary and Secondary Education Act must be developed in cooperation with the public or non-profit agency responsible for the community action program.

Mr. Chairman, what has happened in the enforcement of this provision? The Office of Education has sent to every school district in the country a requirement—and I am going to ask later to insert this in the RECORD—in a sheet of paper which requires the community action agency to approve of the title I expenditure of funds by the local school board.

I consider this to be an outrage. I insert the entire letter which I received from the Portland schools in the RECORD:

PORTLAND PUBLIC SCHOOLS,
Portland, Oreg., April 11, 1969.

Hon. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: In our discussion on April 10 of some problems connected with acquiring ESEA Title I funds I mentioned the delays caused by the necessity to get written approval by the Metropolitan Steering Committee (CAA). A copy of the form which requires Community Action Agency approval is attached as you requested. Related here are actions taken to get the necessary approval from CAA for proposals developed for the 1967-68 school year and the original proposal for the 1968-69 school year.

August 25, 1967—First proposal was completed and sent to the Metropolitan Steering Committee. Proposal preparation committee included members of CAA. As suggested on the back of the form, its return was requested by September 11.

September 25, 1967—Having heard nothing from the CAA, I called to request either positive or negative reaction to the proposals. The forms and proposals I had sent earlier had been lost so I sent them again.

October 9, 1967—No response from CAA. I requested State Department of Education to approve proposals without CAA approval which they are allowed to do.

November 22, 1967—Following repeated phone calls, CAA approved proposals and returned signed form.

December 20, 1967—Congress passed appropriation bill. Additional Title I funds became available thereby since original proposal was designed to fit 80% anticipated level.

January 31, 1968—Exact amount of additional allotment was made known to us by State Department of Education requiring new proposals for expenditures. Obviously, money was to be spent on summer schools since allotment could not be received until April.

March 25, 1968—Proposal for summer activities expanding additional allotment was sent to State Department and CAA. CAA approval was requested by April 12. CAA members helped prepare proposal.

April 29, 1968—Called CAA office to request approval or some kind of response. CAA requested 30 additional copies of proposal and new forms since others had been misplaced.

May 10, 1968—I met with CAA sub-committee as requested to discuss summer proposals. Two members of sub-committee of five showed up and gave verbal approval. They said they would see that proposal was approved at May 15 meeting of CAA.

May 15, 1968—Approval was on CAA agenda but chairman failed to ask for report. No action.

May 16, 1968—I requested State Department to approve summer proposals without CAA approval so that personnel could be hired. Granted.

June 26, 1968—CAA signed approval form received. Program had already started operation.

1968-69 PROPOSAL

August 26, 1968—Proposal completed and sent to CAA with proper form. Reply requested by September 13.

September to November—Same process as 1967-68.

November 20, 1968—Final approval by CAA.

These notes may be of value to you. It was a pleasure meeting with you when you were in Portland.

Sincerely,

CLIFFORD W. WILLIAMS,
Director, Special Curriculum Projects.

The Portland schools drew up their plans under all criteria under title I of the Elementary and Secondary Education Act, and on August 1, 1967, they submitted that plan to the local community action agency, and it was 8 months before the community action agency cleared it.

This brings instability into the program, and this was in the committee bill. The committee did nothing about it. The substitute does not require a local school district to have a community action agency clear the program.

Mr. WAGGONNER. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, does not the gentlewoman's substitute—and this is repetitious—the substitute which the gentlewoman has offered remove the requirement in existing law that makes it mandatory on the part of local elected school boards to get approval in writing from community action agencies as part of the poverty program before they can expend any title I ESEA money, which is the title of that bill supposedly to help the disadvantaged children?

Mrs. GREEN of Oregon. The gentleman is absolutely correct. Congress would speak and say to the Office of Education: "You cannot any longer require local school districts to clear their title I programs with the local community action agency."

Let me tell Members what happened in Portland. The Portland School Board, elected by all the people, drew up their plans for title I programs, and then they were required, according to these guidelines, to submit it to the local community action agency, which is only in one small part of the city. And the community action agency has to give their approval. I consider this an outrage.

Next, Mr. Chairman, may I say finally that the substitute bill provides a new administrative device for combining four existing State programs, title III(a) and V(a) of NDEA and II and III of ESEA, into a single State grant for the four purposes already outlined in the present law, but administered under a single State plan approved by the Commissioner of Education.

In the two NDEA titles there is a matching formula. We eliminate this, so they are all Federal grants to the local districts.

May I also insert in the RECORD a letter from the Governor's conference, the executive director of that conference, dated April 21, 1969. I will read the letter and the resolution which is an enclosure to it.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., April 21, 1969.

Hon. EDITH GREEN,
Washington, D.C.

DEAR MRS. GREEN: I would like to convey to you the views of the Governors as to the need to consolidate the various categorical federal educational programs. At the 1968 Annual Meeting of the National Governors' Conference, the Governors unanimously expressed their concern for the present fragmentation and overlapping in the present federal educational grant-in-aid programs. In a resolution that the Governors passed unanimously, they asked the Congress to enact a comprehensive program of federal aid to education which embraces both general and categorical aids. This would include major participation at the state level in policy formulation, full advance funding and maximum administrative simplification of application, allocation and accounting procedures.

At the Mid-Year Meeting of the Governors held here in Washington in February of this year, the Governors again unanimously requested consolidation of the large number of categorical grants in the human resources areas.

The large number of categories of grant-in-aid programs to the states is a major concern to Governors as they attempt to relate the federal aid to education to the efforts being made by the states to provide financial assistance to local school districts.

The amendments which I understand will be considered on the floor of the House during debate on H.R. 514 to extend the Elementary and Secondary Education Act would combine certain categorical programs which could best be administered and planned for if combined under one title of the Elementary and Secondary Education Act.

In closing, it should be made clear that the Governors recognize the need for the U.S. Congress to emphasize the needs of the disadvantaged and to express other federal priorities. However, the expression of these priorities by Congress should not create such administrative and accounting burdens on state and local educational agencies that the resources at the state and local level are dissipated by the administration of a large number of categorical aid programs and away from the children who need the assistance which broader categories of aid could just as adequately accomplish.

Sincerely,

ALLEN C. JENSEN,
Special Assistant.

XXII. FEDERAL AID TO EDUCATION

Whereas, state control of education and federal participation in its support are essential and compatible elements of a nationwide educational policy, and joint policy formulation which makes possible both continued state control of education and maximum utilization of national resources to meet national priorities is the only way to assure a true "partnership" approach; and

Whereas, *general aid* is needed for accomplishing broad educational purposes and assuring maximum flexibility of state application of these funds to state problems; and

Whereas, at the same time, *categorical aids* are needed as a necessary and complimentary part of the general support program for public schools; and

Whereas, the present multiplicity of categorical aid programs, often designed without adequate participation by the receiving states, are notoriously fragmented, overlapping and over specialized; funding of these programs is inadequate, late, and uncertain; administrative practices with respect to application for and approval of the many specialized grant programs are almost totally unsatisfactory, both from the standpoint of the state education systems and the U.S. Office of Education itself:

Now, therefore, be it resolved that the Congress should enact a comprehensive program of federal aid to education which embraces both general and categorical aids, a program characterized by major participation at the state level in policy formulation, full advance funding, and maximum administrative simplification of application, allocation, and accounting procedures; and

Be it further resolved that, concurrently, states should move legislatively and administratively to strengthen the capacity of their state education agencies to plan for and utilize such federal funds as are made available, and should support state legislation designed to increase the productivity of state financial efforts through broadening, equalizing, and assuring the effective administrative management of state tax sources.

The CHAIRMAN. The time of the gentlewoman from Oregon has again expired.

Mrs. GREEN of Oregon. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

Mr. PERKINS. Mr. Chairman, I wish to offer a substitute amendment.

The CHAIRMAN. The gentlewoman from Oregon has requested unanimous consent to proceed for 3 additional minutes.

Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Chairman, I continue to read the letter:

The governors unanimously voted to express their concern about the fragmentation of Federal educational grant-in-aid programs, and at the mid-year meeting of the governors held here in Washington in February of 1969 the governors again unanimously requested consolidation of the large number of categorical grants in the human resources area.

The Governors, Republicans and Democrats alike, unanimously expressed their concern about this proliferation of large numbers of programs.

Now, the new title, Mr. Chairman, makes only two substantive changes in the existing programs. First, it eliminates the matching requirements, as I suggested, from the two NDEA titles to conform with the pattern of the Elementary and Secondary Education Act; and second, it provides for the loan of instructional equipment such as microscopes, projectors, and so on, for use in private schools in exactly the same way that library materials, films and film strips, and so forth, are already loaned under the law, under title II of ESEA.

It has never made sense to me to say to the private schools, "You can borrow from the public agency filmstrips and film material but you cannot borrow the projector to use them."

We simply say that the projector may also be loaned to the private school.

These changes do nothing more than to bring a needed uniformity of administration and a uniformity of treatment of the nonpublic schools, into virtually identical Federal grant programs.

I wish to emphasize, Mr. Chairman, that all four of these programs to be combined have the following characteristics—all four of them:

First. They are all State grant programs in which the amount of the grant is figured on a population basis.

Second. They are all administered by the State education agencies under a State plan approved by the Commissioner of Education.

Third. They are all distributed to local schools within each State on the basis of priorities and assessments of need determined by the State educational agencies.

Fourth. They all have virtually identical requirements for accounting and other administrative procedures.

Fifth. They are solely for the benefit of elementary and secondary schools.

So they are four titles which lend themselves to a coordinated program, which the Governors and educators across the country are asking for. It just does not make any sense to me to have four separate programs with four separate sets both of Federal and State administrative and accounting procedures, and four separate applications at the local level, when a single program with a single set of administrative procedures can accomplish the identical objectives and in the process give the States and local school authorities a lot more flexibility and freedom in meeting their needs in terms of these four specific purposes.

Mr. Chairman, I urge the adoption of the amendment in the nature of a substitute, because I believe it will help enormously in resolving the two national problems I mentioned earlier: the proliferation of the programs, and Federal control from Washington, D.C.

The CHAIRMAN. The time of the gentlewoman from Oregon has expired.

SUBSTITUTE AMENDMENT OFFERED BY MR. PERKINS FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mr. PERKINS. Mr. Chairman, I offer a substitute amendment for the so-called Green of Oregon amendment in the nature of a substitute.

The Clerk read as follows:

Substitute amendment offered by Mr. PERKINS for the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Elementary and Secondary Education Amendments of 1969'.

"TITLE I —EXTENSION AND AMENDMENT OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE I OF ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 101. (a) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'June 30, 1970' and inserting in lieu thereof 'June 30, 1973.'

"(b) Section 121(d) of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"'(d) For the purpose of making grants under this part there are authorized to be appropriated not in excess of $50,000,000 for the fiscal year ending June 30, 1969, and for each of the four succeeding fiscal years.'

"(c) The third sentence of section 103(a)(1)(A) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(d) The second sentence of section 103(c) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'years ending June 30, 1968, June 30, 1969, and June 30, 1970,' and inserting in lieu thereof 'year ending June 30, 1968, and for each succeeding fiscal year,'.

"DESIGNATION OF RESPONSIBILITY FOR PROVISION OF SPECIAL EDUCATIONAL SERVICES FOR INSTITUTIONALIZED NEGLECTED OR DELINQUENT CHILDREN

"SEC. 103. (a) Section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following sentence: 'Notwithstanding the foregoing provisions of this paragraph, upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children, described in clause (C) of the first sentence of this paragraph, who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency which does assume such responsibility shall be eligible to receive such portion of the allocation.'

"(b) Section 103(d) of such Act is amended by adding at the end thereof the following new sentence: 'For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.'

"REQUIRING GRANTS FOR MIGRATORY CHILDREN TO BE BASED ON THE NUMBER TO BE SERVED

"SEC. 104 (a) The first sentence of paragraph (6) of section 103(a) of title I of the Elementary and Secondary Education Act of 1965 is, effective with the first allocation of funds pursuant to such title by the Commissioner after the date of enactment of this Act, amended to read as follows: 'A State educational agency which has submitted and had approved an application under section 105(c) for any fiscal year shall be entitled to receive a grant for that year under this part, based on the number of migratory children of migratory agricultural workers to be served, for establishing or improving programs for such children.'

"(b) The second sentence thereof is amended by striking 'shall be' the first time it appears and inserting in lieu thereof 'may be made'.

"USE OF MOST RECENT DATA UNDER TITLE I

"SEC. 105. (a) The third sentence of section 103(d) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting immediately before the period at the end thereof the following: 'or, to the extent that such data are not available to him before April 1 of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination'.

"(b) Section 103(e) of such title is amended by inserting the following after 'during the second fiscal year preceding the fiscal year for which the computation is made': '(or, if satisfactory data for that year are not available at the time of computation, then during the earliest preceding fiscal year for which satisfactory data are available)'.

"CONTENT OF STATE AND LOCAL EDUCATIONAL AGENCY REPORTS

"SEC. 106. (a) The parenthetical phrase in clause (A) of section 106(a)(3) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting 'and of research and replication studies' immediately before the closing parenthesis.

"(b) Section 105(a)(7) of such title is amended by striking out 'in such form and containing such information, as may be reasonably necessary" and inserting in lieu thereof "in accordance with specific performance criteria related to program objectives".

"STAGGERED TERMS FOR NATIONAL ADVISORY COUNCIL ON EDUCATION OF DISADVANTAGED CHILDREN; TECHNICAL ASSISTANCE

"SEC. 108. (a) Section 134(a) of such title is amended by striking out ', within ninety days after the enactment of this title,'.

"(b) The second sentence of subsection (b) of such section is amended to read as follows: 'Such members shall be appointed for terms of three years, except that (1) in the case of the initial members appointed after January 20, 1969, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the un-

expired portion of any term shall be for such portions only.'

"(c) Such section is further amended by redesignating subsection (e) as subsection (f) and by inserting immediately after subsection (d) the following new subsection:

"'(e) The Council is authorized, without regard to the civil service laws, to engage such secretarial, clerical, and technical assistance as may be required to carry out its functions, and to this end up to one-fortieth of 1 per centum of any appropriations for grants under this title will be available for this purpose.'

"(d) Subsection (f) of such section (as so redesignated by the preceding subsection) is amended by striking out 'annual report' and inserting in lieu thereof 'annual reports' and by striking out 'to be made not later than January 31, 1969'.

"TECHNICAL AMENDMENT

"SEC. 109. Section 107(b)(2) of such title is amended by striking out 'Wake Island,'.

TITLE II—EXTENSION OF TITLE II OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC 201. (a) Section 201(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the three succeeding fiscal years'.

"(b) Section 202(a)(1) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(c) Section 204(b) of such Act is amended by striking out 'for any fiscal year ending prior to July 1, 1970,'.

"TITLE III—EXTENSION AND AMENDMENT OF TITLE III OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE III

"SEC. 301. (a) Section 301 (b) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the three succeeding fiscal years', and by striking out 'two' in the last sentence and inserting in lieu thereof 'five'.

"(b) The third sentence of section 302(a)(1) of such Act is amended by striking out 'for each fiscal year ending prior to July 1, 1969,'.

"(c) Clause (2) of section 307(b) of such Act is amended by striking out 'during the fiscal year ending June 30, 1970,' and inserting in lieu thereof 'for any fiscal year ending after June 30, 1969'.

"PROVISIONS TO ASSURE PARTICIPATION BY ALL ELIGIBLE STUDENTS

"SEC. 302. Section 307 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"'(f)(1) In any State which has a State plan approved under section 305 and in which no State agency is authorized by law to provide, or in which there is a substantial failure to provide, for effective participation on an equitable basis in programs authorized by this part by children and teachers in any one or more elementary or secondary schools of such State in the area or areas served by such programs, the Commissioner shall arrange for the provision, on an equitable basis, of such programs and shall pay the costs thereof for any fiscal year, out of that State's allotment. The Commissioner may arrange for such programs through contracts with institutions of higher education, or other competent nonprofit institutions or organizations.

"'(2) In determining the amount to be withheld from any State's allotment for the provision of such programs, the Commissioner shall take into account the number of children and teachers in the area or areas served by such programs who are excluded from participation therein and who, except for such exclusion, might reasonably have been expected to participate.'

"TITLE IV—EXTENSION OF TITLE V OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 401. Section 501(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out '$80,000,000 each for the fiscal years ending June 30, 1969, and June 30, 1970' and inserting in lieu thereof '$80,000,000 for the fiscal year ending June 30, 1969, and for each of the four succeeding fiscal years'.

"TITLE V—EXTENSION AND AMENDMENT OF TITLE VI OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AND OF OTHER ACTS RELATING TO EDUCATION OF THE HANDICAPPED

"EXTENSION OF TITLE VI OF THE ACT

"SEC. 501. (a) Section 602 of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the three succeeding fiscal years'.

"(b) Section 603(a)(1)(B) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the succeeding fiscal year,'.

"EXTENDING AUTHORITY FOR REGIONAL RESOURCE CENTERS FOR THE IMPROVEMENT OF THE EDUCATION OF HANDICAPPED CHILDREN

"SEC. 502. Section 608(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the three succeeding fiscal years'.

"CENTERS AND SERVICES FOR DEAF-BLIND CHILDREN

"SEC. 503. Section 609(j) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the three succeeding fiscal years'.

"RECRUITMENT OF PERSONNEL AND INFORMATION ON EDUCATION OF THE HANDICAPPED

"SEC. 504. Section 610(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out 'two' and inserting in lieu thereof 'five'.

"EXTENSION OF AUTHORIZATION FOR GRANTS FOR TEACHING IN THE EDUCATION OF HANDICAPPED CHILDREN; TRAINING OF SUBPROFESSIONAL PERSONNEL

"SEC. 505. (a) Section 7 of the Act of September 6, 1958 (Public Law 926, Eighty-fifth Congress, 20 U.S.C. 617), is amended by inserting after '1970' the following: ', and for each of the three succeeding fiscal years'.

"(b) The second sentence of the first section of such Act (20 U.S.C. 611) is amended (1) by striking out 'professional or advanced' before 'training', and (2) by striking out 'specialists' before 'providing special services' and inserting in lieu thereof 'special personnel'.

"EXTENSION OF AUTHORIZATION FOR RESEARCH IN EDUCATION OF THE HANDICAPPED

"SEC. 506. The first sentence of section 302(a) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 20 U.S.C. 618), is amended by inserting after '1970,' the following: 'and for each of the three succeeding fiscal years,'.

"EXTENSION OF AUTHORIZATIONS AND TECHNICAL AMENDMENTS IN PROVISIONS FOR TRAINING OF PHYSICAL EDUCATORS AND RECREATION PERSONNEL FOR MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

"SEC. 507. (a)(1) Section 501(b) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 42 U.S.C. 2698), is amended by inserting after '1970,' the following 'and for each of the three succeeding fiscal years,'.

"(2) Section 501(a) of such Act is amended by striking out 'professional or advanced' before 'training', and by inserting 'educators or' before 'supervisors'.

"(b)(1) Section 502(a)(1) of such Act (42 U.S.C. 2698a) is amended by striking out 'two' and inserting in lieu thereof 'five'.

"(2) Section 502(a)(1) of such Act is further amended by (A) striking out so much of the sentence as follows 'organizations,' and (B) inserting in lieu thereof 'and to make contracts with States, State or local educational agencies, public and private institutions of higher learning, and other public or private educational or research agencies and organizations, for research and related purposes (as defined in section 302(1) of this Act) relating to physical education or recreation for mentally retarded and other handicapped children (as defined in section 302(a) of this Act), and to conduct research, surveys, or demonstrations relating to physical education or recreation for such children.'.

"TITLE VI—EXTENSION AND AMENDMENT OF TITLE VII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF BILINGUAL EDUCATION PROGRAMS

"SEC. 601. Section 703(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the three succeeding fiscal years'.

"APPLICATION TO INDIANS ON RESERVATIONS

"SEC. 602. (a) Section 705 of the Elementary and Secondary Education Act of 1965 is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection, immediately after subsection (b):

"'(c) From the sums appropriated pursuant to section 703, the Commissioner may also make payments to the Secretary of the Interior for elementary and secondary school programs to carry out the policy of section 702 with respect to individuals on reservations services by elementary and secondary schools operated for Indian children by the Department of the Interior. The terms upon which payments for that purpose may be made to the Secretary of the Interior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702.'

"(b) Section 706(a) of such Act is amended by inserting the following before the period at the end thereof: 'or, in the case of payments to the Secretary of the Interior, an amount determined pursuant to section 705(c)'.

"TITLE VII—EXTENSION OF TITLE VIII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"REVISION OF FEDERAL ADMINISTRATION SECTION

"SEC. 701. Section 803(c) of the Elementary and Secondary Education Act of 1965 is amended by striking out '(1)' and by striking out everything after 'by such other departments and agencies' and inserting in lieu thereof the following: '. Federal departments and agencies administering programs which may be effectively coordinated with programs carried out under this Act or any Act amended by this Act, including community action programs carried out under title II of the Economic Opportunity Act of 1964, shall, to the fullest extent permitted by other applicable law, carry out such programs in such a manner as to assist in carrying out, and to make more effective, the programs under this Act or any Act amended by this Act.'

"EXTENSION OF AUTHORIZATION FOR DROPOUT PREVENTION PROGRAMS

"SEC. 702. Section 807(c) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970,' the follow-

ing: 'and for each of the three succeeding fiscal years,'.

"TITLE VIII—EXTENSION AND AMENDMENT OF IMPACTED AREAS PROGRAMS

"EXTENSION OF IMPACTED AREAS PROGRAMS

"SEC. 801. (a)(1) Section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out 'June 30, 1970' and inserting in lieu thereof 'June 30, 1973'.

"(2) Section 15(15) of such Act is amended by striking out '1965–1966' and inserting in lieu thereof '1968–1969'.

"(b) Sections 2(a), 3(b), and 4(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), are each amended by striking out '1970' wherever it occurs and inserting in lieu thereof '1973'.

"EXTENSION OF SCHOOL ASSISTANCE IN DISASTER AREAS

"SEC. 802. (a) Section 16(a)(1)(A) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1973'.

"(b) Section 7(a)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1973'.

"ASSISTANCE FOR THE MAINTENANCE AND OPERATION OF SCHOOLS, BASED ON CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSNG

"SEC. 803. (a) Title I of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended, effective July 1, 1969, by adding at the end thereof the following new section:

"'ASSISTANCE FOR CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSING

"'SEC. 8. (a) Subject to the reduction provided for in subsection (b), each local educational agency shall be entitled to receive for each fiscal year ending before July 1, 1973, an amount equal to the product of—

"'(1) one-half the number of children (other than children with respect to whom the agency is entitled to receive a payment under section 3) who were in average daily attendance at the schools of the agency, and for whom such agency provided free public education, during such fiscal year and who, while in attendance at such schools, resided in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, and

"'(2) the local contribution rate (as determined under section 3(d) for such agency.

"'(b) The amount to which a local educational agency is entitled under subsection (a) for a fiscal year shall be reduced by the amount it received from payments made by the public housing agency for such year under section 10(h) of the United States Housing Act of 1937 on account of such low-rent housing.

"'(c) If the funds appropriated for making the payments provided in this section are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this section for such year, the amount so appropriated shall be available for payment of a percentage of the amount to which each local educational agency is entitled under this section, such percentage to be equal to the percentage which the amount so appropriated is of the amount to which all such agencies are entitled under this section. In case additional funds become available for carrying out this section, the additional funds shall be paid by the Commissioner on the same basis as is provided above for the initial allocation.'

"(b)(1) Section 5(a) of such Act is amended by striking out 'or 4' and inserting in lieu thereof '4, or 8'.

"(2) The first sentence of section 5(c) of such Act is amended by inserting after 'this title' both times it appears the following: '(other than section 8)'.

"COUNTING CHILDREN IN FEDERALLY ASSISTED PUBLIC HOUSING FOR PURPOSES OF CONSTRUCTION ASSISTANCE IN FEDERALLY IMPACTED AREAS

"SEC. 804. (a) Section 1 of the Act of September 23, 1950 (20 U.S.C. 631), is amended by striking out the second sentence and inserting in lieu thereof the following: 'There is hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a) and for carrying out the provisions of sections 9 and 10. There is also authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraph (4) of section 5(a).'

"(b) Section 3 of such Act is amended by striking out 'or (3)' in the first sentence and inserting in lieu thereof '(3), or (4)', and by striking out the second sentence and inserting in lieu thereof the following: 'The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a). He shall also by regulation prescribe a separate order of priority to be followed in approving applications on the basis of the number of children in an increase under paragraph (4) of section 5(a). The orders of priority so established shall be followed in the event the funds appropriated under the second sentence or under the third sentence of section 1 and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds appropriated under the second sentence or the third sentence as the case may be, of subsection (a) of section 1 have not already been obligated).'

"(c) Paragraph (4) of section 5(a) of such Act is amended to read as follows:

"'(4) the estimated increase, since the base year, in the number of children in the membership of schools of such agency residing in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated.'

"(d) Section 5(b) of such Act is amended (1) by striking out 'the paragraphs' and inserting in lieu thereof 'paragraphs (1), (2), and (3)', and (2) by adding at the end thereof the following new sentence: 'If paragraph (1), (2), or (3) of subsection (a) applies to a child to whom paragraph (4) also applies, then only paragraphs (1), (2), and (3) shall be deemed to apply to such child, except that paragraph (4) shall apply to such child if the local educational agency was not eligible for payments for the increase period on account of children counted under paragraphs (1), (2), and (3).'

"(e) Section 5(c) of such Act is amended (1) by striking out 'or (3)' and inserting '(3), or (4)', and (2) by striking out 'or (2)' and inserting ', (2), or (4)'.

"(f) Section 5(f) of such Act is amended by striking out 'or (3)' and inserting '(3), or (4)'.

"(g) The amendments made by this section shall become effective July 1, 1969. For purposes of sections 5(a)(4) and 5(f) of such Act of September 23, 1950, the number of children in the membership of a local educational agency residing in low-rent housing assisted under the United States Housing Act of 1937 located in the school district of the local educational agency during the years of the base period preceding such effective date shall be determined by the Commissioner on the basis of estimates.

"TITLE IX—MISCELLANEOUS

"EXTENSION OF ADULT EDUCATION PROGRAM

"SEC. 901. Section 314 of the Adult Education Act of 1966 (title III of Public Law 89–750) is amended by inserting after '1970,' the following: 'and for each of the three succeeding fiscal years,'.

"REQUIRING REPORTS TO CONGRESS WITH RESPECT TO CONTRACTS FOR EVALUATIONS

"SEC. 902. Section 402 of the Elementary and Secondary Education Amendments of 1967 is amended by inserting '(a)' after 'SEC. 402." and by adding at the end thereof the following new subsection:

"'(b) No later than July 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 401, a report containing (1) a brief description of each contract of grant for evaluation of a program or programs referred to in section 401 (whether or not such contract or grant was made under this section), any part of the performance under which occurred during the preceding fiscal year, (2) the name of the firm or individual who is to carry out the evaluation, and (3) the amount to be paid under the contract or grant.'

"JOINT FUNDING

"SEC. 903. Pursuant to regulations prescribed by the President, where funds are advanced by the Office of Education and one or more other Federal agencies for a project or other activity funded in whole or in part under a statute for the administration of which the Commissioner of Education has responsibility (either as provided by statute or by delegation), any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.

"RULEMAKING REQUIREMENTS

"SEC. 904. No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act may take effect until thirty days after it is published in the Federal Register.

"INDIRECT COSTS AMENDMENT

"SEC. 905. The Elementary and Secondary Education Act of 1965 is amended by adding the following new section at the end thereof:

"'INDIRECT COSTS

"'SEC. 808. Local educational agencies are authorized to use organized and systematic approaches in determining cost collection, cost measurement, and cost reporting as may be required by this Act: *Provided*, That such conform generally to the concept of reimbursement procedures prescribed by the Bureau of the Budget in circular numbered A–21 (revised) as in effect on March 1, 1969.'"

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be con-

sidered as read and printed in the RECORD.

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

Mr. WAGGONNER. Reserving the right to object, may I ask is it possible to have a copy of this proposed change?

Mr. PERKINS. Yes. We will see that you get a copy.

Mr. WAGGONNER. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

(By unanimous consent, Mr. PERKINS was allowed to proceed for 15 additional minutes.)

Mr. PERKINS. Mr. Chairman, I regret that the gentlewoman from Oregon did not offer the amendments that she complained about in the Education and Labor Committee. She certainly had the opportunity. I think that we all know here today that legislation this comprehensive should not be written in this kind of haste on the floor of this House. Never in the history of the committee has there been a bill more thoroughly considered, in my judgment. Every witness was heard. The members of the minority were not denied one witness on any occasion. Yesterday we heard of a substitute to be offered by the gentleman from Ohio (Mr. AYRES), or we thought it was going to be offered. It was the same substitute, for all intents and purposes, that was offered today by the gentlewoman from Oregon. In their talk yesterday of the substitute and in their minority views they complained considerably about the impacted area program. That was the complaint I heard before the Committee on Education and Labor—that is, the inequities in the impacted area program. So here yesterday and today the people who complained so loudly did not include that in this substitute. I sometimes wonder just how sincere they are. In fact the substitute resembles the committee bill in most every respect. In only two is there material difference—(1) the length of authorization and (2) the consolidation of two programs of ESEA and two of NDEA.

Then again much has been said about section 701 which reads:

SEC. 701. Clause (2) of section 803(c) of the Elementary and Secondary Education Act of 1965 is amended by inserting "(A)" after "authorities" and by inserting the following immediately before the period at the end thereof: "; (B) to involve parents and community representatives in the development and operation of such programs and projects through a local advisory committee or other appropriate means; and (C) to insure adequate dissemination of program plans and evaluations to parents, community representatives, and the public at large".

Whose amendment was that in committee? The gentleman from Minnesota (Mr. QUIE) offered that amendment. It was recommended by Secretary Finch. I voted against the amendment in committee, not because it was proposed by the Nixon administration but because I felt it jeopardized our efforts to pass a good bill. I see that my Republican colleagues now share this view because they have removed it from their substitute.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Not at this point. I would like to finish my remarks.

What do we do in our substitute? We take out the proposed State advisory council in title I. We take out the so-called maximum feasibility amendment, as the gentlewoman from Oregon (Mrs. GREEN) has so correctly stated. It was carried over from the Economic Opportunity Act language with which we had so much difficulty with in the 1967 amendments to that act. But it was put in here by our minority friends and they have undertaken to trade off this provision to get support for a 2-year extension bill.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Briefly.

Mr. WILLIAM D. FORD. Is it not correct that originally the Secretary of the Department of Health, Education, and Welfare, Mr. Finch, came before our committee and recommended the inclusion of the clause that the gentleman from Kentucky has just mentioned and that subsequently the ranking Republican Member who has been handling this bill on the floor offered the amendment and it was adopted at his insistance?

Mr. PERKINS. That is correct. And, our Republican friends offered the amendment. It was not offered by the Democratic members of the committee. The amendment was offered by the minority Members. I think most of the Democrats voted against the amendment but it carried.

Mr. Chairman, in our substitute we take out this provision for a local advisory council. I wish the minority Members could have joined the voting against it. In the substitute I offer we also have an identical provision to the provision in the great mandate with respect to coordination with committee action agencies. So, we leave no advisory boards or local advisory boards in our substitute. In view of the concern I have heard over a 5-year extension the substitute I offer will be cut back to 3 years, 3 years is more desirable than two, but less desirable than five. But if this move will enable us to get more Members to vote in favor of giving this program greater assurance of continuity and stability than 2 years would provide this as a desirable change.

Mr. Chairman, I know that this Chamber is not going to be fooled by the minority substitute which would destroy the efficiency of the National Defense Education Act and the smooth working of titles II and III of the Elementary and Secondary Education Act of 1965. The consolidation of these programs into one authorization is the only other difference between the minority substitute and the one I offer.

Mr. WAGGONNER. Mr. Chairman, would the gentleman yield?

Mr. PERKINS. In a moment, I will now read the language in the minority substitute concerning the State advisory council which it creaks, and here is what the language says—and I am surprised at the gentleman from Louisiana being fooled with this provision.

Mr. WAGGONNER. The gentleman is not and will not be fooled.

Mr. PERKINS. Upon reflection it would most certainly surprise me. The gentleman is very astute.

Here is what the language says:

(b) The Commissioner shall not approve a State plan submitted under section 906 unless it is accompanied by a certification of the Chairman of the Council that such plan has been reviewed by the Council. Such certification shall be accompanied by such comments as the Council or individual members thereof deem appropriate, and shall indicate whether the plan meets with the approval of the Council and, if not, the reasons for its disapproval. Upon the disapproval of a State plan by the Council the Commissioner shall not approve such plan until he has afforded the Council or its designated representative an opportunity for a hearing.

Mr. WAGGONNER. Would the gentleman yield, Mr. Chairman?

Mr. PERKINS. I do not have time right at this time.

Now, in connection with the period of extension proposed in the two versions of this legislation: The greatest progress that has been made has been made in the last 2 years since we gave this bill a 2-year extension for the first time. A 2-year extension would mean that we will have to consider an extension of this legislation again next year in order not to take any chance on not having sufficient period of authorization for advance funding. A 3-year extension we have agreed to in our substitute. I believe that is the minimum.

Here is the way a neighboring school superintendent puts it. He says:

Urgently recommend passage of ESEA with five year authorization for funds and maintenance of separate programs as passed by the committee. Local school districts find it very difficult to plan and implement good school program when time and amount of appropriation are uncertain. It is imperative that a five year authorization plan be approved by Congress if local school systems are to obtain services of good teachers, establish excellence in teacher training programs, involve the community in depth, and ensure commitment of boards of education.

If you want to save Federal dollars and make Federal dollars spent on education more effective in doing the job of providing quality education for the children of this country, a 3-year extension is certainly the minimum we should settle for today.

I would like for any of you who have any doubts to look at the four volumes of committee hearings and see what the educators in the country said about this program. I mean look through the hearings. The hearings are conclusive, as to the need for a long-term extension.

I do not know why our Republican friends want to try to ditch the library program under the pretense of saying they are going to simplify and consolidate. I fear that in many States our school library and textbook programs may be sharply curtailed.

Our schools need the equipment that title III of the NDEA act authorizes.

In some States this program may well

diminish to the detriment of quality education.

The minority substitute should be rejected for these reasons alone.

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

Mr. PERKINS. I yield to the gentleman.

Mr. CAREY. Mr. Chairman, I want to commend my chairman for the very splendid statement he has made on this bill.

The gentleman has touched upon something here that I think should teach all of the Members here a lesson.

If the Green-Quie substitute succeeds it would in fact put the educational bill for the first time into a legal thicket and church-state tangle.

I was one of those who was with the gentleman from Kentucky when this bill first came to life. We settled the long-standing controversy between the rural areas and the cities and between the nonpublic schools and the public schools. We did it with the most carefully constructed and carefully packaged instrument which included clear-cut carefully drawn provisions to stay away from this very tricky question of aid to parochial schools through direct funding or grant or property.

Now overnight we see a substitute. We see for the first time this substitute on our desks here today which would plunge us into a controversy on this very question of what aid is to be given to the nonpublic schools.

As I read the language here, in the Green-Quie bill we abolish what was set forth in title II—a State plan for lending of materials on a library assistance basis to nonpublic schools. A similar measure in State law has already had the approval of the U.S. Supreme Court. We have gone that far, but no farther—but where will so-called block grants lead us or leave us.

This law, as the Perkins substitute has met the test of time and the test of custom and usage in the schools and had put to rest this controversy, which really had denied the children of the schools aid for too many years. We depart from its provisions in new directions at our peril. We should not move without careful reviews which is not afforded us in this overnight substitute never considered by the committee.

In what the gentleman from Minnesota and the gentlewoman from Oregon propose—if I read the language correctly in title III, NDEA—title III, NDEA, would be transformed into a clear-cut, definite proposal to lend equipment and all sorts of aids and instruments in education to nonpublic schools, and the language has not been studied or reviewed in the committee. I am certainly not against giving aid to nonpublic schools, but I wonder if the gentleman from Minnesota can tell us how far back this would take us in the development of that program if we renew a battle without any gain in benefits for anyone.

Mr. PERKINS. It is for that reason that I cannot understand the logic of some of the Members who have gone so overboard, who have complained so vigorously in committee heretofore.

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

Mr. PERKINS. I yield briefly to the gentleman from New York.

Mr. CAREY. I just wish to point out there is a question of how far we are going to go in giving aid to nonpublic schools and schoolchildren, because I want to hold what we have and not start up again what seems to have now alarmed the National School Board Association.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(On request of Mr. O'HARA, and by unanimous consent, Mr. PERKINS was allowed to proceed for 3 additional minutes.)

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Michigan.

Mr. O'HARA. Mr. Chairman, I would like to ask the committee chairman a couple of questions about the substitute amendment he has offered. The committee bill provided for a 5-year extension.

Mr. PERKINS. Correct.

Mr. O'HARA. The substitute offered by the gentlewoman from Oregon provides for a 2-year extension. What does your substitute provide?

Mr. PERKINS. My substitute provides for a 3-year extension.

Mr. O'HARA. The committee bill provided——

Mr. PERKINS. For 5 years.

Mr. O'HARA. On another point, if the gentleman will yield further, the committee provided for the involvement of parents in the planning of title I programs at the local level.

Mr. PERKINS. Our substitute deletes that completely. That was the Republican amendment that was put in in committee over my objection.

Mr. O'HARA. Will the gentleman yield further?

Mr. PERKINS. I yield to the gentleman from Michigan.

Mr. O'HARA. The committee bill provided for State advisory committees under title I. The substitute offered by the gentlewoman from Oregon deletes such advisory committees. What does your substitute provide?

Mr. PERKINS. Our substitutes deletes advisory committees in title I. All advisory committees are deleted in our substitute. The only advisory council remaining is the one in their substitute.

Mr. O'HARA. I thank the gentleman.

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

Mr. PERKINS. I yield to the gentleman from Connecticut.

Mr. GIAIMO. The gentleman has indicated that in many instances he agrees with the substitute offered by the gentlewoman from Oregon, which lends credence to the belief that it must be a pretty good substitute which the gentlewoman has submitted. Will the gentleman agree?

Mr. PERKINS. I would disagree with my distinguished friend from Connecticut. This is the Republican substitute. That is the label I put on it, and that is the label I will say it has today and say it has tomorrow. But the reason we are deleting some of these amendments, amendments that our Republican friends put in and have been trying to accuse the Democrats as having offered as Democratic measures because they are in the bill, we thought it wise, after counseling with a lot of our friends whose views we respect, to take them out, to take out all of these advisory committees. The only advisory committee left is the one that is in the Republican substitute.

Mr. GIAIMO. May I ask the gentleman one further question?

Mr. PERKINS. I yield to the gentleman from Connecticut.

Mr. GIAIMO. You have indicated the areas where you have agreed with the Green of Oregon substitute. Would you comment on the areas of difference, the major areas of difference in your bill, which would be different from the Green of Oregon substitute?

Mr. PERKINS. We certainly do not agree to destroy title II, or III ESEA, or the tried and proven provision of NDEA dealing with guidance and counseling and grants for equipment. We feel that your amendment does not guarantee one thing for these programs. We feel that you are placing additional burdens on State agencies for the simple sake of saying you had something you could put a "block grant" label on and at the same time you are destroying the effectiveness of the NDEA and ESEA programs. Further they are block grants only because some choose to label them such.

Mr. QUIE. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

Mr. Chairman, it is surely interesting to hear in the debate where one substitute is unacceptable because it has not been seen before, and the other substitute is acceptable even though it has not been seen before. But even more interesting is the point that one change in the substitute offered by the gentlewoman from Oregon (Mrs. GREEN) and joined in by three of our colleagues and myself, would change the requirement that presently is in the law that community action agencies must approve each title I project. The identical language is in the substitute offered by the chairman of the committee.

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

Mr. QUIE. No, Mr. Chairman, I do not yield now. I have 5 minutes.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I do not yield at the moment.

So when the chairman of the committee finds the substitute is so good that he will use one of the amendments in our substitute in his own, it looks like we did pretty well. The fact that this substitute was really put together and joined in by not only the gentlewoman from Oregon, who is well renowned for her ability in educational legislation, and also the gentleman from Ohio, the ranking Republican member on the Education and Labor Committee, but also two of our best former members of the Education and Labor Committee, the gentleman from Georgia (Mr. LAN-

DRUM), and the gentleman from Connecticut (Mr. GIAIMO)—and I was glad to join with them on this. It really shows we have put together a pretty good package by people who have studied this for a long time, and who Members know from their experience have pretty sound judgment in education measures.

Members have heard repeated exactly what this substitute does. It extends the amended acts for 2 years. We will not be under the pressure of a 1-year extension. We propose an extension of 2 years. We will have time to consider studies that were begun and evaluations that were made by the previous administration. The reports have not been brought to us. We will have time for the new Commissioner of Education, James Allen, to work with this legislation and come up with recommendations. We have time to see the Census Bureau's new census information.

In that 2 years we should be able to put together the kind of education bill for elementary and secondary schools which will eliminate more of the problems that exist in the present law and make that next jump forward for better education for this country.

To wait 5 years is not acceptable. In fact, we should not wait 3 years. Two years is ample time. We will not be pressured by such an extension, and we can get the job done.

One of the problems of local schools is they have access to so many Federal programs it is hard to keep track of them. Many districts hire a person just to keep track of the Federal programs, because it would be pretty unfortunate if they missed some Federal money that was available.

The consolidation in the Green substitute is just to make a first step in consolidating programs.

We all know the four consolidated programs have similar formulas. With the substitute there would be one formula and one State plan instead of four State plans. They are put together in this substitute offered by the gentlewoman from Oregon (Mrs. GREEN). It will cause no problem but instead will protect the interests of the local schools so they can spend money in the particular area where they have need, whether for more money, or for guidance and counseling, or for more equipment, or for textbooks and library resources, or for some new innovative program limited to title III. It will enable them to have more flexibility to do a better job than presently is the case.

The substitute offered by the chairman of the committee does not have that in it. The substitute offered by the gentlewoman from Oregon (Mrs. GREEN) does.

Mr. PERKINS. My substitute does. My substitute does have that. In fact, if the gentleman had offered his substitute in committee, I would have accepted it there.

Mr. QUIE. That is interesting. I did offer the amendment to consolidate in the committee. It is in our substitute, and the copy of the substitute offered by the gentleman from Kentucky—that I read while the gentleman was speaking—did not have that in. So I think the gentleman ought to read his substitute again. I think the gentleman wants it correctly. That is not in his substitute.

A third part is to eliminate the advisory committees, which are not necessary. The local school boards and administrators can still appoint advisory committees. They can ask the people to advise them.

The other part of the Green of Oregon amendment in the nature of a substitute provides for what is sometimes called "combat pay." It is a bonus to the teachers who do an excellent job in the ghetto schools but need some recognition for their ability so they might be retained.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. QUIE was allowed to proceed for 2 additional minutes.)

Mr. QUIE. Mr. Chairman, the Green substitute gives a bonus to those exceptional teachers who are dedicated and commit themselves to a thorough job of reaching the deprived children, in order that the school can hold them there. Education has long needed that. Now, under title I, local schools will have the opportunity of utilizing title I money for that purpose. We should make some tremendous strides with that amendment.

So I say to my colleagues, Mr. Chairman, that we have not changed the committee bill on impact aid, which is of great concern to many Members, who are fearful that an amendment might hurt their own districts. We have come up with some recommendations now that will make the programs function much better than they have in previous years.

As an individual who now has worked on education legislation for 10 years, I am convinced at this time these are the kinds of strides we need to make in the improvement of education, and over the next 2 years we will be able to study and come up with further recommendations, which I think the Members will be able to approve.

If you will support the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN), I believe you will receive the compliments of the educators in your districts when they see how that operates. I know they are fearful of programs that have a termination date on them, but to date we have not reached the point in elementary and secondary education aid where we want to make a permanent program. We are not that sure of them. The evaluations and studies are not that sure. Even the committee came up with a 5-year extension, and not permanent legislation.

Someday we will come to that, similar to what we have now on the category (a) of impact aid, and similar to vocational education's permanent legislation. Remember, in vocational education last year we combined the categorical programs under the George-Barden Act, the Smith-Hughes Act, and the 1963 amendments, and put them into a comprehensive plan, and every Member of the House voted for it—every Member.

We believe this consolidation is another step forward.

PARLIAMENTARY INQUIRIES

The CHAIRMAN. For what purpose does the gentleman from Illinois (Mr. ERLENBORN) rise?

Mr. ERLENBORN. To make a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ERLENBORN. Mr. Chairman, is the Perkins substitute amendment open to amendment at this point?

The CHAIRMAN. It is.

Mr. ERLENBORN. And is the Green of Oregon amendment in the nature of a substitute open to amendment at this point?

The CHAIRMAN. It is.

Mr. ERLENBORN. So both are open to amendment at this point?

The CHAIRMAN. The gentleman is correct.

Mr. ERLENBORN. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ERLENBORN. Should the Perkins substitute amendment be voted upon and adopted, would it then be subject to amendment?

The CHAIRMAN. No, it would not.

Mr. ERLENBORN. If the Perkins substitute amendment is voted upon and rejected, would the Green of Oregon amendment in the nature of a substitute then be open to amendment?

The CHAIRMAN. It would be.

Mr. ERLENBORN. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ERLENBORN. Is title I of H.R. 514 subject to amendment at this time?

The CHAIRMAN. It is.

AMENDMENT OFFERED BY MR. ERLENBORN TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PERKINS

Mr. ERLENBORN. Mr. Chairman, I offer an amendment to the Perkins substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN to the substitute amendment offered by Mr. PERKINS for the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: On page 8, strike out lines 7 through 15 and reletter "(d)" on line 16 as "(c)".

Mr. ERLENBORN. Mr. Chairman, this amendment would delete from the Perkins amendment, language which is also contained in the Green amendment and in the bill. Probably the easiest place for reference to it would be H.R. 514, page 13, lines 10 through 15, which is subsection (e) of section 108.

Mr. Chairman, I propose by this amendment to strike out this language which sets aside one-fortieth of 1 percent of the appropriations made under title I of ESEA for the purpose of financing permanent secretarial, clerical, and technical assistance for the Council on the Education of Disadvantaged Children.

Mr. PERKINS. Mr. Chairman, will the gentleman yield to me?

Mr. ERLENBORN. Yes. I yield to the chairman.

Mr. PERKINS. So far as I am concerned, I have not consulted with the committee, but this amendment requires

one-fortieth of 1 percent to be set aside, with a new way of funding that amount. I think there are funds already in other sections of the bill, but as far as I am concerned, I have no objection to this amendment.

Mr. ERLENBORN. I am happy that the chairman has no objection.

This would establish permanent financing for the hiring of people separate and apart from the civil service laws without any ceiling on salary. The chairman is correct that there are other ways of financing the kind of clerical help an advisory council might need, and with the chairman's cooperation I hope we will adopt this amendment.

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

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

Mr. GROSS. Then this takes out all the language to which a waiver of a point of order applied. Is that correct?

Mr. ERLENBORN. The gentleman is correct. This removes part of the language to which the waiver of points of order applied in the rule. There is also another part in the bill which is also subject to a point of order.

Mr. GROSS. But this does remove the exclusion from provisions of the Class Act which would have permitted open end hiring and pay. Is that correct?

Mr. ERLENBORN. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN), to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The amendment to the substitute amendment was agreed to.

AMENDMENTS OFFERED BY MR. COLLINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mr. COLLINS. Mr. Chairman, I rise to offer an amendment to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN).

Mr. Chairman, there are two sections in this which deal with titles II and III. For simplicity and in order to consolidate them, since they are parallel provisions, I ask unanimous consent to have both of them considered at the same time.

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

There was no objection.

The Clerk read the amendments, as follows:

Amendments offered by Mr. COLLINS to the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: Insert after section 108 on page 5 the following:

"PROHIBITION ON USE OF FEDERAL FUNDS FOR CERTAIN PURPOSES

"SEC. 109. (a) Title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by redesignating section 303 as section 304, and by inserting immediately after section 301 the following new section:

" 'PROHIBITED USES OF FEDERAL FUNDS

" 'SEC. 303. The Secretary of Health, Education, and Welfare shall take such action as may be necessary to insure that no funds appropriated to carry out this act are used by a local educational agency for the assignment or transportation of students or teachers in order to meet the provisions of title VI of the Civil Rights Act of 1964.'

"(b) Section 301(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out ', or require the assignment or transportation of students or teachers in order to overcome racial imbalance'."

Insert after section 701 on page 12 the following:

"PROHIBITION ON USE OF FEDERAL FUNDS FOR CERTAIN PURPOSES

"SEC. 702. (a) Section 805 of the Elementary and Secondary Education Act of 1965 is amended by inserting '(a)' after 'Sec. 805.' and by adding at the end thereof the following new subsection:

" '(b) The Secretary shall take such action as may be necessary to insure that no funds appropriated to carry out this Act are used, whether or not voluntarily, by any local educational agency for the assignment or transportation of students or teachers in order to meet the provisions of title VI of the Civil Rights Act of 1964.'

"(b) Section 804 of such Act is amended by striking out ', or to require the assignment or transportation of students or teachers in order to overcome racial imbalance'.

Mr. QUIE. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota will state his point of order.

Mr. QUIE. Mr. Chairman, it appears to me that this is an amendment to title VI of the Civil Rights Act and its effect would be to amend title VI of the Civil Rights Act. Therefore, Mr. Chairman, it would not be germane to the bill under present consideration.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. COLLINS. I will leave it with the Parliamentarian, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Kentucky (Mr. PERKINS) desire to be heard on the point of order?

Mr. PERKINS. I do not desire to be heard, Mr. Chairman, on the point of order.

The CHAIRMAN. Does the gentleman from Texas now desire to be heard on the point of order?

Mr. COLLINS. I do not wish to be heard on the point of order, Mr. Chairman.

The CHAIRMAN. The Chair has examined the amendment and the Chair finds that they appear to be amendments to the bill under consideration and do not appear to be specific amendments to the Civil Rights Act. Therefore, the Chair overrules the point of order.

The gentleman from Texas (Mr. COLLINS) is recognized for 5 minutes.

(Mr. COLLINS asked and was given permission to proceed for 10 additional minutes.)

Mr. COLLINS. Mr. Chairman, this is a nonpartisan amendment. It relates to neighborhood schools. It simply boils down to the fact that there will be no Federal funds available for busing of students. That is the essence of the amendment.

Mr. Chairman, the amendment has for its purpose the continuance of neighborhood schools, an American tradition from the first inception of our Government.

Mr. Chairman, in the laws of 1964 and 1966, Congress very plainly stated its confidence and belief in neighborhood schools. But through court interpretations, Government pressure has been intensified for busing.

Mr. Chairman, this amendment provides no Federal funds for busing, with the one exception, for transporting handicapped children.

There is pressure to bus children from 6 to 13 miles away from home. If an elementary schoolchild is 10 miles away from home, he cannot go home if he gets sick during the day. A girl cannot stay after school to rehearse school plays; a teenager cannot take part in athletic events; a weak student cannot have special tutoring in weak subjects because all would miss the bus. Parents' attendance at PTA meetings would be difficult in the evenings. The long bus ride would immeasurably lengthen the day for the student. In addition to that the cost of busing could become astronomical.

Mr. Chairman, many statistics show the unpopularity of this subject of busing. Nation School magazine, May 1968, reported a poll that showed that 74 percent of the Nation's school superintendents did not support busing as a desegregation measure. This same survey showed that the members of the school boards, by 88 percent, would not personally support a busing program, And, this is interesting: In Today's Education, March 1969, an NEA research division survey showed that 78 percent of the teachers oppose busing students from one district to another.

On March 26, 1969—just a few weeks ago, the New York State Assembly voted 104 to 41 to ban busing of students to correct racial imbalance in schools. On February 6, 1969, a proposal to bus children from Queens into the Great Neck School District was defeated 3 to 1. We should avoid this subject of busing which will embroil us in extremely bitter local controversy and by avoiding busing, we would strengthen this act and improve its acceptability in every part of our country.

If local school officials feel they must transport pupils for any purpose, then they should do so with local and State funds. Since nobody has suggested that Federal funds pay the total cost of education, we should reserve these Federal funds for essential expenditures.

Let me say this at this point: that we have in many districts, many sections—in fact, most of us do—there are rural children who are brought in from the rural areas to school, and these sections can continue to do this. This is done with local money and State money. All we are talking about here is Federal funds, and Federal pressure.

Today the need for funds in education is tremendous. We need to provide higher teachers' salaries, more construction of buildings, better equipment, smaller numbers of students per classroom—and we must eliminate any unnecessary expense items.

We need a Federal educational program based entirely on the concept of developing superior education; let us provide higher teachers' salaries, more construction of buildings, better equipment,

smaller classes for students—let us build to strengthen neighborhood schools and concentrate on education.

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

Mr. COLLINS. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding, and I just want to make this comment, since the gentleman has mentioned an area in my district relative to the Great Neck school, and I just want to state the facts, that the Great Neck School Board did sanction the busing of the schoolchildren, and the vote——

Mr. COLLINS. It was voted three to one against.

Mr. WOLFF. No, it was not three to one against it. Unfortunately, there was some difficulty with the voting machines, and the full count was never determined.

Mr. COLLINS. It was never determined?

Mr. WOLFF. That is correct.

Mr. COLLINS. I appreciate that contribution.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield for a question?

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

Mr. BURLISON of Missouri. I thank the gentleman for yielding.

Is the real purpose of the amendment offered by the gentleman from Texas to preclude all busing, or is the real purpose of the amendment offered by the gentleman to preclude the busing in order to obtain integration?

Mr. COLLINS. The purpose of the amendment is to maintain the neighborhood schools. I will give you two examples of situations. There is a little town in Texas of some 90,000 people, and they closed a school on September 1. Irving is a small town. They do not have enough schools, but they closed that school, and they are now busing children all over town. They need that school opened. Federal pressure caused them to close it.

The other situation is in a school in Houston, and they have suggested that they take the children out of that school and transport them 12 miles to another school. Both of us went to school in our own neighborhoods, I am sure the gentleman did, like I did. I walked to school when I grew up.

Mr. BURLISON of Missouri. If the gentleman will yield further, most of the rural oriented schools have been busing for 35 years, is that not correct?

Mr. COLLINS. That is right.

Mr. BURLISON of Missouri. We were busing students long, long before there was any thought or consideration of the case of Brad against Board of Education in 1954.

Mr. COLLINS. That is right.

Mr. BURLISON of Missouri. It does not make sense to me to come up at this point, after we have been busing students for years and years and years, in order to get them to school in the rural areas, and now say that busing is an entirely irrelevant criteria for a school board.

Mr. COLLINS. In those situations the busing is being paid for by local and State funds.

Mr. BURLISON of Missouri. That is correct.

Mr. COLLINS. That is the way it will be done in the future, also, from local and State funds. What we are seeking to do is to keep the local and State funds on the one hand, and the Federal on the other. We want to continue to do it just the way we have in the past.

Mr. MEEDS. Mr. Chairman, will the gentleman yield for a question?

Mr. COLLINS. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, as I understand the amendment offered by the gentleman from Texas, there is a very fine science program which we have going on in the Seattle area, and in which outlying schools are joining in, under title III, which is being administered under the State education agency, and funded under the Federal act, and under the amendment offered by the gentleman from Texas this project would no longer be able to transport students in from the outlying districts to participate in this science lab; is that correct?

Mr. COLLINS. If it is paid for by Federal money that would be the case.

Mr. MEEDS. This would be out the window.

Mr. COLLINS. In those occasional cases where we found that to be true.

Mr. MEEDS. I thank the gentleman.

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

Mr. COLLINS. I yield to the gentleman.

Mr. RANDALL. In order to clarify the question of busing, would your amendment affect all busing, or only that intended to correct so-called racial imbalance?

Mr. COLLINS. If they get any Federal money to bus.

My colleague from Seattle mentioned cases where they are getting Federal money. One-third of the students now travel to school on buses. This is mostly provided by local or State funds.

Mr. RANDALL. That is, busing to rural areas would not be affected?

Mr. COLLINS. Not as long as it is paid and provided by local, county, or State funds. This affects only Federal funding as there will be no Federal money for busing. Busing is a local and state tax matter and we need to keep it that way.

Mr. O'HARA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think one thing ought to be made clear about the amendment offered by the gentleman from Texas.

It is not a simple busing amendment. It would prohibit the use of funds for either the assignment or transportation of students and teachers in order to meet the provisions of title VI of the Civil Rights Act.

Second, we ought to understand that it is not limited to so-called racial imbalance or de facto segregation. It goes further than that.

It goes to the question of out and out racial segregation in violation of title VI.

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

Mr. O'HARA. I yield to the gentleman briefly.

Mr. COLMER. I know that the gentleman is familiar with the Civil Rights Act and I think I know that the gentleman is familiar with this bill.

I am wondering if the gentleman from Michigan and the gentleman from Texas are both not assuming here something that does not exist. I know of no law, and if the gentleman can cite me such a law, then I will be pleased to have that knowledge. I know of no law that provides for the transportation of students for the purpose of integration or segregation. I would be glad if the gentleman would enlighten me on that.

Mr. O'HARA. The gentleman is correct. There is no law that provides paying for transportation for such purposes.

Mr. COLMER. Yes. So here what the gentleman is really doing is saying that the practice that has been used of transporting these students across town unauthorized, as it may be by the use of the ESEA Act or any other education act or the Civil Rights Act—but that the money is being used for that purpose nevertheless and he is saying that it should not be used; is that not correct?

Mr. O'HARA. In no case have title I funds been used to provide busing undertaken to comply with title VI of the Civil Rights Act. There are some school districts, however, which on their own initiative have undertaken to correct the effects of racial imbalance, and that have instituted programs of transportation of students for that purpose, without being under any order or requirement to do so, and have used title I funds to help carry out such a program. Only to that extent have such funds been used in transportation.

Mr. COLMER. What the gentleman is saying here is that none of the funds provided here shall be used for that purpose. I thank the gentleman.

Mr. O'HARA. Mr. Chairman, I would like to make one final point. As I have said, the amendment involves a good deal more than simply the transportation of pupils to overcome racial imbalance. It involves assignment as well as transportation. It involves outright racial segregation as well as racial imbalance. So for these reasons I oppose the amendment, even though it was offered as an amendment to the Green amendment and I am very much opposed to the Green amendment. I would not vote for the Green amendment in any event. But this issue is bigger than any partisan difference we might have on education and I am just as eager to prevent this amendment from becoming a part of the amendment offered by the gentlewoman from Oregon as I am to prevent it from becoming a part of the committee bill or of the Perkins substitute for the Green amendment.

Mr. QUIE. Mr. Chairman, I rise in opposition to the Collins amendment.

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

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. RUTH. Mr. Chairman, there is agreement on both sides of the aisle, and in the country, on the need for our society to provide adequate educational opportunities in the field of education. Also, these should be available to all chil-

dren whoever they are and wherever they live.

I feel very strongly that clarification is needed with regard to some practices now being used to follow the guidelines of HEW. I am referring specifically to the busing of students to achieve the balance of integration suggested by the Government.

Although, as the law now stands, the Federal Government does not force or require local schools to bus their students to achieve integration, many school districts have, for all practical purposes, been forced to do so to meet these guidelines. This, I believe, is wrong, and is creating serious problems for many school districts, school boards, and parents and children.

Busing of children to schools is not new to our country. But it has in the past been used as a service to aid children in getting to the closest schoolhouse. In many rural communities it has indeed been a necessity in getting a student from his home to a distant school and then return him home at the close of the schoolday.

Busing has always been used in the past to overcome distance and not someone's idea of what is moral or right—two intangible expressions that are difficult to define with precision. Also, busing to achieve integration has seriously disrupted social and family relationships. A mother, in my district, visited me recently and reported with emotion and disgust that while her 6-year-old daughter had to board a bus and ride miles to another school, her two older children walked a short distance to the neighborhood elementary school. This pattern could be repeated in many areas and is causing an adverse reaction and, I feel, impeding the advance of education.

It is because of this that I rise in support of Mr. COLLINS' amendment and urge its adoption.

Mr. QUIE. Mr. Chairman, I believe it is the desire of the gentleman from Texas to eliminate the busing controversy from this legislation and from the local school districts which are in his congressional district and in other congressional districts. But as the gentleman from Michigan indicated, it goes much further than just making a decision on whether these funds should be used for the transportation of schoolchildren or not. In fact, it does have an impact on the effect of title VI of the Civil Rights Act of 1964. I am concerned that if we now begin to tamper with that language, we may be getting ourselves involved in a controversy that was laid to rest in the past. At least for the duration of this act, whatever we do decide to extend it, it should not be brought up. So I take the same position as the gentleman from Michigan. I am naturally opposed to it on the Green substitute because I think it would endanger it. But I would also be opposed to it if it were offered to the Perkins substitute, because we would not then be making a decision on substitutes before us but rather on the question of whether we support busing or not.

It also, as you note here, affects the assignment, and whether it is done voluntarily or involuntarily, and it is my belief, and has been all the time, that the Federal Government should not require busing of children. Such is written in section 804 of the act, which is proposed to be repealed by the amendment offered by the gentleman from Texas, but if we do go even further than that and prohibit Federal money being used by a local school as they want to use it, I think we are going much further than we intend. I know there has been some difficulty with the enforcement of the provisions of the Civil Rights Act in the past. I hope that that can be worked out properly in the future. But I would ask my colleagues, Mr. Chairman, that you not support the Collins amendment at this time.

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

Mr. QUIE. I yield to the gentleman from Texas.

Mr. COLLINS. I do not believe we have any difference of substance. The matter is local. In your district it is probably paid by State funds. The laws of 1964 and 1966 clearly state that there is nothing in the bill provided to overcome racial imbalance. The law of Congress is very plain. However, in the Green case the question was ruled on by the court, and now the Justice Department uses that ruling as a yardstick. They do not turn to the Congress for a yardstick but to the Green case, and the need has arisen for clarification in the Halls of Congress.

We are going to let the local school board be run by local people, and they can use local and State money for busing, but for Federal money we want to eliminate this controversial busing.

Mr. QUIE. I would say to that, Mr. Chairman, that the proper way would be to introduce a bill which would amend the Civil Rights Act of 1964, so we would consider it in the context of civil rights legislation rather than education legislation.

Mr. WILLIAM D. FORD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. WILLIAM D. FORD. Mr. Chairman, is it not correct that the Civil Rights Act of 1964, in the language of it, prohibits any requirement for busing, thereby leaving the entire matter within the discretion of local school officials and free of any interference from Washington? However, the gentleman's amendment now offered specifically authorizes the U.S. Office of Education to interfere in this exercise of this discussion, interfere from Washington and go back to the local level. It is the reverse of the present situation, and we would have actually Federal control of this situation substituted for local control.

Mr. QUIE. The gentleman is correct. It repeals a provision in the Education Act which now prevents the Office of Education from assigning pupils to overcome racial imbalance.

Mr. COHELAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas (Mr. COLLINS).

Mr. Chairman, this is merely another assault on title VI, as has been indicated by the distinguished gentleman from Michigan and the distinguished gentleman from Minnesota.

Another way of putting it is that this is the Whitten amendment that appeared in the HEW appropriation bill last year, and which we defeated on the floor of the House, as Members will recall.

I respectfully oppose both amendments offered by the gentleman from Texas. If enacted, these amendments would give the Federal Government a virtual veto power over decisions now reserved to local school officials and policies. Second, the amendments would give Federal funds to some school districts for busing children and deny the funds to others. And, finally, there is no demonstrated need for these amendments.

First, the issue of encroaching Federal power. The very same section of the Elementary and Secondary Education Act, which would be amended by these proposals, expresses the intent of Congress that no Federal directive shall usurp any of the traditional powers of the local school officials. At this time the dispersal of ESEA funds is consistent with congressional intent. If a local school board wants to use Federal funds for a specific project, it decides what that project will be and State education officials simply approve or disapprove the project. Federal officials now have no control, no veto, no direction, and no means to encroach on local matters.

But under the proposed amendments, if a local school board decided that children must be bused in order to get maximum educational benefits from existing facilities, it could not use Federal funds whenever the desegregation of students were a byproduct of this educational decision. Instead, the Federal Government would be inserting its veto to prevent local school boards from making such a decision—a decision deemed by local officials to be educationally sound.

Second, let us view the basic inequities of the proposed amendments. I believe an example of how this amendment could work in actual application will show the basic inequity. Let us assume that Berkeley, Calif., decided to use title I or title III funds for the massive cross-busing of students which is now taking place there. Because the Berkeley school system is not in violation of title VI of the 1964 Civil Rights Act, it does not fall within the proscription of these amendments and it could ostensibly use these Federal funds for its busing program. But let us assume for this example that San Antonio or another Texas community which is currently not in compliance with title VI of the 1964 Civil Rights Act decides that busing is the only feasible way of maintaining high educational standards while complying with the constitutional requirements. That community would not be permitted—under these proposed amendments—to make any application for Federal funds. And to make matters even more inequitable, let us assume that Houston, Tex., which is desegregating pursuant to a court order—not title VI—decides that it wants special title I funds for a busing program. It would be permitted to make such an application because it, too, does not fall

within the proscription of the proposed amendments.

And we should keep in mind when we vote on these amendments that they are more far reaching than the simple "busing" of children. They actually go into the entire concept of student assignment, and, for some reason or another, they also go into the matter of teacher assignment. When the Federal Government begins to reach down into these traditionally local actions, total Federal control of our school systems cannot be far behind.

I think that the whole concept of busing children has become an emotionally charged issue with little relevance to facts. It is a fact that 90 percent of all school districts bus children in this country. It is a fact that more than 17 million children are bused by our school systems and that 230,000 buses are used to accomplish this. It is a fact that the desegregation of an unconstitutionally dual school system more often results in less busing rather than more busing.

Finally, I would like to ask, indeed, to challenge the proponents of the proposed amendment to tell me of one school district which has used or applied for Federal funds in order to bus its children to meet the requirements of title VI of the Civil Rights Act of 1964. I am sure that a quick check of the list of school districts that have used Federal funds for busing projects in the past year or more will reveal not a single school district that has bused in order to comply with the requirements of title VI.

My objections to the proposed busing amendments include other points, but those already mentioned are the most important: First, they would allow unprecedented Federal control into the local management of our public schools; second, they would result in an inequitable distribution of Federal funds; and third, they are not relevant to any extant problem. For these reasons I would urge my colleagues to vote against the amendments proposed by the gentleman from Texas.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to call the attention of the House to the fact that apparently the dedication of some people in Texas to the neighborhood school is recently acquired, because in 1966 a suit was filed to stop the practice of busing white students 12 miles to an all-white school yet refusing admission to Negro children who lived within 100 yards of that school.

In the past few years this Nation has been moving toward a society that provides true equality for all its citizens, no matter what the color of his skin—a movement that is vitally essential to the future well-being of the Nation.

The American people have awakened to the need for equality for all its citizens. We have recognized that in order to have a decent, orderly society, it must be one society—not two polarized against each other. The basis for such a society is a single, desegregated educational system in which every American child has equal opportunity to learn to the extent that he is capable. The Supreme Court gave the Nation this mandate in 1954 when it handed down the Brown decision.

The Congress must not and cannot in any way—by any amendment to any legislation—impede the progress of desegregating the Nation's school systems. The Congress must support every effort in the direction of eliminating racial discrimination in public education.

Mr. Chairman, we have taken the first steps down a long and difficult path. We must not stop now.

I urge that the amendment offered by the gentleman from Texas be stricken.

Mr. RYAN. Mr. Chairman, the pending amendment offered by the gentleman from Texas (Mr. COLLINS), is another in a series of amendments offered on the floor of the House since the enactment of the Civil Rights Act of 1964 which would attempt to frustrate and nullify title VI of that act.

The Collins amendment provides that no funds appropriated to carry out the Elementary and Secondary Education Act shall be used by a local education agency for the assignment or transportation of students or teachers in order to comply with title VI of the Civil Rights Act of 1964.

In other words, if a local school district assigns students or teachers, or transports them, in order to desegregate its schools, then Federal funds cannot be used for that purpose. This is a blatant effort to discourage and prevent local school districts from obeying the mandate of the 1954 Supreme Court desegregation decision and title VI of the Civil Rights Act of 1964.

The practical effect of this amendment would be that school districts, which are in compliance with the provisions of title VI of the Civil Rights Act of 1964, would continue to be able to use Federal funds for pupil assignment and for busing, while precisely those districts which might elect to utilize pupil assignment and busing as a means of achieving racial balance in their schools would be unable to use funds for that purpose. As the law now stands, school districts may or may not elect to use busing in order to bring about racial balance. But the Federal Government may not require the transportation of students in order to promote racial balance. In short, school districts now have the freedom to decide what means they will employ to achieve racial balance in their schools, including busing if they so elect. That freedom would be curtailed by this amendment.

The ESEA and HEW appropriations bills have always been vehicles for amendments designed to weaken or even nullify the requirements of title VI of the Civil Rights Act of 1964. In 1967 the Fountain and Whitener amendments were offered in order to frustrate the effectiveness of school desegregation. In 1968 it was the Whitten amendment. This year Representative RUTH offered an amendment in committee to exempt the ESEA entirely from title VI.

The pending amendment would undermine the progress which has been made in desegregating public school facilities and thereby increasing educational opportunities for long denied minority groups. Moreover, it would effectively block the future action which is needed to achieve racial balance in our schools.

Statistics furnished by the Office of Education show that school desegregation has yet to be completed. Although the Supreme Court outlawed the "separate but equal" doctrine 15 years ago, almost 80 percent of black children in the 11 States of the Deep South still attend segregated schools. The need for more vigorous efforts, including effective enforcement of title VI, to complete desegregation is clear. The approval by Congress of any amendment which would weaken that effort would be nothing less than a betrayal of the policy and purpose of the 1964 Civil Rights Act.

Any amendment, which would hamstring Federal efforts to expand educational opportunities through desegregation, and to increase aid to educational needs at the primary and secondary level, must be defeated. This legislation, as it has been recommended by the Committee on Education and Labor, is essential to build on past efforts to upgrade and broaden educational opportunities for the disadvantaged children of this Nation. The introduction of Federal funds and resources into this country's educational system has brought significant progress even with the limited amount of money which has been appropriated. This progress must continue so that equal educational opportunities are available for all children.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. COLLINS) to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendments to the amendment in the nature of a substitute were rejected.

AMENDMENT OFFERED BY MR. TEAGUE OF TEXAS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mr. TEAGUE of Texas. Mr. Chairman, I have an amendment to offer to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN) and I should like to ask unanimous consent that the amendment be considered at the same time as a perfecting amendment to the substitute amendment.

The CHAIRMAN. The amendments would have to be considered separately.

Mr. TEAGUE of Texas. They cannot be considered together under unanimous consent?

The CHAIRMAN. The gentleman asks unanimous consent that an amendment which he is offering be considered both in respect to the substitute amendment and the amendment in the nature of a substitute; is that correct?

Mr. TEAGUE of Texas. Mr. Chairman, I make that unanimous-consent request.

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

Mr. WILLIAM D. FORD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. TEAGUE of Texas. Mr. Chairman, I offer the amendment to the Green of Oregon amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas to the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: On page 13, after section 802, insert the following:

"RESTRICTION ON COUNTING CHILDREN WHOSE PARENTS PAY REAL PROPERTY TAXES

"SEC. 803. (a) Section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof the following:

"'(f) Notwithstanding any other provision of this title, in computing the amount to which a local educational agency is entitled for a fiscal year under this section, the Commissioner shall not count any child who resides with a parent on real property on which he pays real property taxes.'

"(b) Section 5 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by adding at the end thereof the following:

"'(g) Notwithstanding any other provision of this Act, in determining under this section the payments which may be made to a local educational agency, the Commissioner shall not count any child who resides with a parent on real property on which he pays real property tax.'"

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. TEAGUE of Texas. Mr. Chairman, this is a very simple amendment. This amendment merely says that any Federal employee anywhere in our country who owns his home and pays his taxes and has children going to school, that that school district will not receive additional money through the impacted area section of this bill. That is all there is to the amendment and, Mr. Chairman, I ask for a vote on it.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I will be glad to yield.

Mrs. GREEN of Oregon. Mr. Chairman, I think this is an amendment that ought to be very carefully considered by the Members of this House. I just heard one of my colleagues, who is one of the most ardent opponents of the substitute bill offered by five of us, say that this, you know, is a good amendment—support it—because if this amendment is attached to the Green substitute, the people will not dare vote for the substitute bill on a recorded vote. I ask you to consider it and weigh it very carefully. I will say to the gentleman from Texas that I completely agree with him on the inequity in the formula of the Federal impact law. I think it is the most unfair formula of any bill that has been passed by the Congress. That is one of the reasons why I support only a 3-year extension—a 2-year extension of the authorization plus the 1 year we have. In other words, I support a 2-year extension which is offered in my substitute so we can really look at all of the formulas and make some sense out of them so that there will be equity in the districts. I give my pledge to the gentleman from Texas that I will lend every single bit of effort I can and any influence I might have on the committee to try to change the formulas. However, Mr. Chairman, I wish to point out one additional thing. This amendment is only limited to those people who pay property taxes. There are a lot of people in districts who live in apartment houses who also work for private contractors with Federal contracts. They are counted as federally impacted people. Really a person living in an apartment house has no more right under these circumstances to be included in the Federal impact than the person paying a real property tax. So I regret to say that I am forced to oppose this amendment in view of the arguments raised at this time. I would hope that the occasion will present itself in the very near future when we can closely examine all of the formulas and especially the Federal impact formula.

Mr. TEAGUE of Texas. The gentlewoman well knows that this is the most conservative and the simplest thing to be offered in this field. This is a broad field and a lot needs to be done in it, but I do not see how any body can disagree with this part of it, because it is something where you just do not take the benefits both ways, taking it from somebody who pays his taxes where most of it goes to the school district but at the same time, with other taxpayers they draw more money because the parent is employed by the Federal Government. If this substitute is adopted to the gentlewoman's amendment, I intend also to offer it to the Perkins substitute.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman.

Mr. EVANS of Colorado. If this amendment is accepted by the House, we will find ourselves in this situation in my district. There has been over 80,000 acres of land removed from school districts for Fort Carson, on which taxes had been previously paid for schools. We have over 20,000 to 30,000 people being trained at this fort, which land was in this school district, and we have Federal employees employed there as well as troops. The valuation of the remainder of the land in the school district has gone down continually, and the number of impacted children in the area has gone up continually.

Mr. TEAGUE of Texas. This amendment does not deal with the military people on the post.

Mr. EVANS of Colorado. Thousands of these people do not live on the fort but do live in the district and live in very modest homes. These impacted children in this district account for about 20 percent of the operational funds of the school district and your amendment would slash these vitally needed funds. And there are not enough.

Mr. TEAGUE of Texas. There are those who rent and there are those who own their own homes.

Mr. EVANS of Colorado. The gentleman from Texas should know the evaluation of the remaining land in this district does not begin to be enough to support this school.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Missouri.

Mr. RANDALL. Does the gentleman's amendment apply only to those parents who own real estate and on which these owners pay real estate taxes? What if parents are not owners but rent a home?

Mr. TEAGUE of Texas. What does the gentleman from Missouri mean?

Mr. RANDALL. Apparently they would be paying the taxes.

Mr. TEAGUE of Texas. This applies to the owners of the homes who live in that home and pay the taxes.

Mr. RANDALL. Mr. Chairman, if the gentleman will yield further, what about all of category B who live in trailers?

Mr. TEAGUE of Texas. I think the committee ought to go into this and straighten it out.

Mr. RANDALL. But does your amendment apply to those living in trailers?

Mr. TEAGUE of Texas. If the trailer is a home and they tax it as a home, I think it would be covered.

Mr. RANDALL. Notwithstanding the fact that a housetrailer is regarded as personal property?

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on the amendment offered by the gentleman from Texas to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendment to the amendment in the nature of a substitute was rejected.

Mr. CAREY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my purpose in rising at this time is to try to help clarify in the minds of the members of the Committee what course we follow if we adopt one amendment or another. The important decision here involves two questions. The first consideration is whether it is responsible to extend for 2 years now or for 3 years, which is the term of the Perkins substitute. In my opinion the 3-year period is a responsible course of action to take for the following reason: The proposal to extend the Elementary and Secondary Education Act for 2 years on the assumption that this would allow sufficient time to use new census data for the title I formula is completely misleading for two basic reasons:

First. The timing of the receipt of 1970 census data by the Office of Education is at this point indefinite and cannot be relied upon for consideration of formula and revisions of legislation to take effect in fiscal year 1973. It is impossible for the data to be ready at such time.

Second. The advance funding provisions of title I of ESEA requires that 2 years from now the Office of Education should be making allocations for fiscal year 1973 and it is impossible for that data to be ready in such time for the allocations.

I have checked with members of the Committee on Post Office and Civil Service who are conducting the hearings on the census legislation and I notice that one member of that committee is present on the floor here at this moment. Therefore, I ask the gentleman to confirm the fact that such data will not be available by 1971, as would be required by the two-year extension?

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

Mr. CAREY. I yield to the gentleman from California.

Mr. WALDIE. The committee staff has just advised me a few moments ago that the law requires the enumerators to commence no later than April 1970 and they will not complete the enumeration for any meaningful purposes or any program involving census figures for a period of 3 to 6 months, thereby making September the very earliest date in 1970 for which any figures would be available and they would only be minimal figures which would not cover the entire spectrum of the census data.

Mr. CAREY. Mr. Chairman, this date is too late to rely upon the 1970 census data, for fiscal year 1972 allocations. It is absolutely too late to provide for advance funding for fiscal year 1972, and probably too late for advance funding of fiscal year 1973.

The 1970 census is certainly to produce a sizable shift in population throughout the country both in terms of urban-rural populations between regions of the country. The shifting of funds that will take place as a result of population changes calls for careful consideration of the effect of shifts in formula funds.

Mr. Chairman, Congress should not be placed in the position of a pistol being held to its head 2 years from now in view of this act in the face of the major changes in the formula and allocation of funds. The amendment that is being offered would force us to make a decision 2 years hence without knowing the impact of that decision and without providing for advance consideration of the impact of the formula and the ways in which individual States would be affected.

Moreover, the Office of Education will be placed in the untenable position of making advance allocations for fiscal year 1973 on the basis of the 1970 census without knowing what the formula base will be for the final allocations.

We need, therefore, a 3-year extension of the legislation:

First, to provide ample time for completion of the 1970 census.

Second, full congressional consideration of its effects on funding, beginning with fiscal year 1973.

Third, an orderly transition to the new formula without the expiration pistol pointed at the temples of the Members of the House.

Finally, there are two courses available for us. The responsible course is the Perkins amendment, and I say "responsible" for this reason: What is the Perkins amendment, basically? The Perkins amendment is the law which has been operating since 1965. It was a carefully constructed compromise which led to the greatest historical advancement in education, as heralded by President Johnson, in all of his experience, both in the Congress and in the Presidency. It is the thing that the school men want. It is the bill that has been working. The language before you is a simple amendment, it would extend for 3 years the law, and it is recommending changes which have come from the school men of the country and the school people of the country, as is reported in those four volumes of the hearings. The other amendment is an unknown quantity at its very best. It has four people who are sponsoring it, and there is not a witness that was for it in any one of the entire volumes of the hearings which have been placed in the committee record.

Let me point out one simple thing about the Green amendment, which has not even been heard in any hearing held by the committee. For the first time we hear about combat pay for teachers. That is a principle under which every nickel or dime funded could be used to give bonuses to teachers to teach in what are supposed to be dangerous districts. I want the Members to know how mischievous this could be in terms of a great city. For instance, right now the teachers union in New York City is conducting negotiations, and the teachers union leadership would have to ask for these funds—which they have long opposed in principle.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. PERKINS, and by unanimous consent, Mr. CAREY was allowed to proceed for 3 additional minutes.)

Mr. CAREY. Practically and logically, all the teachers union would have to do on the basis of this new principle in title I would be to tell the school superintendent "We want combat pay for 90 percent of the teachers in the school district, because 90 percent of the schools have disadvantaged children," and they would get an automatic increase in pay beyond the capacity of the local school district to pay or with which other schools could compete.

Therefore in title I, money which is being used for new curriculums, for deserving innovations for remediation, would now be turned into a teacher's pay amendment without a day of hearing.

If this is the way the House wants to go, then let us have it so heard, but first let us have the teaching people come forward and tell us so. Let us have the education people come forward and tell us this. Let us have the school superintendents tell us what they want to do, before we vote for it or against it, but for goodness' sake do not let us do it now. Let this Congress make the decision after due deliberation.

Certainly this flies in the face of local control. This says you have to have combat pay in a school district.

I have heard it said again and again that we should never in this Congress transfer control out of the local administration in the school district, but yet in this very provision we are saying that from here on in, under title I, money shall be used and can be used for increasing the salaries of teachers in the local school districts. Are we going to say that because of the action of Congress this must happen? Is this not a local decision? Local taxes pay the teachers now.

Are these teachers going into a nonpublic school going to get combat pay as well? Will there be a difference in scale between the two teachers? These are implications of this bill which have not been considered by this great committee.

Do not march in the dark. None of us on this side, and none of you on that side, with the exception of four people, really know what is in the Green amendment, if we vote on it.

You do know what is in the Perkins amendment. There is a 3-year extension in the Perkins amendment, and there is the elimination of the Finch amendment which was put in at the instance of the minority to give local authority in the school district.

This is the choice you have before you. Let us have a show of confidence in the basic idea that was advanced in 1965, and give it a 3-year extension, and let us come back and give consideration to the changes recommended by the gentlewoman from Oregon, after due consideration and hearings on the evidence. That would be far better than adopting the substitute offered by the gentlewoman from Oregon at this time. That is the way to legislate. If we do it in no other bill, let us in this bill continue to vote the confidence of this Congress in the greatest legislation ever passed for schoolchildren, the ESEA, the Elementary and Secondary Education Act of 1965. It is worth 3 years of our time to wait until it is right. We will begin hearings on any provisions recommended to our committee just as soon as we get this bill forward and get going in the poor school districts. This is certainly not the way to legislate, dealing with a substitute. You heard the gentleman from Minnesota say of the Quie-Aiken substitute:

> I did not want to show it to you because it might be defeated.

It therefore should be defeated.

Mr. WAGGONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have heard several times this afternoon that we should not legislate in the dark. We have heard some say they had not seen the substitute offered by the gentlewoman from Oregon (Mrs. GREEN) until we proceeded under the 5-minute rule today. I know that a number of people did not, but I simply say to you that if a Member of the U.S. House of Representatives is to have any part in writing this legislation, then we must do it here on the floor of the House, because some of us are not members of the committee and this is the only opportunity which is ours to say something about the course and the direction that this bill will take.

The distinguished chairman and my dear friend, the gentleman from Kentucky, the chairman of the full committee, referred earlier to telegrams in his pocket protesting any changes in the bill. I have received some of those telegrams myself. I called up one of my friends who sent me one of the telegrams and asked him if he knew what was in the bill. He said, "No." I asked him why he sent me the telegram and he said that he had a call from Washington asking him to do that.

Now let us talk for a minute on what this substitute does, since we are getting down close to the time to vote.

The substitute does several things. The substitute, at least the one that has been offered by the gentlewoman from Oregon (Mrs. GREEN), does several things which the substitute offered by

the gentleman from Kentucky (Mr. PERKINS) does not do. I think the gentleman who preceded me spoke with a great deal of truth when he said that basically the substitute offered by the gentleman from Kentucky (Mr. PERKINS) was a continuation for 3 years of what we have been doing. I think that is correct.

But now the Green substitute, which substitute is also sponsored by others, does first of all reduce the period of time that this bill is to be alive—from 5 years to 2 years.

The Perkins substitute reduces that period of time from 5 years to 3 years.

The Green substitute abolishes State and local advisory commissions or committees which were made mandatory by the committee amendments. I readily admit that the Perkins substitute does that. These committees absolutely must go.

This has been a bone of contention with some of us—yes, from the South, whom the gentleman my friend from Kentucky referred to earlier as being taken in. But we have not been taken in.

Now the Green substitute does provide for block grants for four titles in this bill, two titles under the NDEA legislation, title III(a) and title V(a). Title III(a) of the NDEA legislation is that title having to do with equipment.

Title V(a) is that title of the NDEA legislation having to do with guidance and testing.

The other two titles consolidated under the so-called block grant approach are titles II and III of the Elementary and Secondary Education Act.

Title II of ESEA is that title having to do with aid to libraries.

Title III is that title of ESEA having to do with supplemental grants to State departments of education.

Now nobody argues really about consolidating, but some people say a dangerous precedent is established here by having a State advisory council for those four titles.

Let me call your attention to the fact that that advisory council already exists for title III of ESEA. The wording is somewhat different. For example, elected State boards of education do appoint advisory councils, but they appoint educators. It is spelled out. The council has no veto authority over any plan devised by a State board of education of a State plan. The council appointed does not require Commissioner approval in Washington.

It is true that if the council disagrees with the plan submitted to the U.S. Commissioner of Education by a State board of education, the Commissioner will grant them a hearing if they want it and he can, indeed, veto that State plan if he desires to after a hearing. But I submit to you that the U.S. Commissioner of Education can veto plans now and does veto plans now.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(On request of Mr. PERKINS, and by unanimous consent, Mr. WAGGONNER was allowed to proceed for 2 additional minutes.)

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

Mr. WAGGONNER. I yield to the gentleman from Kentucky.

Mr. PERKINS. I would like to ask my distinguished colleague if there is presently any advisory council provided in the law, in title II, the Elementary and Secondary Education Act?

Mr. WAGGONNER. No, and I did not indicate there was. I said there was a council provided for only in title III, ESEA. I did not make mention of III(a), V(a), of NDEA, or title II of ESEA. I said specifically it exists now only for title III.

Mr. PERKINS. Neither is there any advisory council provided in the law presently for the equipment title, title III(a)?

Mr. WAGGONNER. I just got through saying that. I said I agree with you.

Mr. PERKINS. But your substitute, or the Republican substitute——

Mr. WAGGONNER. Let us get one thing straight right here.

This is one man who stands in this well not talking about a Democratic bill or a Republican bill. I am talking about a bill to help education. I do not care who you are or where you are from.

Mr. PERKINS. The Republican substitute does contain a provision for an Advisory——

Mr. WAGGONNER. I do not know that this is a Republican substitute. I think I have had something to do with it.

Mr. PERKINS (continuing). Council for Testing, Counseling, and Guidance——

Mr. WAGGONNER. Even though my name does not appear on it. This is a substitute offered by some of us who want some changes.

Mr. Chairman, if I may proceed, I should like to ask the gentlewoman from Oregon (Mrs. GREEN) if I have correctly described the congressional intent, as the sponsor of this substitute, with regard to the advisory council, which has application to the four titles I have discussed.

Mrs. GREEN of Oregon. If the gentleman will yield, I think he is absolutely correct. In the substitute bill which I offered there is one less advisory council on the State level than there was in the committee bill. And if the gentleman will yield further, in the analysis which I have in my hand, and I am sure many other Members have, which I believe was prepared at the direction of the chairman of the full committee, the statement is made that the title I State Advisory Council proposed by the minority side—language which I also take exception to—gives the State advisory council, or appears to provide a veto power over the entire State plan.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(On request of Mrs. GREEN, by unanimous consent, Mr. WAGGONNER was allowed to proceed for 3 additional minutes.)

Mr. WAGGONNER. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. In the analysis that has been distributed there is the statement that this amendment appears to have a veto power over the entire State plan, and then it quotes—

> The disapproval of the State plan by the council shall constitute prima facie evidence that it does not comply wtih the requirements of this title.

May I state to my colleagues in the House the language that is quoted here is not even in the substitute bill, and I really am sorry that there is this kind of misinformation about it. I know that the Chairman did not have hours to study it, but the amendment which is a substitute bill which five of us are presenting—this amendment in regard to the State advisory committee for the combined titles was specifically drawn up at my request by the counsel of the majority staff. This is not any partisan bill. I tried to say that in my opening remarks. This is a bipartisan bill. There are lots of Democrats in this House that have had a major say in the drafting of the substitute bill.

It was drawn up by the staff, here on the Hill, with amendments. It was not drawn up downtown. I join my colleague, the gentleman from Louisiana, in saying education in this country is for over 49 million boys and girls, and action that is taken by this House today is too important and ought to be considered on its merits, on the merits of the bill, and not be labeled by some party. Please do that: Consider it on the merits. That is all I would ask.

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

Mr. WAGGONNER. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I want to make it clear that not under any circumstances would I ever put out any propaganda or any analysis I believe is incorrect. But the analysis that my good friend, the gentlewoman from Oregon is talking about is an analysis that was made on the Republican amendment of last night, of which I had a copy, and that is the Republican substitute, and it did contain the phrase that if the advisory council's wishes were thwarted at the local level, that it was prima facie evidence.

But, today, in this substitute the only difference is they delete that terminology, "prime facie evidence." So the effect of it is still the same. It is still prima facie evidence and they are entitled to the hearing.

Mr. WAGGONNER. Mr. Chairman, if I may proceed to talk about the differences in this bill, I will be happy to. Let us talk about another difference, an important and vital difference we have not heard much about, and put it in proper perspective as between the substitutes offered by the gentlewoman from Oregon (Mrs. GREEN) and the gentleman from Kentucky (Mr. PERKINS).

Even though I respect and admire as a dear friend the gentleman from Kentucky, he has said that the present act does not have guidelines requiring concurrence or agreement by the poverty program people to administer any part of title I. I hold in my hands the guidelines for administering title I of ESEA, the program which we enacted in 1965, and I turn to page 2.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(On request of Mr. PERKINS, and by unanimous consent, Mr. WAGGONNER was allowed to proceed for 1 additional minute.)

Mr. WAGGONNER. Mr. Chairman, I read from page 2, which says, under "Related Statutes—Economic Opportunity Act of 1964":

In any area where a community action program under title II of the Economic Opportunity Act of 1964 is in effect, any project under title I of the Elementary and Secondary Education Act must be developed in cooperation with the public or non-profit agency responsible for the community action program.

I hold here in my hand a form from the U.S. Office of Education which requires compliance to get that approval, and they must have approval by the CAP people before title I funds of ESEA, so related, can be expended. So this does remove that requirement from the initial program.

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

Mr. WAGGONNER. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I take it the gentleman knows that the coordination language with the local communication action agency—for which all of these guidelines were written by the department, and I personally feel the department went overboard myself—is completely out of our bill now. Our bill is the same as that offered by the gentleman in that respect. It is completely out.

Mr. WAGGONNER. It is in the orginal bill.

Mr. PERKINS. It is not in our substitute. It is out of the substitute.

Mr. WAGGONNER. The substitute took no cognizance of removing that.

Mr. PERKINS. Yes. It removes it in toto. In fact, every word of it is removed.

I am sorry we did not make that clear to the gentleman, but every word of the coordination amendment, to coordinate with local community action agencies, is removed. That is in our substitute.

Mr. WAGGONNER. Mr. Chairman, I want to reply to the allegation that the requirement for distribution of title I funds of ESEA has been changed. Again, it has not been changed. We hear again the bugaboo over the church-state issue. Let me tell Members that plain language is in the substitute allowing any teaching aids or materials to be utilized by the local schools.

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

(On request of Mr. DELLENBACK, and by unanimous consent, Mr. WAGGONNER was allowed to proceed for 3 additional minutes.)

Mr. WAGGONNER. Mr. Chairman, the amendment in the nature of a substitute offered by Mrs. GREEN, of Oregon, requires that where utilization of these materials is effected and brought about by parochial schools, title must be vested in some public authority. It has an absolute prohibition against using these materials for purposes of religious worship.

But remember this above everything else: This bill, for these 2 additional years, does not do what some people are talking about, to which I object also, on the part of the present administration. It does not cut the request for authorizations. It would authorize the same money what we have been spending.

Surely, the President in his revised budget for fiscal year 1970 recommended some cuts. But this bill does not recommend cuts for these 2 additional years. It is up to us to decide whether or not we want to authorize, and if we authorize whether we will appropriate all the money we have authorized. That is a decision for us. So this does not cut the money.

My friends, this bill does not have what I want, but it has a part of what I want, and I am standing here today giving you a first. If we adopt the amendment in the nature of a substitute offered by Mrs. GREEN, of Oregon, JOE WAGGONNER is going to vote for this aid to education measure, because education is in trouble.

AMENDMENT OFFERED BY MR. ERLENBORN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mr. ERLENBORN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN to the amendment in the nature a substitute offered by Mrs. GREEN of Oregon: On page 5, amend section 107 by striking out subsection (c) and by relettering subsection (d) as subsection (c).

Mr. ERLENBORN. Mr. Chairman, this amendment is a conforming amendment. It is the same amendment that I offered to the Perkins substitute amendment. It was accepted by Chairman PERKINS.

I believe this is acceptable to the gentlewoman from Oregon (Mrs. GREEN), as an amendment to her amendment, and I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Yes. I believe this amendment does conform, and I am very glad to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN) to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

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

Mr. QUIE. I am glad to yield to the gentleman.

Mr. GIAIMO. I would like to give an answer to the question posed by the gentleman from Illinois.

He is correct that the local school agency would have to go to the State advisory board, but if you will look at the past track record in education, you will find quite clearly that he will get a better shake at the State level than he is getting presently at the Federal level.

And it is about time that some of us realized in the non-Southern part of this country it is necessary to wake up to what is happening in the field of education in all parts of the country where we have poured in hundreds of millions of dollars into our schools and look at our schools at the present time in view of the expenditures of this type of money. They are doing many things. One thing, however, they are not doing is teaching. We had better get education back into the realm of State responsibility, back to local responsibility and back to those who are educators and let them work with this problem.

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

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

The CHAIRMAN. The Chair will state that the gentleman from Minnesota (Mr. QUIE) has the floor.

Mr. QUIE. Mr. Chairman, I cannot yield to the gentleman from Illinois at this time because I want to use some of the time myself.

The gentleman from Illinois did not state the facts accurately when he stated that the money for any of those four titles is distributed among schools within States according to population under existing law. The money goes to the States and the States submit a State plan and the State decides how it is going to be distributed to schools within the State in all of these four programs. This does not change that at all. There is no change in the present law in that case. All it does is to consolidate these four programs into one plan and would permit this local district to have some flexibility as to how it spends the money. The gentleman from Illinois is just raising a strawman in an effort to try to confuse the members of the committee.

With respect to the State advisory council, it would be purely advisory, would not even consider applications from local school districts, and would have no veto power over a State plan. The amendment makes this perfectly clear on its face.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

My fellow colleagues in this Chamber, I have stayed here this afternoon and listened to this voluminous debate on this entire ESEA Act. I have listened to the fact that there were persons who are renouned educators and persons who have knowledge in this area, but permit me to say briefly that in my opinion there is not anyone who is really attuned any more to the entire educational process than I, because I am the most current educator and have been for the past 15 years, and furthermore, as a member of the New York State Legislature, I served on the committee which dealt with the matter of education and conducted hearings thereon up and down the entire State of New York. Let me say that this is no time to play partisan politics. It is the lives of the young people in this country who will be guiding the future, because many of us will be out of the picture within the next 10 years or so.

Mr. Chairman, what we have to recognize is what has happened in terms of the implementation of the ESEA program. What has happened? What has

been done? Of course, there have been some errors and some failures but no kind of new program is going to be termed completely successful until you have gone through a number of years of operation. We need this time in order to evaluate the program and work out the problems.

Mr. Chairman, what we have to do when enacting laws dealing with education is to take into consideration the fact that the educators and teachers and other persons in this country concerned with the current crisis in education, have undeniably and unequivocally stated that this program has been helpful to the children in the various States.

I think what we are becoming so bogged down in is a lot of technicalities and are not looking at what and how much has been done and exactly what good has been accomplished since this program has been implemented—though it has not yet been fully implemented.

Mr. Chairman, once again, you are about to play a sort of hoax upon the people of the country who have been given the feeling that perhaps there is some purpose, perhaps there is some real probability that education is the key to everything and that perhaps now our Government has begun to realize for the first time in a very realistic sense that education is the key whereby we can help people to acquire the type of educational background and training that is necessary to help them move out into the mainstream of American society.

Mr. Chairman, no bill is perfect. No legislation is perfect. But, what we must do is to look at the results.

What is the use of these volumes of hearings, and the columns of statistics that we receive from persons who are in the educational field, who come and testify before the committee, unless you are going to use this information in order to move the country forward; in order to give it the kind of approach and the kind of services that are necessary? Why have public hearings? Why have testimony if you are not going to use it? The opportunity to come before the committee is of no use unless the committee is going to consider and use the proposals presented.

Another thing is to judge the program in terms of progress.

Mr. CONYERS. Mr. Chairman, would the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentlewoman for yielding.

Mr. Chairman, I want to commend the gentlewoman from New York on her statement. I agree that there is a great problem here concerning what kind of a bill this House comes forth with, but between the two proposals would not the gentlewoman agree that the Perkins substitute is the best thing we have going at the moment?

Mrs. CHISHOLM. There is no doubt about it. In fact, I would have liked to have seen that substitute extended for a 5-year period, but, realizing the politics of the situation, I will support a 3-year extension. What is needed is reassessment, evaluation, and a pulling together of the kind of information that is needed to judge a program. It takes time to assess a program, and a 3-year extension would assist in doing this.

Do not take any program overnight and think that you are going to be able to assess it. The educators have been telling us things, and I believe that we are overlooking what the educators have been telling us. Let us forget about the political ramifications. I do not care if a Republican or a Democrat has anything to do with the measure; the things we must look at are the results. And there is no doubt that the results of this program have been most meaningful to the children and to the educators.

I would strongly urge that this body support the Perkins amendment, and reject all other amendments, if they are truly concerned about the equality of opportunity of our children, so that every child can have the right to move up fully in American society.

AMENDMENT OFFERED BY MR. STEIGER OF WISCONSIN TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PERKINS

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Wisconsin to the substitute amendment offered by Mr. PERKINS for the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: On page 18, after line 3, insert the following:

"FEDERAL ASSISTANCE TO BE CONSIDERED IN ASCERTAINING ABILITY OF SCHOOL DISTRICT TO PROVIDE MINIMUM EDUCATION

"SEC. 803. Paragraph (2) of section 5(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out the period at the end thereof and inserting in lieu thereof 'except that in the case of a State which, in its State aid program, provides for a minimum education program which must be provided for each pupil and bases a portion of the amount of State aid to local educational agencies on the financial ability of such agencies to provide that minimum education program, that State may consider payments under this title as payments in lieu of local taxes for the support of education in ascertaining the ability of an individual local educational agency to provide such a minimum education program from local sources.'"

And renumber the sections which follow accordingly.

Mr. STEIGER of Wisconsin. Mr. Chairman, while I offer this amendment to the Perkins substitute amendment, were it to be adopted I will not support the Perkins substitute amendment, and will continue to support the Green amendment in the form of a substitute, and would intend to offer this amendment to that amendment as well.

Mr. Chairman, this amendment comes as a result of the fact that there are now 19 States in this country which, because of the Vocational Education Act amendments of 1968, are having some problems as a result of the amendments that were adopted to Public Law 874 by the Congress at that time.

May I say to my colleagues on the committee that the amendment which I am proposing was one that was not considered by the House at the time of the Vocational Education Act.

It was an amendment that was offered in the other body and was adopted by the conference committee and the conference report was adopted by the House. I served on that conference committee and speaking for myself, did not quite fully understand the impact.

Mr. Chairman, Congress for a number of years has been concerned that school districts receiving impact aid under Public Law 874 should not be discriminated against in the distribution of State aid for education. The theory was that the impacted districts, if eligible for State aid, should be treated like all other districts because we want the best possible schools for the children of Federal military and civilian personnel.

The theory is fine if not taken too far, but the last Congress added a requirement to section 5(d) of Public Law 874 that has proved to be too sweeping in its provisions. The new provision went beyond the point of saying that States could not discriminate against impacted districts and required a discrimination in their favor.

The new provision prohibits the States from taking impact aid into account in any fashion for the purposes of determining State aid. What this has meant in practice in a number of States is that when the State attempted to assure a minimum level of financial support in its school districts, bringing the poorest up to a minimum level of expenditures for each pupil, it could not do so without at the same time pouring money into the impacted districts which, in many cases, are among the highest expenditure school districts. In short, under the act as it stands, a State must treat the impacted funds as though they were not being spent.

My amendment is identical to the language of Senate bill 1396, cosponsored by Senators ANDERSON and MONTOYA of New Mexico, now pending before the Senate Committee on Labor and Public Welfare.

The amendment I propose continues to protect impacted areas from State discrimination, while alleviating the undesirable consequences of the existing law. It permits the State to take into account the impacted funds only to the extent of determining whether the district meets the minimum level of expenditures per pupil guaranteed by State law—and then only with respect to that portion of the State-aid program designed to assure that minimum expenditure.

The gentleman from Arizona who sent you a letter indicated their concern about this provision. I have talked with a number of Members on the floor, both yesterday and today. Among the 19 States which have been affected, at least one State, Washington, I understand in its legislative session this year took care of the problem by amending the State's basic formula.

But I would suggest to the Members of the Committee here that the amendment I have proposed is one which would help to alleviate one of the problems which at least the House had not fully considered at the time of the adoption of the Vocational Education Act Amendments of 1968.

It is for that reason and on behalf of

members of the Committee on Education and Labor and on behalf of the other Members who have this problem that this amendment is offered.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

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

Mr. EVANS of Colorado. I commend the gentleman for bringing this to our attention at this point, but I do have a question to ask the gentleman.

It is my understanding the amendment would not reach the other end of the problem where it would go through to the impacted school district which gets up to a level that is so well financed that the State thereafter cannot recognize that and decline State aid without the entire State losing all of its Public Law 874 funds; is that correct?

In other words, the gentleman's amendment does not reach the other end of the problem.

Mr. STEIGER of Wisconsin. The gentleman from Colorado is correct; yes.

Mr. EVANS of Colorado. If your amendment passed, beyond those boundaries, it so touches, it would not change laws that now exist which means if a State reduced its State aid because of the Public Law 874 money, the entire State would lose its funds except for those funds used as your amendment provides; is that correct?

Mr. STEIGER of Wisconsin. My answer to the gentleman would be, "Yes." I believe he is correct in his interpretation of the amendment.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Wisconsin, certainly in good faith, and supported by other Members of the House in good faith, actually attempts to undo completely what this House by unanimous vote last year did and what the other body by unanimous vote last year did, and that simply was to prevent States from in any way decreasing the aid which was given to impact areas or districts by the Federal Government by decreasing the amount of State aid which the State would then give.

The gentleman is correct. There are 19 States doing this—18 now, for the State of Washington, to my knowledge, has changed its law and is no longer doing this.

The problem that the gentleman overlooks is that 874 funds are meant for two purposes: First, to replace lost tax base in the areas affected; second, to provide quality education for the children of federally connected people.

This law, 874, was passed specifically for the purpose of putting money in those districts—not in those States—in those districts which were affected by federally connected people, and the law is very clear on that point. The language of the committee, in its initial consideration of this legislation, made it very clear—and I am quoting from the report of 1950—when they considered this question:

> The effect of the payment provided for in this section is to compensate a local educational agency for loss of local revenue. There is no compensation for loss of any State revenues.

This is precisely what the law has always stood for. These payments go directly to the school districts affected, and if the State is taking money from what it otherwise would be providing those districts, what it is doing is taking the Federal funds and spreading those across all the educational districts in the State and not allowing us at the Federal level to put our funds into the problem we seek to confront—impact from federally connected people.

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

Mr. MEEDS. I yield to the gentleman from Arizona.

Mr. RHODES. Would it not also have the effect, if the present law remains in effect, that impacted areas would actually get a benefit because of State aid plus the impact money that the non-impacted districts do not get, whether or not there is a basis of need?

Mr. MEEDS. It may well be that these districts—and certainly this is the intention of Congress—that these specific districts will get some aid that other districts do not get, but that is precisely what this law is about. We are trying to pass a law which will provide federally affected people with quality education, and not to provide a State-equalization formula. This is our purpose. The State must take care of its problems and not ask us, and not use our funds, which they are doing now, to supplement other programs in the State.

I should like to continue, and then I will be happy to yield to the gentleman. The amendment which the gentleman is proposing—and here is the real mischief in it—the amendment which the gentlemen are proposing provides for a minimum education program which must be provided for each pupil. What a State can do is provide for a minimum education program of $100, and make the federally impacted area count everything it gets from the Federal Government. It has provided then under the terms of this amendment for a minimum program.

What if we are putting in some $300, or $269, as we are in many impacted districts in the United States? The actual effect of this is that the extra $169 that we at the Federal level are putting in is being spent across that State for alleviation of other school problems. I know they need the money, but here we have a specific act intended for a specific purpose, and we are diluting it and actually flying in the teeth of the intent of the act.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. MEEDS was allowed to proceed for 2 additional minutes.)

Mr. MEEDS. Mr. Chairman, what we are doing is actually flying in the teeth of every major education program which we have enacted in this Congress since 1965. That, in effect, is to say that the funds we provide—and this is in ESEA, in higher education, and in vocational education—will be so used as to supplement and to the extent practical to increase the level of State and local funds.

If this amendment were adopted, we would be doing exactly the opposite of that. We would be allowing the use of Federal funds to supplant what the States should be doing in supporting their own minimal education programs. Even in the language of the law itself, this provision is shown. This is precisely why last year we unanimously adopted this amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, the gentleman from Washington has made the point on the question of the minimum education program, but am I not correct in saying what happens today, given what we did in 1968, is that a State can say the minimum education program is one that requires $300 per pupil expenditure in that school district?

What has happened is that under the law as it stands now, impact aid cannot be counted, so the district itself can only raise $200. The State under its minimum education program, therefore, says, "We will give you $100 additional to make it $300," so the effect is that when we then add this to the impact aid and the local school district is enjoying preferential treatment which the Congress, I do not believe, intended it to enjoy.

Mr. MEEDS. Mr. Chairman, the gentleman from Wisconsin is correct with his figures but incorrect in conclusion.

Mr. RHODES. Mr. Chairman, I rise in support of the amendment.

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

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

Mr. COLLIER. Mr. Chairman, I thank the gentleman from Arizona for yielding.

Mr. Chairman, I can say that no matter how much talk there is in opposition to this amendment, it seems to me it is just commonsense. Everyone who really wants to understand the intent and purpose of the Congress ought to support this amendment. There are inequities in the Federal impacted areas program, and this attempts to modify one of the more glaring inequities.

Mr. RHODES. Mr. Chairman, I thank the gentleman from Illinois for his contribution.

Mr. Chairman, I have no great desire to bring up a matter involving the formula under Public Law 874, but I would be derelict in my duty if I did not do what I can to inform the House about a serious inequity which was put in the law in the last Congress, which involves distribution of Public Law 874 money.

Public Law 874 was enacted in order to put the Federal Government in the position of a real-property-tax payer in a school district in which a Federal impact had occurred. This is the way the law is to operate.

If a private institution came into a school district and built a plant, it would pay taxes. The Federal Government comes in and builds a plant and does

not pay taxes. So the Federal Government is trying to put itself vis-a-vis the school district in the same position as a private enterprise would find itself.

This was the way this legislation developed. This is the way it operated prior to last year. Before then, the States would be able to take into account the fact that Federal money under Public Law 874 went into a district, and the State's aid to that district could be reduced accordingly.

Naturally, if private enterprise owned property, the tax money paid would go to pay the costs of educating children in the district. Certainly, funds paid by the Federal Goverment should go also to pay the total costs of education, along with whatever the State paid. Yet under the present law Federal money is different.

This law last year actually created a preference in districts with federally impacted children.

As an example, if Arizona pays each pupil $400 as State aid then, according to this law, Arizona must not only pay the impacted districts the $400 but the district also gets the amount of the Public Law 874 money in addition. The other school districts in the State of Arizona which are not impacted would only get the $400.

I say this is an inequity because there is no way of knowing whether or not the impacted school districts are those which are the most needy. There is no test of need. Some of the more wealthy districts actually get the Public Law 874 money, and some of the poor districts get none.

All I am trying to do is to let the States decide for themselves what they want to do about State aid. If they want to pay the State aid on top of the Public Law 874 money they would be able to do it under the formula offered in the amendment of the gentleman from Wisconsin. If they do not want to they do not have to. Let us permit the States to decide for themselves.

This is not only Federal money we are talking about; we are talking about State funds, too, and a State's right to decide whether or not it wants to allow discrimination between districts on some basis other than need. I do not believe they should.

I believe the amendment offered by the gentleman from Wisconsin is very proper, appropriate, and should be adopted.

Mr. WILLIAM D. FORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe it is very important to recognize that although the language which is now the subject of the amendment was actually put into the Elementary and Secondary Education Act as an amendment to the Vocational Education Act last year, it came as a result of about 2 years of study by the committee, including very lengthy hearings, which produced evidence of the fact that in 19 States various devices were used in setting up the State aid distribution formula, so that funds received by a school district from Public Law 874 were charged against the district in distributing State educational funds. The net effect was that if the district were receiving, let us say, $100,000 of Federal funds under Public Law 874 the State deducted that $100,000 from the money it would otherwise have given that school district for that year of operation, under the deductible millage formula or whatever formula for distribution they had. In some cases it was a 100-percent penalty. In some instances there was a sliding scale.

The State of Washington, represented by the gentleman who spoke against this amendment, established a four-step program, through the State legislature, which ultimately represented an 80-percent penalty to the impact district.

The entire reason for this impact legislation was that the specific school district which was feeling the impact of a Federal activity in the form of additional children to be educated by that school district should receive the additional funds that would provide for that additional burden.

As the gentleman from Arizona just indicated, what he wants to do in his State is not take the money into the specific school district within the State that has the children but to put it into the general pot of Arizona and let the legislature divide it up and spend it any place it wants.

As a matter of fact, there is a substantial amount of money, as he indicated, I gather from the Indian reservations. I understand, from what he said, he wants to be able to spend that money somewhere else.

If we are going to appropriate money here through the impact formula for school districts educating children who are there because of something the Federal Government is doing, then we should see to it that the money goes to the districts where the children go to school.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM D. FORD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. It occurs to me if one can apply this principle to impacted school districts one could also apply it to the other programs under the different titles of ESEA and thereby wash out all the specific requirements that are written into ESEA.

The principle is a bad one to establish, because we can apply it to the poor or ghetto districts, the districts which need to get Federal funds through appropriate titles.

Mr. WILLIAM D. FORD. I agree with the gentleman.

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

Mr. WILLIAM D. FORD. I yield to the gentleman.

Mr. RHODES. Of course, it was not my intention at all to substitute these funds. The way the thing should work, of course, is that if the State puts in its money, then there should be credit given for Public Law 874 money, because the school district gets the same amount no matter who pays it. I do not think we ever intended to give impacted districts an advantage, which is what the law does now as it is written. I want them to be treated the same as other districts, but I do not believe they should be preferred unless they are needy.

Mr. WILLIAM D. FORD. I disagree with the gentleman. He is exactly wrong. We do intend to give them an advantage, but we try to give them money on top of the amount which they are receiving because of Federal activities going on in their area. If we allow them to dilute the Federal assistance, we in effect penalize the district by giving money to the State that would have gone to someone else, and you are wiping out the effect of the intention of Congress.

Mr. RHODES. The gentleman seems to be changing the philosophy of Public Law 874. We intended to make the impacted district whole because of Federal participation in activities in those districts. Now you say that there should be an advantage which is to be given to these impacted districts not just equality. These impacted districts are not necessarily needy. They may be, but not necessarily so.

Mr. WILLIAM D. FORD. I would like to correct the gentleman. The theory of it is a replacement of tax revenue which is theoretically lost by the putting in of a Federal installation of one kind or another, but more importantly, on an educational view, it is based on providing funds to allow for an adequate education in a school district that becomes overcrowded when we bring in a military activity near it, or a Federal activity.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM D. FORD. I yield to the gentleman.

Mr. BROWN of Ohio. The point has to be established that the loss of revenues because Federal property is not taxable is not the only impact which originally stimulated this law, but impact is also from the number of added pupils brought into the area. These additional pupils may be in the district where the tax revenue is lost, but they also may be in another district down the way where there is no impact from the loss of tax revenues because of Federal installations taking taxable real estate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the Steiger amendment.

Mr. Chairman, I had not intended to speak on this bill or on this amendment, but because the amendment applies directly to my State of New York, and could have such a damaging effect on so many school districts in our State, it is necessary for me to say a few words.

This sounds like a very plausible amendment. The gentleman from Wisconsin made it appear to be a very simple and reasonable change. But in plain terms this amendment would repeal the whole impacted area program. It would gut the program as it applies in New York State and as it applies elsewhere. In fact, it would transform impacted areas into a program that would not help impacted school districts at all but would only ease the budget problems of the State. New York tried 2 or 3 years ago to pull this kind of stunt on the impacted areas of our State; it directed that if a district got money from the Federal Government

as an impacted area, then they would reduce their previously scheduled State aid by a corresponding amount, so that the school districts we were trying to help ended up with less money than they had had the year before. In fact, the impacted aid moneys they had been using for years and had been counting on and programing for in the individual school districts, the very thing that made the impacted area program such a valuable one, was suddenly taken away by New York State. Fortunately, this House and the other body acted last year to prevent this kind of short changing of local school districts, and this nullification of a long-standing Federal program.

If this amendment goes through, it really means that the impacted area program as this House has known it over the years, and has supported it over the years, and has fought for it over the years, would be destroyed. Instead of giving aid to individual school and individual schoolchildren, we would then be giving aid to State budget directors, which is certainly what we never intended to do, and certainly do not want to do. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The amendment to the substitute amendment was rejected.

Mr. WILLIAM D. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the principal part of the bipartisan substitute that we have before us was before the committee in the form of an amendment offered by the gentleman from Minnesota (Mr. QUIE) and that is the proposal which is contained in this legislation calling for the consolidation of four ESEA education titles into a single title.

Mr. Chairman, people around this floor today have been talking about the fact that these would be block grants.

I would like to take just a moment here to talk about what the committee amendment proposes to do and does not do, especially for the benefit of those of us who have been led to believe that somehow the nature of these programs is going to be changed by this proposal from a Federal program controlled at the Federal level to a State program controlled at the State level and that, in fact, there will be less restraint upon the uses of the money than there is at the present time. First, all the programs that the Republicans would merge are all now State administered programs.

Second, I call the attention of the members of the committee to page 22 of the substitute where they will see enumerated as the specific purposes for which the funds that will be appropriated under this section can be used for exactly the same purposes that are now contained in the law for each of the four titles.

Under paragraph (b) you will find they call it "library resources." That is exactly title II of the present Elementary and Secondary Education Act. They also included the equipment in that section, which is title III(a) of the NDEA—title II of the Elementary and Secondary Education Act which you will remember last year became a State program in toto and was transferred to the States for administration and is a State program today. It is covered in paragraph No. 1. And, the purposes covered by title III are identical with title V of NDEA covered in there as No. 3.

The only thing in addition to the present authorized usage of the money that could be done under these alleged block grants would be to spend some money for what? Look over on page 23 and you will find the statement:

(1) Proper and efficient administration of the State plan;

(2) Obtaining technical, professional, and clerical assistance and the services of experts and consultants to assist the advisory council authorized by this title in carrying out its responsibilities; and

(3) Evaluation of plans, programs, and projects, and dissemination of the results thereof.

But there is no language in this amendment that will expand by 1 inch the latitude that is given to State and local officials to use the money that has heretofore been funneled to them through State programs under the existing titles of the present program.

If you will look at the proposal now pending before us you will find that there are five full pages of specific powers reserved to and given to the Commissioner of Education and I would like for you to listen to the kind of strong language that is used. It says that he can require in such detail as the Commissioner deems necessary—and that means the Commissioner of Education here in Washington—assurances satisfactory to the Commissioner that the money is going to be used for these purposes and provides again and again and again in eight separate instances in these four pages specific references to the power of the Commissioner to be absolutely sure that the enumerated purposes set forth in this act and only those purposes are the subject of the spending of this money.

So anyone who here believes that this is in fact a block grant proposal that is going to give money to the State and local agencies without any strings attached, as some people have been trying to peddle it around this floor, is being misled.

And if there is a member of the Committee who is advocating this legislation who would like to disagree with the assertion and show us one single additional purpose for which this money could be spent, I wish they would stand up now and tell us about it.

Mr. KARTH. Mr. Chairman, would the gentleman yield?

Mr. WILLIAM D. FORD. I yield to the gentleman from Minnesota.

Mr. KARTH. Mr. Chairman, I want to commend the gentleman in the well, the distinguished gentleman from Michigan, for talking about this block grant concept.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MCCORMACK, and by unanimous consent, Mr. WILLIAM D. FORD was allowed to proceed for 5 additional minutes.)

Mr. WILLIAM D. FORD. Mr. Chairman, I yield further to the gentleman from Minnesota.

Mr. KARTH. I thank the gentleman for yielding.

Mr. Chairman, a great deal can and should be said about block grants. Let me give an example of our experience in Minnesota with this concept.

The 90th Congress enacted the Omnibus Crime Control and Safe Streets Act of 1968. During the debate on that important legislation, the matter of block grants to the States was discussed. Despite the position of many of us that the Federal Government should deal directly with the local communities in allocating funds under Public Law 90–351, the decision in the Congress favored grants to States.

Therefore, I want to bring to the attention of this Congress the facts on what has happened as a result of what I consider to be an unfortunate action by that body in choosing the State route to distribute Federal moneys. At that time I warned that in the State of Minnesota such moneys would be siphoned off by the creation of a new State bureaucracy.

I am sorry to report that my prediction was correct and much of the badly needed help for our urban communities has instead been budgeted into a new and burgeoning agency in State government.

According to the planning application submitted to the law enforcement assistance administration by the Governor's Commission on Crime Prevention in Minnesota, some 43 percent of the funds will ultimately find its way to the various communities that need the help. Out of a total budget for the Governor's commission only $70,000 is allotted to planning area "G" which is the seven-county Twin Cities metropolitan area. Minneapolis and St. Paul happen to be the very areas where the need for Federal help is most desperate. Thus only $70,000 out of a total budget of $383,000 ends up in the metropolitan areas of great need.

Other aspects of the proposed budget of the Governor's crime commission that should be of interest to the Congress are these. There will be 12 employees with a total wage and fringe benefit cost of $154,000. This would include three secretaries and even a grant administrator. Added to this total are the amounts of $10,300 for consultation fees, $15,500 for travel, and $18,500 for "other" expenses. Therefore, only $185,000 is ultimately allotted to local law enforcement agencies, while almost $200,000 is gobbled up by the State bureaucracy.

There is a lesson to be learned from this example of the creation of a bureaucracy where none previously existed with the result that badly needed money does not reach the problem areas as it was intended by this body.

In the future let us not heed the siren call of State block grants when the result will be as described above. It is one thing to work within the State structure

when there is an existing State vehicle to administer programs. It is wasteful, however, of our Federal funds when the States set up new bureaucracies that did not exist previously.

We have a system of local law enforcement in our Nation and I feel the Congress meant in its wisdom to help the local law enforcement agencies. I feel that this intent of the Congress has been frustrated by the State block grants approach of Public Law 90–351, the Omnibus Crime Control and Safe Streets Act. I trust we will not make the same mistake in the important field of education.

Again I want to commend the gentleman in the well for pointing this up.

Mr. WILLIAM D. FORD. Mr. Chairman, I would like to close by just calling attention to one other matter, and I am looking at the formula for distribution devised by these five sponsors—and I suppose as a person from Michigan I could be selfish and vote for this, because Michigan is one of 14 States that will be authorized to receive more money under this proposal than it currently receives under the existing law—but she will receive it, along with those 14 States, at the expense of 36 other States. And for my friends right straight up the aisle here I would like to point out that it is going to cost Alabama $752,649, just for openers, if you vote for this proposal. Georgia is going to lose $239,256. And one of the sponsors here who spoke so eloquently a few moments ago should know that Louisiana is going to lose $57,000.

I believe I have given the Members some idea of the pattern that is involved in the Quie formula that is incorporated in this legislation. The 36 losing States are revealed in the table I insert at this point:

STATE ALLOCATIONS

Under the Republican consolidation amendment, the four distribution formulas now contained in the Titles to be consolidated would be replaced by a distribution formula based on school age population. Assuming that equal amounts* were distributed under the Minority-sponsored distribution formula and under the distribution formulas it replaces, the 36 following states would lose the amounts indicated if the Green-Ayres formula were applied:

	Amount of loss
Alabama	$752,649
Arkansas	513,213
Colorado	15,323
Delaware	4,523
Georgia	239,256
Idaho	152,215
Iowa	426,483
Kansas	50,329
Kentucky	725,267
Louisiana	57,308
Maine	425,993
Massachusetts	169,882
Minnesota	87,215
Mississippi	175,161
Missouri	249,950
Montana	210,372
Nebraska	372,761
Nevada	50,012
New Hampshire	207,475
New Mexico	150,999
New York	32,395
North Carolina	499,094
North Dakota	268,703
Oklahoma	563,223
Oregon	322,599
Pennsylvania	1,348,120
Rhode Island	$232,655
South Carolina	58,151
South Dakota	51,048
Tennessee	542,128
Utah	2,227
Vermont	127,556
Virginia	97,761
West Virginia	784,963
Wisconsin	308,282
Wyoming	224,659
District of Columbia	36,073

* The authorization for the consolidation program in the Green Substitute.

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

Mr. WILLIAM D. FORD. I yield to the gentleman from Minnesota.

Mr. QUIE. What the gentleman said here is not true, because the consolidation provides that no State would receive less money than they would receive under the present law.

The gentleman was absolutely correct that this adds no new purposes to it; it only adds consolidation to the programs.

Mr. WILLIAM D. FORD. The gentleman is playing sleight of hand with words. We have an appropriation that amounts to 43 percent of the authorization and what you distribute is the authorization—you do not distribute the appropriation. The only thing you protect them in is the level of expenditure for last year—and all new funds will be distributed under the formula as you have now written it, may I say to the gentleman from Minnesota (Mr. QUIE) and the end result where we reach the level of the full fund, it results in an annual loss to those States.

Mr. QUIE. The gentleman is wrong. I am not speaking of the authorization. I am talking about the appropriation. There is protection here under the appropriation that no State will receive less money.

Mr. WILLIAM D. FORD. You do not protect any State or anything except the amount of money they received last year when we appropriated 43 percent of the authorization.

Mr. QUIE. I am not talking about that provision alone. There is the protection. I also have the appropriation, whatever it is, that they will not receive less than the appropriation that has been made under the formula.

Mr. WILLILAM D. FORD. The formula used in your substitute is less favorable to 36 States I have mentioned than the four formulas it replaces.

AMENDMENT OFFERED BY MR. HATHAWAY TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. GREEN OF OREGON

Mr. HATHAWAY. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HATHAWAY to the amendment in the nature of a substitute offered by Mrs. GREEN of Oregon: Strike sections 803 and 804, beginning on page 13.

Mr. HATHAWAY. Mr. Chairman, this amendment strikes the so-called impacted aid for children in public housing. It is an amendment to the substitute amendment offered by the gentlewoman from Oregon (Mrs. GREEN).

Let me say first that I am in favor of the Perkins substitute and if this amendment prevails, I will also apply it to the Perkins substitute amendment.

Impact aid generally, I think, has a very questionable basis. It was enacted at a time when there was no general Federal aid to education whatsoever. Since that time we have enacted the Elementary and Secondary Education Act which is designed to help those people, which these two sections purport to help under what is called impact aid.

As a matter of fact, I would be glad to see all of the children who live in public housing be counted under title I of ESEA which is the provision of this law to help poor children get an education—but the fact that poor children live in public housing is no impact to the community. It means that instead of living in the homes that they are living in now, they would be living in different houses. So as a matter of fact, what this amendment is going to do is to allow those areas which have a lot of public housing, and which are mostly in the large cities of this country, an extra amount of money for educating their poor children whereas in areas that do not have a large amount of public housing which are still not getting much of any taxes out of the shacks that these poor children live in—not to get this money.

These children will be helped—or the schools will be, at the rate of one-half of per pupil cost which is the same as the category (b) children.

At the present time under the Housing Act in order to compensate the school districts for the tax losses they do get $11 per pupil.

Furthermore, as a result of the building of public housing in many of these areas the value of the surrounding property is increased so the tax base of the school district is greater than it was before.

Furthermore, if, and we can reasonably believe it will happen, the impact area aid sections of the act will not be fully funded, this will dissipate the amount of funds that will go into the (a) and (b) categories.

We have, as I mentioned earlier, title I, principally, of the ESEA designed to help the very children here that we are trying to have helped in addition to that, and I think the formula therein stated does the job a lot more equitably than what is proposed in sections 803 and 804.

For these reasons, Mr. Chairman, I ask that my amendment be sustained.

Mr. PUCINSKI. Mr. Chairman, I rise in opposition to the amendment. I think every Member has received a letter from the committee explaining the amendment. I remember having received the letter saying what this amendment would mean to each congressional district. There are 361 districts in this country which today have very serious problems in their local school districts because of the impact of non-tax-producing public housing in their communities. This would in no way upset category A or B. It cannot be funded until A or B are funded. I believe the amendment is most meritorious.

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

Mr. PUCINSKI. I yield to the gentleman from Ohio.

Mr. AYRES. I thank the gentleman for yielding. I think it should be pointed out to the Members of the Committee that the so-called Pucinski amendment was in the original committee bill. It was included in the bill got together by Democrats and Republicans and known as the Green substitute, and it was also in the Perkins substitute.

Mr. PUCINSKI. I might also advise the Committee that the Secretary of Health, Education, and Welfare, Mr. Finch, was asked about this amendment, and that while he said he did not have the details and was not fully familiar with it, he would have no objection to the amendment. I hope the amendment will be voted down.

Mr. Chairman, the committee, in approving the amendment, went beyond a simple extension of these two laws. By a vote of 28 to 2, with broad bipartisan support, the committee initiated a major new program which would extend the benefits of the impacted aid laws to children residing in public housing projects. Under this new program, local school districts would be reimbursed approximately one-half of the local cost of education for each public school pupil who lives in a public housing unit.

The committee, however, reduced this reimbursement by the amount of the payment in lieu of taxes which is used for education. The committee felt that there should be this reduction since this money was presently being used for the education of these children from public housing. But the committee realized that by writing the amendment in this form it will cause some initial problems. Most particularly, in those cities where the board of education is a separate taxing body, a specified amount of the payments in lieu of taxes goes directly to the board of education, but in those cities where the school system is an integral part of the municipality there is no present determination of the amount being expended for education.

Consequently, it would seem on the face of it that a city which has a separate board of education would receive a lesser amount proportionately under this amendment than a city which does not presently determine how much of the payment in lieu of taxes is used for education. But the committee intended that the Office of Education require that in the latter situation a determination be made of the amount of the payment in lieu of taxes which is being used for education and that this amount be reduced from the payment under this amendment.

A total of 381 congressional districts would receive direct benefits for their local schools because these congressional districts actually have public housing in their districts. But even those few districts that do not have public housing would benefit by bringing more school funds into their States.

Under the amendment to Public Law 81–874 this aid would not be earmarked for any specific programs, rather it would go into the general operating budget of the local school district. I believe that this type of aid is vitally needed now if our school systems are to survive.

Under the amendment to Public Law 81–815 this aid would be earmarked for construction, but the local school district would have the sole discretion to determine how this money is to be spent. As under the present Public Law 81–815, a school district could use the money for the construction of any school buildings it desires and in any location it desires, not just in the areas affected by the federally impacted children.

The committee added this amendment to the impacted aid laws because it believed that the Federal Government has unintentionally created a severe impact in many school districts through the public housing laws. These housing acts have as their purpose the guaranteeing of a decent home for every American regardless of income. As a direct consequence, today more than 670,000 families occupy low-rent housing constructed with the financial assistance of the Federal Government.

But this Federal housing policy has also resulted in inadvertently placing a crushing burden upon many school systems. Frequently, the existence of this attractive low-rent housing has lured poor, uneducated families from rural areas into our cities, large as well as small. While the results of this migration are frequently most dramatically seen in our larger cities, they are, nonetheless, also present in the semirural areas of Alabama, North Carolina, and almost all other States, often causing a greater strain on these schools because of the more limited tax bases. Thus, many of our school systems across the Nation have been weighted with large numbers of disadvantaged children drawn into the school districts by the construction of federally financed public housing.

Since Federal laws exempt all public housing from State and local taxation, schools serving children from public housing are deprived of tax revenue which would provide funds for an adequate education for these children. Recognizing this gross inequity unintentionally caused by the housing acts, the Federal Government presently makes a token payment in lieu of property taxes to the local school districts.

The national annual average of this Federal payment in lieu of taxes is only $11 per child for each school year. This amount is shamefully inadequate to offset the revenue lost by exempting public housing from State and local taxation. The results of this insufficient compensation by the Federal Government are inadequate educations for all children within the school districts affected and an excessive burden placed upon the property owners within these school districts.

The Federal Government must assume a greater financial responsibility for the education of these children from public housing projects. Testimony presented before the General Subcommittee on Education, which I chair, has shown that enrollments in certain surveyed areas have doubled with the construction of federally financed public housing. This sudden concentration of large numbers of disadvantaged students has placed a great stress on already strained school systems.

Testimony has also shown that the property tax revenue per nonpublic housing pupil attending public schools averages $415 and that if the payment in lieu of taxes per low-rent housing pupil were deducted, an amount of $404 would be needed to close the gap between the cost of education per public housing student and the revenue produced by the housing projects. This difference of $404 per child is now being borne by other property owners in the school districts causing an excessive burden on these property owners.

Testimony presented before the Committee on Education and Labor has shown wide support from a great number of witnesses for this amendment.

These witnesses have demonstrated the urgent need for this legislation. The leading national educational associations have also endorsed my amendment. These associations include the following: The National School Boards Association, the Chief State School Officers, the National Education Association, the National Association of State Boards of Education, the American Association of School Administrators, the National Congress of Parent-Teachers Associations, the Research Council of the Great Cities.

I would like to thank especially the National School Boards Association for its early and continued support for this amendment. The association and Mr. August Steinhilber, director of Federal relations deserve a great measure of credit for this amendment. The Research Council of the Great Cities also deserve praise for their valuable assistance.

Some may argue that although the principle of this amendment is worthy, it should not be included under the impacted aid laws. I think that I have demonstrated that the Federal housing policy has indeed created an impact in many school districts. In fact, this impact in many instances is much greater than that caused by other Federal activity in the same community.

But let me emphasize that this amendment creates a new authorization of funds for public housing children. This separate authorization will insure that the appropriations for "A" and "B" children under the present laws will in no way be decreased.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. HATHAWAY), to the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendment to the amendment in the nature of a substitute was rejected.

AMENDMENTS OFFERED BY MR. PICKLE TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PERKINS

Mr. PICKLE. Mr. Chairman, I offer amendments to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The Clerk read as follows:

Amendments offered by Mr. PICKLE to the substitute amendment offered by Mr. PERKINS: On page 13, after line 23, insert the following:

"PROHIBITION ON USE OF FEDERAL FUNDS FOR CERTAIN PURPOSES

"SEC. 110. (a) Title III of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by redesignating section 303 as section 304, and by inserting immediately after section 301 the following new section:

"'PROHIBIT USES OF FEDERAL FUNDS

"'SEC. 303. The Secretary of Health, Education, and Welfare shall take such action as may be necessary to insure that no funds appropriated to carry out this Act are used by a local educational agency for the transportation of students or teachers in order to meet the provisions of title VI of the Civil Rights Act of 1964.'

"(b) Section 301(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out ', or require the transportation of students or teachers in order to overcome racial imbalance'."

On page 22, after line 6, insert the following:

"PROHIBITION ON USE OF FEDERAL FUNDS FOR CERTAIN PURPOSES

"SEC. 703. (a) Section 805 of the Elementary and Secondary Education Act of 1965 is amended by inserting '(a)' after 'Sec. 805.' and by adding at the end thereof the following new subsection:

"'(b) The Secretary shall take such action as may be necessary to insure that no funds appropriated to carry out this Act are used, whether or not voluntarily, by any local educational agency for the transportation of students or teachers in order to meet the provisions of title VI of the Civil Rights Act of 1964.'

"(b) Section 804 of such Act is amended by striking out ', or to require the transportation of students or teachers in order to overcome racial imbalance'."

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD, so that I may explain them.

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

There was no objection.

Mr. PICKLE. Mr. Chairman, this is an amendment similar in many respects to the amendment offered by the gentleman from Texas (Mr. COLLINS) when he offered an amendment to the Green amendment. This is an amendment to the Perkins amendment.

What it does in effect is to prohibit the use of Federal funds in the transportation of students. It makes this important change, and I hope you keep this in mind. The amendment that was offered previously stated that no Federal funds shall be used by a local education agency for the assignment or transportation of students or teachers, or to require the assignment or transportation of students to overcome racial imbalance, in connection with title VI of the Civil Rights Act. It makes the same prohibition in the field of the Elementary and Secondary Education Act.

My amendment would remove the wording "assignment or" so that the provision will simply read that no funds can be used, whether or not voluntarily, by a local educational agency for the transportation of students or teachers in order to meet the provisions of title VI of the Civil Rights Act of 1964, or section 804 of the same act. What I have done is to remove the word "assignment." The word "assignment" conjures worries, fears, and apprehensions, whether they are justified or not in some areas, and I say that what we propose to do is to take that word out and simply say that we cannot use Federal funds for the transportation of students or teachers.

Now, this goes to the heart of what I think is an effort to cure the problems attendant on busing students. I think this is a worthwhile amendment. I believe most of you would support this, some on either side of the aisle. Perhaps one of the reasons the amendment was not agreed to earlier with respect to the Green amendment was that you just did not want it to clutter up this particular bill. I think this is where it ought to go, in the Elementary and Secondary Education Act. I do not think it brings up again all the fears that you have here in connection with the transportation of students. I think it is sound. I think it is helpful. There is no authority in the country for the busing and transportation of students; so I urge that you support this amendment.

Mr. O'HARA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I ask the gentleman from Texas if I may have a copy of the amendment he offered?

Mr. PICKLE. I will give the gentleman a copy, yes.

Mr. O'HARA. Mr. Chairman, I thank the gentleman from Texas.

Mr. Chairman, if the amendment did what the gentleman intended it to do, the practical effect would be that if a school district were required by a Federal court order or by a threatened cutoff of funds under the Elementary and Secondary Education Act to change some school attendance areas in a way that would require busing, they would have to use their own money to do it. They could not use Federal money. I do not know what good this does any school district that is put under a court order to transport pupils in order to comply with title VI of the Civil Rights Act, because all it does is deny them the use of Federal funds to meet that requirement.

In fact, no school district is now using Federal funds for the purpose of providing busing to implement a plan of desegregation that they must implement in order to comply with title VI of the Civil Rights Act.

Under the amendment as intended they would not be able to in the future. They would have to reach into their own pocket to get the money to pay for that.

But the gentleman goes further and attempts to amend the language already in the act by striking out the word "assignment." I do not know what we would have left there, because the second part of the amendment offered by the gentleman from Texas (Mr. COLLINS) which the gentleman leaves in there, would not in its altered form remove all the language that is presently in the act. It would leave the words "assignment or" imbedded in there somewhere. I do not know what the effect of that would be, and I do not think anyone else knows. While this amendment probably does not do the harm I feared from the Collins amendment, it certainly doesn't do anyone any good. I would hope the amendment will be defeated.

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

Mr. O'HARA. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, under the amendment the words "assignment or" are removed. The word "assignment" is removed. The gentleman is not correct when he says I have left some of it in there. I wish the gentleman would look over the amendment and see if that is correct.

Mr. O'HARA. That is correct, but he also removes it from the language he proposes to strike.

Mr. PICKLE. Mr. Chairman, I would want to say further with respect to the statement of the gentleman, if a Federal court would actually order a school district to transport students, the only thing left would be for them to use their own funds. It seems to me that is an invitation for the Federal court to order this and for the school districts to use their own funds. We are trying to say to the court that they cannot use Federal funds.

Mr. O'HARA. Then the gentleman is saying they would have to use their own local funds. What good does that do?

Mr. PICKLE. I do not know if that would be fatal in itself. What is wrong with them using some of their funds, if they wished?

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

Mr. O'HARA. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, we cannot decide whether removing the word "assignment" is going to help. This amendment still has the prohibition against transporting pupils with Federal funds regardless of whether LEA's do it voluntarily or not. I think it would be wise to vote down this amendment and consider this before the committee and get the proper judgment, rather than adopt it at this time.

Mr. O'HARA. Mr. Chairman, I completely concur with the gentleman from Minnesota. Not only is the amendment one we ought to postpone, but I do not think it does what the gentleman who proposed it wants it to do.

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

Mr. O'HARA. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, as I understood the gentleman, he said we do not use funds now for transporting?

Mr. QUIE. No. The Federal Government cannot require the schools to bus children in order to overcome racial imbalance. That is the law now. If the local school has a voluntary plan and voluntarily wants to use Federal money because one of the schools is closed down and they want to get children to another school, that is permitted.

I believe this would take that opportunity away from the local board.

Mr. PICKLE. Mr. Chairman, this problem has been before us many times.

We are going to see this language in appropriation bills later. We ought to put it in this particular bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. PICKLE), to the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS).

The amendments to the substitute amendment were rejected.

Mr. McFALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, H.R. 514 amends Public Law 81-874 to provide for payments to school districts of one-half of the local cost of education for each public housing child, less the share for education of the amount in lieu of taxes by the Federal Government to the local governing agencies. It also amends Public Law 81-815 to provide local construction aid for children in public housing projects in a similar manner. I support this addition to the basic law which would cover children of approximately 670,000 families living in public housing assisted under the Housing Act of 1937.

I believe the committee should also give favorable consideration to adding to their group of public housing children those from approximately 6,000 families with approximately 12,000 children living in housing constructed under title III of the Economic Opportunity Act of 1964 and title V of the Housing Act of 1949. They are certainly in the same kind of public housing considered by the amendment but they live in rural areas rather than urban areas and are entitled to equal treatment. Children of these migrant farmworkers are as equally a heavy burden on these rural districts as the other children are to the city districts.

While the parliamentary situation does not lend itself to the consideration of this amendment at this time I expect it will be offered to the committee in the other body. If it should be adapted, I would hope it would be accepted by our conferees in a later consideration of this legislation in conference.

Mr. RYAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has now been 4 years since Congress first approved the programs of the Elementary and Secondary Education Act. Today, the question of extending the life of this act, and of adding some new features to programs already in existence, is before the House.

On the merits of its performance alone, the Elementary and Secondary Education Act must be regarded as a successful program. In spite of the fact that appropriations for the programs of this act have been woefully inadequate—averaging less than 40 percent of the authorized levels—the achievements of this act are many. On the basis of estimates made by the Department of Health, Education, and Welfare, 9 million disadvantaged children will have received compensatory educational services, which are essential to their integration into the mainstream of our educational system, by the close of fiscal year 1969. Fifty-eight million badly needed books have been distributed to classrooms and libraries, filling gaps in the resources of local schools. Ten million students have benefited from programs and special centers set up to enrich and supplement the educational opportunities of their local schools. Instructional help and services have been provided to over 250,000 physically and mentally handicapped children. Some 275,000 teachers each year have had the opportunity to add to their teaching skills by participating in one of the on-the-job training programs offered under several titles of this act. And 4,265 additional professional personnel have been hired with funds provided to State education agencies to provide better administration of State and Federal education programs.

As these statistics indicate, the accomplishments of this Act have been many. But, as former Secretary of Health, Education and Welfare Wilbur Cohen indicated in his testimony before the Education and Labor Committee, the educational problems and inadequacies facing us demand new programs and vastly increased financial support.

Secretary Cohen said:

> While we can cite accomplishments under this legislation, we know that our work has really just begun. The appetite of America for increased educational opportunity has only just been whetted. Our need to help our children from disadvantaged backgrounds to do their best remains as an unfinished obligation. Because of this we must renew the provisions of this most important piece of legislation and strive for its improvement and for a full funding of its provisions. (Hearings before the Committee On Education and Labor, January 15, 1969.)

Several programs are in urgent need of the improvement and increased funding to which Secretary Cohen alluded. Among these are the dropout prevention program, programs for the assistance of handicapped children, and the bilingual education program.

Let me briefly discuss the need for bilingual education.

The need for bilingual education programs is clearly demonstrated by statistics supplied by the Office of Education for the Southwestern States of the United States. While the average Spanish-surname child completes only 7.1 years of schooling in this area, the average for all nonwhite pupils is 9. Both of these figures contrast sharply with the average 12.1 years of school completed by white pupils.

In New York City, the board of education has found that fewer than 10 percent of Puerto Rican third graders were reading up to their grade level in 1966. Three out of 10 were already at least a year and a half behind the average level of attainment of their fellow students. By the eighth grade, reading disability had increased to such a degree that as many as two-thirds of the Puerto Rican children at the eighth grade level were more than 3 years behind. When one realizes that in New York City, 46 percent of the Puerto Rican population is under 20 years of age, the tremendous impact the bilingual education program could have on these Spanish-speaking children is clear.

In response to this need, and to needs identified in many of our major urban communities—including New York City—the bilingual education program was established, and I was pleased to sponsor the original legislation.

As of January 1969, the Office of Education had received 310 preliminary proposals for bilingual programs, totaling $40.4 million. But the appropriation for the current fiscal year is only $7.5 million. This means that only about 18 percent of the need demonstrated in these proposals will be met with the funds appropriated to this program. I have introduced legislation, H.R. 2793, to provide a supplementary appropriation of $22.5 million to the bilingual education program. This would bring the appropriation for the fiscal year 1969 from $7.5 million, which was allocated by Congress, to the full authorized level of $30 million. Even this appropriation would fall more than $10 million short of the needs embodied in the State and local proposals for bilingual education which have already been submitted.

That the need for bilingual education is truly national is attested to by the fact that 39 States have submitted proposals to the Office of Education for programs which include teaching in 17 different languages. National as the need is, however, Congress has failed to provide adequate funds to make possible an effective and comprehensive response to the desires of States and local communities to upgrade educational opportunities for bilingual portions of their population.

The extension of that act, then, is only the necessary prerequisite to the improvement of its programs and the allocation of far greater amounts of resources to our education needs. For as Secretary Cohen says:

> Our work has only just begun.

The proposal under the Green amendment to channel funds to the States in bloc grants rather than to school districts, as is now practiced, would reduce the role of the Federal Government in education and permit the States to decide which school districts should receive first priority on Federal funds. However, responsibility to identify areas of need should continue to rest with the Federal Government. The States, some of which have long denied efforts of minorities to achieve an equal educational opportunity, cannot be permitted to assume what must be a Federal responsibility. To acquiesce in bloc grants would be to erode the increased role which the Federal Government has only lately begun to exercise in the interest of the poor and disadvantaged. It would turn over control to the very State governments whose failures necessitated Federal action in the first place.

While I believe that H.R. 514 should be adopted as reported out of committee with a 5-year extension of the Elementary and Secondary Education Act, I will support the Perkins substitute as preferable to the Green amendment which extends the act for only 2 years and incorporates bloc grants—a most undesirable feature.

Mr. DONOHUE. Mr. Chairman, I most earnestly hope that in its wisdom the

House will speedily see fit to overwhelmingly approve this vitally important measure before us, H.R. 514, the Elementary and Secondary Education Act Amendments of 1969.

The projection and content of the eight titles of this measure have already been technically and thoroughly explained by the managers of the bill on both sides and need no further extended repetition at this hour. Also the bill is substantially the same, with one proposed amendment addition, as the measure we adopted here in 1967.

In summary, H.R. 514 proposes to extend and authorize funds for 5 years for the elementary and secondary education programs designed to assist school districts with large concentrations of educationally disadvantaged children; extend school library resources, textbooks, and instructional materials; maintain supplemental education centers and services; strengthen dropout prevention encouragements; and establish special instruction for the handicapped.

The impact aid programs provide funds for the construction, operation, and maintenance of schools in districts where the school population is upwardly affected by the presence of Federal installations.

The main contention about the bill is over the proposed 5-year extension. Hitherto, the Congress has taken action providing the elementary and secondary education programs with a 1-year extension in 3 out of the 5 years the law has been in existence and, in its most recent action in 1967, only a 2-year authorization was provided.

In prolonged hearings conducted by the House Committee on Education and Labor, the evidence shows that all the expert witnesses and authorities unanimously testified that the greatest basic improvement the Congress could make in the existing legislation would be to approve a 5-year extension with timely funding.

Mr. Chairman, beyond the most persuasive evidence of these accredited witnesses, our own good reason and commonsense clearly indicate that a longer period of authorization for 5 years will obviously enable school officials and systems to more practically utilize their personnel and material resources, project better structured education programs, and more prudently plan for the most efficient use of the taxpayers' hard-earned money, which, the Lord knows, we all universally desire.

The imperative need and great merit of the current impact aid programs have been practically universally endorsed and accepted. The major additional amendment in this pending bill expands the established purpose of impact aid by further providing for the reimbursement of each school district for approximately one-half the local cost of education for each child residing in federally financed low rent housing.

As you know, public housing is exempt from State and local taxation. Local housing authorities now pay the local school district an average of only $11 per year per student in lieu of taxes, while the average cost of educating a youngster is about 50 times that amount. Every school superintendent and major educational organization in my area and throughout the country has endorsed this amendment as a sound way to try to help schools meet their immediate financial crisis, and to help relieve local taxpayers of the full cost of providing this additional education.

Mr. Chairman, in special fields, the voices and the testimony of acknowledged authority should certainly not go unheeded. The esteemed chairman and committee members presenting this bill to the House have emphasized the immense support for the continuation, over a 5-year period, of these elementary and secondary education programs that have come from a great majority of the major educational organizations and officials of school systems and districts throughout the country.

In substance, this bill represents an investment in the basic resource of this country, the Nation's youth. By any standards of measurement, the objectives of this measure would have to be rated, at the very least, among the very highest on any priority list of essential national expenditures. The only real question about the proposed expenditure authorizations is whether they should truly be increased.

Mr. Chairman, if there ever was a legislative proposal in the pure national interest, this is it. Let us, therefore, adopt it, without delay.

Mr. FRASER. Mr. Chairman, I want to add my support to H.R. 514, the Elementary and Secondary Education Amendments of 1969. I know that the ESEA—particularly title I of that act—has made an important impact in my district, Minneapolis.

Recently the Minneapolis Board of Education released a study which shows that title I compensatory programs are affecting achievement levels for disadvantaged children. In 8 months, 50 children at a poverty area junior high school made 2 years academic growth in reading and arithmetic as a result of their participation in a title I project. I am sure that this success story can be repeated in thousands of districts throughout the country.

But the new educational programs made possible by ESEA are just beginning to make a difference. The program must be continued and expanded if we are going to start meeting our country's educational needs in a meaningful way. I feel it is significant that H.R. 514 proposes a 5-year extension of this major Federal program. Local school systems need to know that the Federal Government is making a long-term commitment to education. Federal aid should not be a "here today gone tomorrow" phenomenon.

I am also pleased to see that H.R. 514 extends ongoing programs without making major changes in the structure or organization of these programs. There is no demonstrated need for tampering with the title I formula or with other parts of the ESEA machinery. From discussions with school personnel in Minnesota, I know that programs as they are now constituted enable funds to be used in areas of greatest educational need. State and local school officials in Minnesota feel that any significant overhauling of the authorizing legislation would merely make the implementation of programs on the local level all the more difficult.

Mr. EILBERG. Mr. Chairman, I rise today once again to voice my support for H.R. 514. Yesterday, I spoke of the excellent work of the Education and Labor Committee and of its distinguished chairman, the gentleman from Kentucky (Mr. PERKINS), in bringing this legislation to the floor. I also expressed my support for the full 5-year extension of the Elementary and Secondary Education Act programs included in the committee bill. Today, I feel I must urge all my colleagues to act favorably on H.R. 514 and in particular to insure the full authorization for the title II program contained in the bill.

H.R. 514 would extend the title II program for 5 years at the present authorization level of $200 million. As is the case with so many of our education programs, the funds appropriated are insufficient, particularly in the elementary schools, to meet the needs of these children for library books and instructional materials. The budget estimate for the 1970 fiscal year for the title II program is $42 million—less than 25 percent of the authorized amount. In spite of this, significant progress has been made in strengthening library resources in our elementary and secondary schools by providing textbooks and other instructional materials.

Under the title II program over 70,500 school libraries were expanded in 1967 alone, with more than 44.6 million children and 1.8 million teachers benefiting from the title II funds. Over 58 million books have been distributed to libraries and classrooms besides many other instructional materials. Thirty States have started demonstration programs where school personnel can see firsthand library services and instructional materials of the highest quality. Mobile demonstration programs have been instituted for rural areas. From 1966 through 1968, almost $300 million has been provided for this program.

The record of the public and nonprofit private schools in the State of Pennsylvania and in particular, the city of Philadelphia, in the title II program has been astounding. Because I believe the work that has been done here is so worthy of note, I would like to take this opportunity to advise my colleagues of exactly what has been done.

Mrs. Elizebeth Hoffman, director of the division of school libraries and coordinator of the ESEA title II program in the State of Pennsylvania, was kind enough to forward me a copy of her annual report to the Department of Health, Education, and Welfare on State activities under the title II program. Regarding the impact of title II funds, the report states:

> The principal portion of the ESEA Title II funds made available to Pennsylvania have been and shall continue to be used for the purchase of school library resources, textbooks, and other printed and published instructional materials which have been and

shall continue to be made available for the use of children and teachers of the public and private elementary and secondary schools in the State. To that extent there has been a greatly increased supply of such quality instructional materials.

Schools which had not provided these instructional resources for their teachers and children prior to the Title II advent have been motivated to establish local effort through the demonstration of the educational benefits the Title II resources are providing.

Schools which have developing instructional materials collections have been aided by the Title II resources in their effort to meet State Standards.

The need for professional personnel in the educational media areas (librarians, audiovisual specialists) is great. By providing materials to the administrative agents of the children and teachers of the State, the immediacy of the need for professional personnel to select and administer these materials has been forcefully brought to the attention of schoolmen. These men will establish the necessary positions at the local level, support them financially, and are seeking out qualified people to fill the positions and/or train for them.

The consultative services made possible by Title II at the State level has provided professional assistance to local district administrators, teachers, architects, curriculum specialists, librarians, and audiovisual specialists in all facets of the instructional materials programs including the areas of selection and use of quality resources, facilities design, library services to children, and the organization and administration of effective educational media provisions.

In summarizing the effect of the impact of ESEA Title II, it is clearly evident that these funds have provided a great stimulus to the development of quality collections of materials in all the schools of the Commonwealth. In addition these funds have emphasized the need for qualified personnel in the instructional materials centers of the schools.

Since the 1965–66 school year, public elementary and secondary schools in the city of Philadelphia have received over $1 million in title II ESEA money. Even though they suffered a reduction of 50 percent in the amount of funds they received for the 1968–69 school year as compared to the 1967–68 school year much has been done with the money.

Prior to the availability of title II money, the book collections and the programs in existing libraries in the Philadelphia school district were grossly inadequate. At that time, there was an average of about two library books per child. National and State standards call for a minimum of 10 books per school child. Today, these libraries have an average of five books per child.

Title II funds which the city has received over the last 4 years has enabled the schools to add 400,000 books. The concept of the school library is being expanded into that of a multimedia instructional materials center which provides all types of audiovisual learning materials needed in the libraries to support the educational programs of the schools. Local funds alone are not sufficient to provide the wide range of materials needed.

Title II funds have libraries available to many children who had never been in one before and the accessibility and availability of a wide range of instructional materials is essential to sustain the many new educational needs. Mark Shedd, superintendent of the Philadelphia public schools, and David A. Horowitz, deputy superintendent for public instruction, have done a tremendous job with the limited title II money available.

The nonprofit private schools in the city of Philadelphia have received over $1.5 million in title II funds since the beginning of the 1965–66 school year. Sister Mary Arthur, coordinator of libraries for the archdiocese of Philadelphia has done an excellent job with these funds. Monsignor Hughes, superintendent of the parochial schools in the archdiocese of Philadelphia, testified before the House Education and Labor Committee on H.R. 514. When he was asked for his estimate of the impact of title II funds on the schools under his jurisdiction, he responded:

Four years ago, we were seriously concerned about the lack of library facilities, about the inadequate number of books and really effective library program. The effect of Title II on the Archdiocese School System has been spectacular. It has promoted the expansion and professional situation in existing libraries. It has led to the establishment of libraries where there previously were none. The books and instructional materials provided on a long term loan basis through the Title II program have acted as seed money. They have encouraged the Archdiocese's own people to increase their efforts now since they see the possibility of an effective library program through the cooperation of the government. At the present time, we have 268 elementary school libraries which are functioning effectively as a part of the total school program. Five years ago, we could not have claimed one tenth of that number as really professional libraries.

Mr. Chairman, the need for the continuation of the title II program as recommended in H.R. 514 is evident. Even with the encouraging results which the program has brought to the city of Philadelphia—the average number of books per child is now five, as compared to two before title II—more must be done. The State and National average of books per child is 10, well above the city's average. About 56 percent of the elementary schools in the State of Pennsylvania still have no library facilities and 27 percent of the secondary schools do not have them. Title II money has put learning materials in the hands of 9 of every 10 school-age children in the State. The intensive programs of audiovisual aid instructions for teachers in the city of Philadelphia and throughout the State have helped acquaint these teachers with the most advanced teaching methods. Thus, the combined effect of the title II money has been an increase in the educational level of children throughout the State. But more must be done. It will be done if we approve the $200 million authorization level contained in H.R. 514 as reported by the committee and then provide the appropriations necessary when the time comes.

Mr. FARBSTEIN. Mr. Chairman, I rise to express my strong support for the bill extending the Elementary and Secondary Education Act as reported out by the House Committee on Education and Labor under the able direction of the gentleman from Kentucky (Mr. PERKINS).

I believe the act must be extended for an additional 5 years so that school districts can have adequate time to plan for the best use of the benefits that come under this act. We in the Federal Government are always stressing rational planning for the financial assistance we provide; yet we make it extremely difficult for the local jurisdiction to rationally plan for its programing when we authorize funding for only 1 or 2 years.

At the same time, I am extremely interested in the section of the bill which would compensate the local school budget for one-half the local cost of educating children in public housing.

Like many other school districts in the United States, the New York City system faces a serious financial crisis. The additional $42,533,280 that, according to my own calculations, would come to New York City under the provisions of this new program would go a long way toward alleviating the cutback of $116 million in current operations the school system will be forced to undergo in the fall, as a consequence of insufficient funding. While the school budget as a whole will increase, increases in base expenses—salaries, a larger student body, inflation—will absorb all of the gross increase in the budget, plus much more. I might add that much of the cut also comes as a result of the recent State budget slashes in funds for the city and for educational expenses.

Since Federal law exempts all public housing from local taxation, schools serving children from public housing are deprived of tax revenue which would make possible funds for adequate education of children in public housing. Almost one-third of the total assessed property valuation for New York City is exempt from taxation and a sizable portion of this $850 million in lost revenue is from public housing and Federal property. As a result, other taxpayers are required to make up the difference. Tax revenue is lost while at the same time these children require additional educational expenses and programs above and beyond normal requirements in order to compensate for their cultural deprivation and disadvantaged background. The $42 million this legislation would provide New York City represents a small percent of the $850 million in lost revenue.

All across America, school districts are faced with the gravest financial crisis in their existence. The plight of the New York City school system revealed by the new budget is only symbolic of the pattern of school closures and retrenchments that will take place unless the Federal Government substantially increases its support of education.

This fiscal plight comes because States and localities can no longer afford to maintain the level of services they have had in the past because of the limits on their traditional sources of funding and preemption of much of the tax revenue by the Federal Government.

The effects of this fiscal crisis have become more and more apparent as the level of State and local programing has progressively fallen further and further behind the objective need.

Even the added amounts authorized

by the legislation we are considering today, in my opinion, do not begin to take up the slack, as best evidenced by the $116 million cutback in New York City, which is being met by the bill with an increase of only $42 million in funding for public housing children. This figure assumes that the entire authorized sum is appropriated. I am fully aware that this rarely happens.

Finally, I oppose any attempts to consolidate education money into block grants to the States for their allocation to local jurisdictions. Such an amendment would force educational groups to compete in each State for already inadequate funds with the distinct possibility that beneficial programs would receive no funds. I believe the block grant approach, in this context, injects the ugly spectre of politics into the important question of educating our children; for where the State legislature is dominated by one party and the local jurisdiction by the other party, the children of that community inevitably are prejudiced.

The need to take politics out of education was recognized 60 years ago when the move to make school boards nonpartisan first began to gain momentum. Let us not reverse this trend now by replacing program grants to local jurisdictions with block grants which the State can allocate as they wish for whatever educational purpose they desire and to whomever they want.

I urge my colleagues to join me in supporting better education for all our children by approving the 5-year extension of the Elementary and Secondary Education Act and the new program of Federal aid to public housing education costs.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 514, the Elementary and Secondary Education Amendments of 1969.

This 5-year extension of the landmark 1965 Aid to Education Act is desperately needed by cities throughout the Nation and by all communities—particularly those areas with large numbers of disadvantaged children.

Of the many new legislative programs authorized by the 89th Congress, the Elementary and Secondary Education Act stands as one of the most successful. Funds appropriated under this act have been used wisely and the old reactionary warnings about Federal controls have proved unwarranted.

If local school districts are to retain control of education and be able to plan ahead for use of Federal funds, we should reject any effort to limit the extension of the act to 2 years. The 5-year extension is sound and consistent with the philosophy of local control of education.

New York City desperately needs title I funds—particularly in light of recent budget cuts recommended by the Governor. As a member of the House Appropriations Committee, I will make every effort to secure full funding for this important program.

Mr. GILBERT. Mr. Chairman, I would like to announce my support of the Elementary and Secondary Education Amendments of 1969.

I believe we in Congress have done nothing more important in recent years than establish the principle and devise the formula for extending Federal aid to elementary and secondary schools.

My only regret—and it is a major one—is that we have not appropriated the funds to implement the principle. In fiscal 1969, we appropriated only $1.5 billion of the $3.9 billion that was authorized. The fiscal 1970 budget submitted by the Executive requests but $1.6 billion out of a total of $4.4 billion authorized. We will not achieve our educational goals, I am afraid, by such grievous shortchanging of our programs.

I believe that this legislation has proven its worth in the years since it was first enacted. We have helped to educate the boys and girls of America. I am particularly proud of the success of bilingual education programs, which I had a role in shaping. But we have not helped our boys and girls enough, Mr. Chairman. I believe that enactment of this bill should be clearly understood as a mandate for the full appropriation of authorized funds.

I would like to commend the committee for its foresighted amendment to provide Federal funds in lieu of taxes for the education of children living in public housing. This amendment will assist cities like my own—New York—in performing their obligations to the underprivileged. This is an amendment that should be approved.

Mr. Chairman, we have already had too much shortsighted diversion of funds in our day from the vital goals of our society. Of what use are missiles to protect a society that is in a state of disorder? We must set as our first priority the building of a strong social fabric. To achieve this goal, education is the most important instrument. I urge an overwhelming vote in favor of this bill—and its full support at appropriation time.

Mr. Chairman, I rise in support of the Perkins substitute to the Green amendment. I preferred the bill as it came out of committee with the 5-year extension of all programs under the act and the impacted area aid programs. However, in view of the great controversy between the administration's 2-year proposal and a 5-year extension, I am going to support the Perkins substitute which will provide for a 3-year extension.

Mr. BOB WILSON. Mr. Chairman, an important provision in the bill H.R. 514 now before us would continue the flow of Federal dollars to local school districts burdened with the responsibility of educating children from federally connected families. I strongly urge that the House approve this provision as it has been recommended by the House Education and Labor Committee.

The impact aid to education program is the most successful school aid program we have ever had. I have consistently supported the program for two reasons. First, since Federal activities create the problem of overcrowding local schools, the Federal Government has the undeniable responsibility to assist these school districts in educating the children of federally employed families. Second, there is very little Federal intervention in the school districts' spending of these funds.

The San Diego area that I represent is home base for the Navy's largest complex of bases. Thousands of schoolchildren from military families and civilian families employed at these Federal installations have swelled the enrollment of our local school districts. With impact aid, our San Diego area schools have been able to meet this increased enrollment satisfactorily. A reduction in this assistance would, in essence, cripple our education system in San Diego by creating overcrowded classrooms, cutbacks in curriculums, and a reduction in teachers. Under the provision in this bill, school districts in the San Diego area would be entitled to between $10 and $12 million in impact aid. Under certain proposals for restricting impact aid, San Diego schools alone would lose more than $4 million. I am certain that my colleagues who represent other federally impacted areas share my concern and I urge them to join me in pressing for continuation of the full impact aid program.

Mr. ANNUNZIO. Mr. Chairman, I rise in favor of the provisions of H.R. 514, the Elementary and Secondary Education Amendments of 1969. The Elementary and Secondary Education Act is one of the most comprehensive attempts to assist education in our history. In the years since its enactment, it has provided Federal assistance to State and local educational agencies on a scale never before attempted. The ultimate benefit of these programs is derived by all the children in this country. It is to this group that we will have to turn for our country's leadership in the future.

H.R. 514 represents both an extension and a strengthening of the most significant Federal aid programs for elementary and secondary education—that of the ESEA and the federally impacted areas assistance and the Adult Education Act. All of these programs will be extended for 5 years under the provisions of H.R. 514—a period of time most essential for continuity of the programs which have begun and which are developing and improving year by year. Teachers and administrators are committed to participating in the programs. Parents and students are involved in the programs. To add an element of uncertainty would most assuredly erode part of the progress which has been made.

One of the problems which has been connected with Federal aid to education is that of timely funding. Most school plans are made in the spring for the next school year. Staff members are secured and plans are drawn up well in advance of the beginning of the program. Our legislative calendar frequently provides funds after this early date. In almost every year of the existence of the ESEA, allocations of funds have not been received until several months after the beginning of the academic year. This does not allow school administrators to employ expert teaching and counseling personnel. It makes more difficult the development and utilization of instructional equipment and facilities and specialized materials necessary for a truly effective program. An early enactment of H.R. 514 will make it possible to appropriate funds this year for fiscal year 1971 and then

continue to provide advance funding for these programs in the years to come.

The results of programs funded under the Elementary and Secondary Education Act are phenomenal. In my State of Illinois I have talked to school administrators who are directly involved in the many programs operating in the State. They speak with enthusiasm about the results of the programs in their school districts and in the State as a whole. Probably the most spectacular results have been the result of title I—for the disadvantaged. During the 1966–67 school year nearly 243,000 children in Illinois participated in the title I program utilizing over 47 million. The accomplishments of the program in my State are many and the program has been improving each year. Illinois school officials have increased their ability to evaluate the specific needs of disadvantaged children and to design projects to meet those needs. The reading achievement of children who are participating in the program in Illinois has increased between 200 and 300 percent.

Other titles have provided assistance in such areas as library materials, innovative research, special problems of handicapped children and supplemental educational centers. The Illinois Office of Public Instruction has made use of funds for its development. A broad range of improvements have been accomplished in my State, and I am confident the record for other States is equally as distinguished. The funds provided under the ESEA have been well and effectively utilized. It is of paramount importance that the programs continue at the present or even a higher level. Education is a very important part of American life and to shortchange it would reap a tragedy with more ramifications than any of us would dare to consider.

Assistance under Public Laws 815 and 874 for federally impacted areas has also been well received and utilized. The responsibility for education rests squarely with the local and State educational agencies with the Federal Government providing financial assistance. Under this legislation the Federal Government makes payments to local school districts to help districts which must bear the burden of educating children whose parents reside or work on Federal property. These funds are most popular among school officials because they are put into the general budget of the school system and help to raise the overall level of education in the district. H.R. 514 makes an important change in these two acts—that of including children who live in public housing under the definition of federally connected children. It will offer additional relief to big cities which are having an increasingly difficult time in providing a quality education for every child. Under the provisions of H.R. 514, a separate appropriation would be required for children in this category, thereby preventing the possible reduction of funds to school districts under the present program.

H.R. 514 represents the results of a serious consideration of the legislation involved. The changes which are essential to a continuation of the excellent progress which has been made by education in this country are included. I am most enthusiastic about the results which have been accomplished and feel very strongly that they must continue in the years to come. For this to be possible, I urge an early enactment of H.R. 514, the Elementary and Secondary Education Act Amendments of 1969.

Mr. DERWINSKI. Mr. Chairman, I realize the attention in the processing of this bill has been focused upon the period of time it should be extended and I join with those who are supporting a 2-year extension.

The processing of amendments to the Elementary and Secondary Education Act gives us an opportunity to emphasize legislative intent in the matter of busing of students for integration purposes.

Most Members properly recognize that the law as written by Congress provides that the Federal Government should not force nor require local schools to bus students primarily for the purpose of integration. However, the Justice Department under the previous administration and now under the Nixon administration seems determined to ignore or misinterpret the intent of Congress and in various suits filed against local school districts the Department has pressed for busing primarily for integration purposes. In so doing they disregard the neighborhood school concept, pay little attention to the wishes of parents, and ignore the complications they cause in local school districts in which educational programs are thus adversely affected.

The primary purpose of this act is to improve education. Neither this program nor any other Federal education program should be used for dubious political purposes when the goal of quality education is still to be attained in many parts of the country.

Having voted in the past for civil rights legislation and education programs, I reemphasize my opinion that it is the intent of Congress to give support to educational programs without interfering with the administration of local schools or requiring pupil transfers that add to educational and logistical problems.

Mr. MATSUNAGA. Mr. Chairman, as one who has supported the Elementary and Secondary Education Act since it was first under consideration by this body in March 1965, I rise in support of H.R. 514, the Elementary and Secondary Education Amendments of 1969.

It is significant, as the Committee on Education and Labor points out, that this legislation is now before us for the fourth time in the short span of 5 years. Such frequency of legislative review probably was justified during the early period in the administration of this outstanding Federal aid program. While it is true that the program's 5-year record reveals some weaknesses, the overall picture is one of progress and encouragement in terms of achieving the original legislative goals. In short, the urgent educational needs of the Nation's children are in fact being met through the Elementary and Secondary Education Act.

The period of testing and evaluating is past. It is now time to consider this program in long-range terms to ensure its continued life and vitality. H.R. 514 will help to do this by extending most of the programs of assistance for 5 years from the end of fiscal year 1970. This extension would help to eliminate impairment of the various programs by delays in continuing authorizations and untimely funding. It would promote more effective planning by school districts and provide for greater certainty in the development and acquisition of curriculum material, instructional equipment, and necessary facilities.

In my own State of Hawaii, the Elementary and Secondary Education Act has become an important part of our program to improve the education of elementary and secondary schoolchildren who live in recognized low-income areas. The obligated amount for fiscal year 1969 under title I alone is $2,365,107. The funds are being utilized effectively to meet the educational needs of our educationally disadvantaged children.

Under title II, Hawaii's obligated amount for the current fiscal year is $193,833 for library books and other instructional materials. For the same period, Hawaii's share under title III, supplemental educational centers and services is $874,776.

To strengthen the Hawaii State Department of Education under title V, the 1969 obligated amount is $281,390. An area of increasing concern because of the lack of adequate appropriated funds is the education of handicapped children under title VI. The 1969 obligated amount for my State under this title is $113,023.

The 1969 obligations for the State of Hawaii under the Elementary and Secondary Education Act total $3,828,129, an amount considered to be inadequate but necessary for the vital work to which it is being applied. When the importance of the work that is being carried on in Hawaii, a relatively small State, is multiplied fiftyfold, the nationwide effect is indeed overwhelming. It is then that the need for the proposed extension and strengthening of the Elementary and Secondary Education Act becomes at once clear and convincing.

Mr. Chairman, I strongly urge a favorable vote for H.R. 514 without any crippling amendments.

Mr. PRICE of Illinois. Mr. Chairman, I strongly support the enactment of H.R. 514 which extends the Elementary and Secondary Education Act and the impacted areas aid programs for 5 years at the present authorization levels. There can be no question as to the value of these programs. If anything, they should be expanded to meet our Nation's ever growing education needs.

The impacted areas aid programs have been with us for some time and almost every congressional district benefits from Public Law 874 and 815. This year I am glad to see that an amendment has been adopted by the House Education and Labor Committee which authorizes impacted aid funds on the basis of the number of children in each school district living in federally assisted public housing. For those of us whose districts

contain significant public housing populations this amendment is a welcome addition to the already depleted inventory of financial assistance for our innercity school districts.

The committee is absolutely correct in concluding that Federal public housing has placed severe burdens on the school districts. In addition to the increased demand for education services the Federal payment in lieu of taxes paid to school districts averages a paltry $11 per child per school year. Committee testimony revealed that the property tax revenue per nonpublic housing pupil attending public schools averages $415. This means that a school district loses $404 per public housing pupil under the present payment formula. Hence, the school districts are faced with the dilemma of providing needed services to those most in need but receive little support for their efforts. In the 24th Congressional District of Illinois, which I have the honor of representing, there are 3,609 public housing units, with an estimated 7,218 schoolchildren living in them. Under the amendment, the affected school districts would receive an additional $1,331,676. This amendment corrects a severe injustice.

I would caution, however, that this new impact program should not operate at the expense of existing impact programs. The Congress must not deceive itself by thinking that it can vote a new program and support it with other program funds. Nor should the administration attempt to fund the program from other sources. It boils down to the point of providing adequate funds for our efforts.

Budget limitations and demands may be cited as the reason for not funding these programs. Again, it comes down to the question of national priorities and, as I said during the debate on the Water Quality Improvement Act, if we can afford $80 billion for defense we can surely afford to invest adequate funds in our education programs.

The Elementary and Secondary Education Act is a truly monumental and historic legislative enactment. Its impact is being felt more each year and should be funded at its full authorization level. It is a lasting tribute to President Johnson and the great 89th Congress that we have this law. Turning aside old controversies and stale arguments we forged ahead in an existing and new policy area. We are still profiting from this bold exercise of legislative vision, and we should make certain that the law's intent and purpose is not diluted by confusion and the lack of long-range planning.

With a 5-year authorization as reported out by the committee we can insure that effective and orderly development will occur. The question of legislative oversight is not involved here, but a question of acting responsibly so that our educators can plan efficiently and effectively. I strongly concur in the committee recommendation of a 5-year extension of the Elementary and Secondary Education Act.

Mr. QUIE. Mr. Chairman, the substitute bill for H.R. 514, offered by the gentlewoman from Oregon (Mrs. GREEN), and cosponsored by Mr. AYRES, Mr. LANDRUM, Mr. GIAIMO, and myself, makes the following changes in the committee bill and in the Elementary-Secondary Education Act.

First. It extends the provisions of ESEA and the impacted areas legislation—Public Law 874 and Public Law 815—for 2 years beyond their expiration dates—until June 30, 1972. This means that in order to make forward financing effective the acts will again have to be reconsidered in 1971.

Second. Title I of ESEA is amended to permit local school districts, at their discretion, to increase above normal salary schedules the pay of teachers who are teaching in schools served by title I programs, as a bonus for their service to disadvantaged children.

Third. The provisions of the committee bill which created a State advisory committee for title I programs and directed the Commissioner of Education to require local school districts to establish advisory committees for Federal programs, are deleted.

Fourth. The provisions in existing law which requires local school districts to obtain the concurrence of local community action agencies established under the Economic Opportunity Act in the title I ESEA program established by such districts is rewritten to require instead that educational programs of OEO and other agencies be coordinated with those of local school boards.

Fifth. The provision in the committee bill which would have permitted the ESEA title I National Advisory Committee to utilize a portion of title I appropriations and to appoint staff without regard to civil service laws is eliminated.

Sixth. An additional program consolidation title is added to ESEA which:

First, consolidates title III(A)—(instructional equipment—and title V(A)—Counseling, guidance, and testing—of NDEA and title II—Library materials and textbooks—and title III—Supplementary centers and services—of ESEA into a single State-grant, State-administered, program for these four purposes; and

Second, makes the following substantive changes in the four consolidated programs:

Eliminates the matching requirements in the two NDEA programs;

Makes instructional equipment under NDEA title III available to children and teachers in private schools on a loan basis in the same manner in which library materials and textbooks are made available under ESEA title II; and

Substitutes a single State plan, single set of applications, single accounting procedure, and single distribution formula—but with no State receiving less than under the aggregate of the old formulas—for the four separate and differing requirements of existing law.

Mr. VANIK. Mr. Chairman, I rise in support of H.R. 514, this year's amendments to the Elementary and Secondary Education Act. These amendments continue at present authorization levels vital programs of Federal assistance for the poor and educationally handicapped, for education experiment and research, for library services, and for education assistance to the physically handicapped. These assistance programs have provided services that, because of existing heavy demands and high tax burdens on local school districts, would probably never have been provided.

In my State of Ohio, we have been faced with the very, very serious situation of a "taxpayers revolt" on local school issues. The Youngstown school system has been severely affected by the repeated failure of local school levies. Other communities in Ohio are experiencing the same problem. It is therefore imperative that these programs of Federal assistance, particularly title I which provides assistance to schools with large numbers of students from low-income families, be continued and even increased.

I would like to add, Mr. Chairman, that as a member of the taxwriting Ways and Means Committee, a great deal of my concern has been to do away with the surtax through revenue raising tax reform so that the average taxpayer, who is being asked to support local school levies, will be in a better position to do so.

There can be no question that these programs of Federal assistance have been useful. In my county, in which the city of Cleveland is located, the various titles of the Elementary and Secondary Education Act provided some $6.3 million in aid to local school districts during the 1967–68 school year. The title I moneys assisted some 15,000 students in the Cleveland city school system in projects ranging from prekindergarten child development to job training, orientation, and placement for high school seniors.

Some title I money was used in a special project for seriously intellectually underdeveloped children between the ages of 5 and 8. One-third of the children showed increases in IQ of from five to 19 points. Except for these programs we are considering today, these children's lives would probably never have been improved.

At high schools in the Cleveland system receiving title I services there was a 10-percent decrease in the dropout rate last school year as compared to the preceding school year. The meaning of this 10-percent decline—in terms of human lives, jobs, and potential taxpayers—is simply incalculable.

All of us are concerned about crime in our society. But the money we spend to diminish the high school dropout rate, the money we spend to provide more quality education and job preparation is the wisest anticrime money we can spend.

This is one reason I am particularly distressed that title VIII of ESEA, the "dropout prevention program," has been so poorly supported with appropriations. Since this title was first authorized, the Office of Education has received some 369 preliminary proposals for programs with expenditure request of $67 million. The appropriation for the title in this fiscal year is only $5 million and only 20 of these antidropout programs will be funded.

The high school dropout prevention program has not been the only program

in which appropriations have lagged. The lack of appropriations for ESEA has resulted in a severe backlog of very worthwhile education proposals. Four school districts in my congressional district have had excellent applications and proposals turned down because of lack of funds. Our children have been the losers in this false economy. In the current fiscal year, ESEA programs had a total authorization of $3.86 billion. The appropriation in fiscal 1969 was much less than half of this—only $1.46 billion. The authorization for fiscal 1970 is $4.4 billion. Under the Johnson administration appropriation request, nearly $1.6 billion was scheduled. The new administration has completely cut any appropriation request for school library assistance and has cut the request for title III supplementary educational centers by a third. In addition, President Nixon has requested that the Federal aid for impacted areas be cut by one-third or nearly $100 million. The result is a request by the new administration for $1.415 billion for the various ESEA titles.

It is my hope, Mr. Chairman, that this Congress will reverse this tendency to cut these vital education programs and provide appropriations in line with the authorizations.

Only with the improved education that these programs help provide will the problems of our society be met and solved.

Mr. GALLAGHER. Mr. Chairman, I would like to give my support to extending the Elementary and Secondary Education Act for 5 years. It is my firm belief that such an extension is necessary in order for the participants to reap the full benefits of the program. It is extremely difficult for the participants to engage in long-range planning if they are uncertain as to the amount of money with which they will be funded. Too many of these programs have had to waste time worrying about appropriations when the time could have been better spent in the actual running of the program.

I am also opposed to consolidating several school assistance programs into block grants to the States. We have a great deal of difficulty actually appropriating the money which is actually authorized by ESEA. In my opinion block grants to the States will do two things: It will cut down on the actual money spent on such necessary programs and it will also cut down on their efficiency and further confuse the line of authority of the recipient agencies.

Finally I am a strong supporter of that provision of ESEA which will reimburse school districts for about one-half the local cost of education for each child residing in federally financed low rent housing. My district, the 13th District of New Jersey, which embraces the cities of Bayonne, Elizabeth, Linden, Rahway, and part of Jersey City, will receive at least $2,065,336 per year for the education of their children. There are over 11,000 school-age children living in low rent housing in the 13th District, and this amendment is one way to help the schools meet their obligations. All the letters which I have received from my constituents strongly support this provision.

At the present time schoolchildren who reside in public housing have not been adequately supported in their educational endeavors. While the average cost of educating a child is $370 a year, the local housing authorities now pay that local school district an average of only $11 per year per student in place of taxes.

Mr. RANDALL. Mr. Chairman, I rise to support H.R. 514. Although I preferred the Perkins substitute to the Green amendment on the premise or principle that if Federal aid to elementary and secondary education has in fact proven successful, then it should be extended for the maximum number of years at this time. While the original version of H.R. 514 called for a 5-year extension, all of us should be mindful that present legislation does exist through June 30, 1970. The Green amendment would have added only 2 years. There would be left the issue to be decided prior to the end of the Nixon administration at a time when partisan considerations could very well overrule what otherwise might be best for education.

The Perkins concession to extend the provisions of ESEA for 3 years should prevail upon the principle if the bill is a good one, why cut it down or chop it off with only a 2-year extension?

There are other considerations involved which prefer Chairman PERKINS' substitute over the amendment of the lady from Oregon. Foremost in this area of difference is that of the consolidation of titles offered by the Congresswoman which would consolidate some ESEA titles such as library services and the innovative programs together with certain NDEA programs, such as science teaching projects.

In other words, the Green approach would consolidate several titles and leave it up to the States in a sort of a block grant to determine what projects would be funded. The question quite properly may be asked, what is wrong with leaving this decision to the States? The answer is that while we are all in favor of the principle of States' rights, in this particular instance, we are concerned with new educational methods which in the short time they have been in effect have proven most successful. These innovative programs could or might fall by the wayside or be completely scuttled or passed over if left entirely to the States. The States have always put a premium upon the old or time-honored methods of education. It has been observed by some very prominent educators that both Einstein and Thomas Edison would have flunked the teaching methods of their day.

I believe we should constantly be on the alert for new educational methods to improve those that have been used in the past. For that reason, I am fearful the block grant approach will keep our educational system in the old straightjacket that has been so long the pattern without no chance for the innovative methods which would be possible under the Perkins approach.

The parliamentary situation as debate on this bill came to an end was quite complex. Much controversy centered over the advisory councils. The Green amendment restored the advisory councils on the State level. Once again, we believe the States should control their educational systems, but by the Green approach, there has been opened up the possibility that a State advisory council could reach a conclusion so far away from the viewpoint of the U.S. Commissioner of Education that an endless negotiation could result. This negotiation could go on indefinitely and HEW remain at loggerheads so long with the State advisory council that funds would be delayed and for too long held up. The ones that would suffer would of course be the children in the school systems throughout the State which had refused to negotiate with the commissioner. For years, certain States could be deprived of funds under this bill, because of the Green amendment.

Finding ourselves in a complex parliamentary situation where we had to literally rewrite a bill on the floor of the House, we found some considerations of the Green amendment were meritorious; on balance the Perkins substitute came nearer to the original version which was so laboriously and carefully considered by the committee for many weeks prior to bringing this measure to the floor.

After the Green amendment prevailed, even with the doubts involved, there was no recourse on final passage but to approve the best available result of a snarled parliamentary situation. H.R. 514 as amended will hopefully be a useful and workable extension of ESEA. Regretfully we might have a somewhat better result.

Looking back over the debate, those of us who represent impacted areas are grateful that the formula for category A and category B children were not disturbed. Those school districts that have been and will continue to be hard pressed because of pupils from military installations and other Federal facilities will welcome the good news that this most essential formula has not been disturbed by enactment of H.R. 514.

Mr. BURLISON of Missouri. Mr. Chairman, we have been debating for the greater portion of this week the vital question of support to our grade and high schools throughout the Nation. Scores of professional educators have come to Washington to give their testimony relative to a subject with which they are acquainted better than anyone else. The bill (H.R. 514) reported out by the Committee on Education and Labor is an embodiment of the best judgment of these professionals who are most conversant with the problems of education.

There are moves afoot to reduce extension of the legislation from 5 years to 2 years. This is unwise in my judgment because our school administrators can most effectively utilize these funds if they can plan ahead with a greater degree of continuity. There will likely be other amendments offered. It is my in-

tention to support the bill as reported out by the committee.

Summarized below are provisions of the bill which I feel to be of importance to the schools of my district.

H.R. 514 would extend for 5 years the Elementary and Secondary Education Act of 1965, together with new elementary and secondary education programs resulting from the Elementary and Secondary Education Amendments of 1966 and of 1967. Included in these programs are grants to local educational agencies under title I of ESEA, which places funds in the neediest schools, the library resources textbooks and other instructional materials programs, programs for supplemental education centers and services, grants to strengthen State departments of education, the education of handicapped children, adult education programs, bilingual education programs, and dropout prevention programs.

The bill extends the legislation providing grants to local educational agencies for school operation in federally affected areas and the legislation providing financial support for the construction of school facilities in such areas as contained in Public Laws 81–874 and 81–815. Authorizations are estimated at $622 million annually under Public Law 874 and $80,407,000 under Public Law 815.

Title I is amended to allow a State educational agency, or any other appropriate State or local public agency, to assume responsibility for title I educational services to neglected and delinquent children counted in determining the title I entitlement upon the determination of the State educational agency that a local educational agency cannot or will not provide for the special needs of these children. The amendment provides that, in this case, the portion of the local agency's entitlement based on the number of neglected and delinquent children, would go instead to the State educational agency for the provision of the services to the children in question if that State agency assumes responsibility for providing such services. If the State educational agency does not assume this responsibility, then the funds would be made available to any other appropriate public State or local agency assuming responsibility for providing title I educational services to such children. An additional amendment in this area provides that children in all types of correctional institutions be counted for the purposes of title I. Heretofore, children in county and local reformatories, prisons, and jails have not been included in the title I count of institutionalized delinquent and neglected children.

Section 105 of the bill amends section 103(d) of title I of the Elementary and Secondary Education Act of 1965 to carry the recommendations made by the administration. With the advent of advanced funding for title I programs, difficulties have been experienced by the administration in securing data for the second preceding fiscal year as the law now requires. In this regard, the amendment provides that, if satisfactory data for the second fiscal year is not available at the time the computation must be made, then the Commission may use the earliest preceding fiscal year for which satisfactory data is available.

In section 106, the committee has added two amendments to title I affecting the evaluation reports provisions at the State and local level. The first would require local educational agencies in their annual report to the States, to supply evaluation data "in such form and in accordance with specific performance criteria related to program objectives." This change strengthens the States' and Commissioner's authority to insure that evaluation data will be more specific in relation to program objectives and more uniform and easily comparable. It helps overcome present inadequacies in the requirements for local reports to the States and to the Office of Education. The second would require the States to include in their reports to the Commissioner the results of research and replication studies carried on in the State. As educators learn more and more about what programs have the greatest impact, the committee expects that the States will encourage the local schools to replicate these programs and concentrate funds on those programs with the greatest potential. This amendment requires the States to keep the Commissioner informed on these activities.

Section 107 of the bill amends part A of title I of the Elementary and Secondary Education Act to require the establishment of State advisory councils broadly representative of the educational resources of the State and of the public to advise the State educational agency on the preparation and policy matters arising in the administration of educational programs funded under title I. The council is patterned after the council established under the Vocational Education Amendments of 1968; and the State advisory council provided for title III supplemental educational centers and services program under the 1967 amendments which turned the administration of title III programs over to the State educational agency.

Section 302 of the bill amends section 307 of the Elementary and Secondary Education Act of 1965. The amendment provides that, if there is a substantial failure to provide for effective participation on an equitable basis in supplemental education centers and services programs by children and teachers in the schools in the area to be served by the program, the Commissioner is given authority to arrange for the provision of an equitable basis of such programs paying the cost of such out of the State's title III allotment. A comparable provision has been in operation since 1964 with respect to the library resources textbooks and other instructional materials program authorized by title II.

Section 505(b) of the bill carries out a recommendation of the administration to amend section I of Public Law 85–926 to include training for subprofessional personnel and other staff who do not require professional or advanced training.

H.R. 514 amends Public Law 81–874 to provide for payments to school districts of one-half of the local cost of education for each public housing child, less the share for education of the amount paid in lieu of taxes by the Federal Government to the local governing agencies. This payment by the Federal Government, except for the reduction, would be similar to the payment made for "b" children under the present impacted aid laws. However, this amendment contains a separate authorization of appropriations for public housing children. Under this circumstance, appropriations for "a" and "b" children under section 3 of the existing law.

The bill also amends Public Law 81–815 to provide that a local school district may be compensated for school construction costs by the Federal Government for a sudden increase in enrollments caused by the presence of large numbers of children from public housing projects. There is a separate authorization of appropriations for this purpose, and appropriations for "a" and "b" children will not in any way be affected by the amendment. The contribution for construction costs will be according to an order of priority similar to the orders of priority established for "a" and "b" children. These orders of priority will be separate.

The Federal Government, no more than any other organization of men, can predict all the results of its actions. Through the Housing Act of 1937 and subsequent housing acts, the Federal Government has committed itself to guaranteeing a decent home for every American, regardless of income. As a direct consequence, today more than 670,000 families occupy low-rent housing constructed with the financial assistance of the Federal Government.

But, the Federal housing policy has inadvertently placed a crushing burden upon many school systems, necessitating these amendments to the impact aid program. Frequently the existence of attractive low-rent housing had lured poor, uneducated families into our cities, both large and small. Thus many of our school systems have been burdened with large numbers of children needing additional educational services to overcome economic and social disadvantages.

Yet, since the Federal housing acts exempt all low-rent public housing from State and local taxation, school districts serving children from public housing are severely limited in providing an adequate education. Recognizing this inequity, unintentionally caused by the housing acts, the Federal Government presently makes a payment in lieu of taxes to the local school districts.

However, the national average of this payment is only approximately $11 per child for each school year. This amount is grossly inadequate to offset the revenue lost by exempting public housing from local and State taxation. The results of this insufficient compensation by the Federal Government are inadequate educations for all children within the school districts affected and an excessive burden on the property owners within the school districts affected.

These consequences of the Federal housing policy are most dramatically seen in our large cities. But they are nonetheless present in our small cities, frequently causing a greater hardship because of the more limited tax base.

Mr. SCHWENGEL. Mr. Chairman, we

are debating a very important bill. There is no need to talk at length about the importance and necessity of maintaining a strong educational system in our Nation. There also is no need to debate or discuss any longer whether or not there is a Federal responsibility. A commitment has been made and must be fulfilled.

The debate which has taken place in committee and here on the House floor has been over the best way or method to fulfill the commitment which has been made. And this certainly is a question over which serious and responsible people can honestly disagree.

The backbone of our education system has been our elementary and secondary school system. Deeply ingrained in our heritage and tradition is local control of schools. I believe that this tradition is not one which should be maintained for tradition's sake. But because it has worked and makes our education system relevant to local needs. Therefore, our challenge, seems to me, is to fashion programs which meet the needs, but leave intact the principle of local control.

Because of my deep interest in ESEA, I sponsored a series of three education conferences in the First Congressional District during the Easter recess. Invited were school board presidents, school superintendents, and local education association presidents. At each conference, representatives of the U.S. Office of Education and the Iowa State Department of Public Instruction spoke and participated in a discussion period.

Two very clear lines of thinking emerged from the conferences. First, was the feeling that the States and local school districts must have an earlier indication of what assistance will be available for more adequate planning. Second, there was a clear bias for general as compared to categorical aid.

By extending ESEA for 2 years we will insure the continuity sought. By adopting the Green amendments we will advance the cause of bloc grants also desired by most administrators.

Therefore, I am supporting the amendments which will be offered. To freeze ESEA for 5 more years would be a mistake. Undoubtedly, in 2 years we will see where additional improvements can be made. Perhaps, significant changes will be in order. The opportunity to make those changes should present itself. A 2-year extension would do just that.

The need for general aid to education in the form of block grants becomes more apparent each year. We have strengthened our State departments of education and have made substantial progress in insuring the non-discriminatory distribution of funds. By combining the programs brought together by the Green amendments, we will make more efficient use of funds available as well as giving greater flexibility to our school systems in meeting their particular needs.

If the amendments I have mentioned are adopted, I believe, we will be doing a much better job in meeting our responsibilities in the area of elementary and secondary education.

Mr. PODELL. Mr. Chairman, I strongly support H.R. 514 as reported by the House Education and Labor Committee and, in particular, a 5-year extension. The educational needs for which we seek solutions under the provisions of the Elementary and Secondary Education Act will not vanish in 2 years, nor in 5 years for that matter. But, a 5-year authorization represents a stronger congressional commitment to the long-range effort to strengthen educational opportunities in those schools in the hearts of our cities which so desperately need funds at this time. In this regard, title I of the Elementary and Secondary Education Act is the most significant. Authorizations for title I are in the neighborhood of $3 billion and yet we are funding this program at scarcely a billion dollars a year. For this reason not only am I concerned that the Congress provide for a long-range extension of the act, but also I am concerned that we are not permitting this program to have its designed maximum impact, by not carrying through with appropriations for this commitment.

Mr. Chairman, I am deeply disturbed by the provision in the minority substitute to consolidate ESEA titles II and III with NDEA titles III and V. If the bill before us is amended as proposed, we will be taking a major step backward in solving the Nation's educational problems.

Title II, which provides library books, textbooks, and instructional materials, the indispensable instruments of learning, is one of the most significant ESEA programs benefiting all our schoolchildren—public and private.

The States have made substantial progress in developing school libraries and instructional media centers with the stimulation of their title II allotments. For example:

New library and instructional materials were made available to approximately 44.6 million children and 1.8 million teachers in public and private elementary and secondary schools in fiscal year 1967.

Establishment of 8,487 new school libraries is attributed to the stimulation and assistance provided by ESEA title II in fiscal year 1966–67. Of these, 7,638 were elementary public school libraries serving 3.4 million students, and 849 were secondary school libraries serving over 526,000 pupils.

In regard to the improvement of existing school libraries, over 91,000 public elementary school libraries and 41,500 public secondary school libraries were expanded and improved in fiscal year 1966–67.

The average expenditure per elementary and secondary school pupil for library resources increased from $2.70 in 1965 to an average of $5.30 in 1967 with the addition of ESEA title II funds—a gain of 65 percent.

Title II also benefited 3.1 million private school students who received loans of materials in fiscal year 1966.

Many States—31 in fiscal year 1966—have reported an increase in local and State financial support of school libraries, as a result of the "seed" money from ESEA title II.

Despite this splendid succession of accomplishments, as of March 1968 approximately 36,000 public elementary schools still lacked libraries. In other words, we still have a long way to go in overcoming the barriers to equal learning opportunities. The insights and experience acquired in operating this program need further reinforcement and stability through greater program length and continuity, as proposed in H.R. 514.

I invite any Member in this Chamber on either side of the aisle to go to the telephone and call his school administrators and ask about the importance and the effectiveness of this program. I am sure you will find that the title II program has done a great deal to improve the quality of education in the schools and that your school administrators will urge that title II be continued for 5 years as provided in the committee's bill.

The problems that have arisen in the implementation of title II have been solved for the most part. If title II is combined with other titles many new and complex problems will arise inevitably which will delay the progress now underway.

Title II is a program which has proven its capabilities and potential and it needs to be continued as an individual program rather than part of a conglomerate.

At this point, Mr. Chairman, I place in the RECORD a résumé of some of the highlights of programed activities under the various titles of the Elementary and Secondary Education Act:

SUMMARY OF HIGHLIGHTS OF PROGRAM ACTIVITY UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

TITLE I—SERVICES FOR DISADVANTAGED CHILDREN

Title I, the Office of Education's largest single grant program, is designed to help local school districts improve the quality of education offered educationally disadvantaged children. Funds are allocated to the county level on the basis of the number of children from families of incomes less than $2,000, plus those from families receiving over $2,000 annually under AFDC. Services provided range for medical care, to special reading programs to cultural exposure field trips. Any educationally disadvantaged pupil in a school receiving Title I funds may be eligible to participate, regardless of income. Projects are designed at the local level and approved by State educational agencies.

Since passage of the ESEA in 1965, Title I has provided in round figures:

In Fiscal Year 1966: $960 million to serve 8.3 million children in 17,500 school districts.

In Fiscal Year 1967: $1.011 billion to serve 9.1 million children in some 16,400 school districts.

In Fiscal Year 1968: $1.070 billion to serve 9 million children in an estimated 16,000 school districts.

Special populations of disadvantaged children specifically provided for in later amendments to ESEA Title I, have been served by projects designed to meet their special needs. Funds spent to serve these special groups under Title I amounted to approximately:

Category of children	Fiscal year		
	1966	1967	1968
Handicapped	$10,500,000	$13,000,000	$21,700,000
Neglected		205,000	922,000
Delinquent		1,700,000	8,000,000
Migrant		8,000,000	32,700,000

Local school districts have elected to spend most of their Title I funds on services that touch children directly: improved instructional services, guidance and counseling, food, health care, and so on. Equipment and construction expenditures represent a minor portion of funds spent by local education agencies (13 percent in FY 1967).

TITLE II—SCHOOL LIBRARY RESOURCES

The purpose of Title II is to provide nonmatching grants to States for the procurement of school library resources, textbooks, and other printed and published instructional material for use by students and teachers in public and private elementary and secondary schools.

Fiscal year	Authorization	Appropriation
1966	$100,000,000	$100,000,000
1967	128,750,000	102,000,000
1968	154,500,000	99,234,000
1969	167,375,000	50,000,000
1970	200,000,000	(1)

[1] Not yet passed.

Among the three categories of eligible materials—school library resources, textbooks, and other instructional materials, the States have given priority in each year to school library resources. States expended Title II funds for acquisitions in Fiscal Year 1967 in the following proportions: School library resources, 92.0 percent; textbooks, 4.0 percent; other instructional materials, 3.4 percent.

In Fiscal Years 1966 and 1967, the States reported a total of almost 8,500 new public school libraries serving approximately 3,800,000 students. More than 70,500 libraries were expanded in Fiscal Year 1967 alone.

Of an estimated 47,000,000 public and private school children eligible to participate in the Title II program each year from 1966–1968, an estimated 44,000,000 or almost 94 percent of those eligible, participated. About 1,800,000 teachers (approximately 89 percent of all those eligible) participated in the program each year.

It is estimated that the 1969 appropriation of $50,000,000 will provide for the purchase of 9,000,000 books and filmstrips or about 1 book or filmstrip for every five children participating.

TITLE III—SUPPLEMENTARY CENTERS AND SERVICES

The Title III program is designed to encourage school districts to develop imaginative solutions to educational problems; to utilize research findings; and to create and design innovative educational practices. Grants are made for supplementary educational centers and may be used for the planning of projects, pilot projects, and programs such as guidance and counseling, experimental academic services, specialized instruction and many others.

Fiscal year	Authorization	Appropriation
1966	$100,000,000	$75,000,000
1967	180,250,000	135,000,000
1968	515,000,000	187,876,000
1969	527,875,000	164,876,000
1970	566,500,000	(1)

[1] Not yet passed.

During Fiscal Year 1969, primary responsibility for the administration of Title III shifted from the Office of Education to the States. Currently, the States, under a State grant program, are administering 75 percent of all Title III funds with the Office of Education administering the remaining 25 percent. During Fiscal Year 1970, the States will assume responsibility for all Title III funds except those necessary to complete projects begun in prior years.

Persons benefiting from fiscal year 1968 approved projects	
Preschool	135,000
Elementary and secondary students	10,000,000
Elementary	8,000,000
Secondary	2,000,000
Teachers	35,000
Parents, adults, and others	90,000

Of the 1,587 projects active in March 1969, the estimated percent distribution of the $158 million is as follows:

	Percent
New curriculums	30
Educational technology, facilities, equipment, and materials	15
Institution or personnel improvement	14
Special education-remediation	13
Research, survey, planning, evaluation, and dissemination	8
Pupil personnel services	8
Community involvement	6
Instructional methods	5
Other	1

Beginning Fiscal Year 1969, at least 15 percent (about $23 million) of the total ESEA Title III appropriation must be spent for projects for the handicapped. In Fiscal Year 1968, $15 million or 8 percent of the total Title III funds went to such projects.

TITLE V—STRENGTHENING STATE DEPARTMENTS OF EDUCATION

The purpose of Title V is to stimulate and assist States in strengthening the leadership of their educational agency and to assist them in establishing and improving programs to identify and meet their educational needs.

Fiscal year	Authorization	Appropriation
1966	$25,000,000	$17,000,000
1967	30,000,000	22,000,000
1968	65,000,000	[1] 29,750,000
1969	80,000,000	[1] 29,750,000
1970	80,000,000	(2)

[1] Includes funds formerly appropriated for Public Law 85-564, the National Defense Education Act, title X ($2,250,000) and title III ($5,500,000).
[2] Not yet passed.

In Fiscal Year 1968 funds were distributed as follows: Strengthening leadership, consultative and technical assistance to local educational agencies, 31 percent; planning, development, and research coordination, 16 percent; strengthening States' internal management capabilities and data processing services, 36 percent; school and teacher accreditation and other services to local educational agencies, 17 percent.

Originally, 15 percent (3,300,000) of the appropriation was reserved for special project grants to State education agencies to pay part of the cost of experimental projects. Beginning in Fiscal Year 1969, 5 percent (1,487,500) is now reserved for this purpose. The 1967 ESEA Amendments require that 10 percent of the State Educational Agency's entitlement, under Section 503, be distributed to local educational agencies for use in directly strengthening their programs.

Virtually all the States and outlying areas have been involved in the 41 interstate special projects which were funded through the 15 and 5 percent reserve.

State educational agencies have added over 4,260 professional personnel since the program's inception. More than 1,000 professional personnel and a similar number of nonprofessionals have been added to their staffs in 1968 alone.

TITLE VI—EDUCATIONAL SERVICES FOR HANDICAPPED CHILDREN

Title VI, added to the ESEA in 1967, is a three-part program for the improvement of special educational services for handicapped children.

Part A is a State grant program; over its three years of operation VI–A has supported a great diversity of projects for schoolaged handicapped children. These include work-study programs, special transportation arrangements, mobile units to carry services to handicapped children in rural areas, and diagnostic services. It is estimated that by the end of this fiscal year, almost one-quarter of a million handicapped children will have benefited from the program.

Appropriations for the program have steadily expanded to provide for more children. In VI–A's first year, FY 1967, approximately $2.5 million was appropriated for planning grants. In 1968, $14,250,000 was appropriated, and this year the figure reached $39,250,000.

Part B authorizes the establishment and operation of regional resource centers devoted to improving the education of handicapped children. This year will mark the initiation of the program. Applications are yet to be approved, but it is expected that four planning grants will be approved by June, at about $125,000 each. Appropriations for FY 1969 are $500,000. For each child referred, centers will offer diagnostic testing, individual analyses of each child's learning problems, and a specially developed educational program to assist his teachers in meeting his special needs.

Part C, also new this year, provides for the establishment and operation of a limited number of centers to serve deaf-blind children. One million dollars has been appropriated for FY 1969, and grants were recently made for eight centers for amounts ranging from $36,260 to $189,000. Each center is to serve a multiple-State area, providing diagnosis and evaluation, family consultation, and adjustment services for these severely handicapped deaf-blind children.

TITLE VII—BILINGUAL EDUCATION PROGRAM

The purpose of Title VII is to provide grants in support of programs designed to meet the special educational needs of children 3 to 18 years of age, who come from environments where the dominant language is other than English. Three million school age children are deprived of equal education opportunity because of their limited communication skills. The concern is for these children's desire and need to develop greater competence in English, for the realization of their full potential as speakers of two languages, and for their educational advancement.

Fiscal year	Authorization	Appropriation
1968	$15,000,000	0
1969	30,000,000	$7,500,000
1970	40,000,000	(1)

[1] Not yet passed.

The Office of Education received 312 preliminary proposals requesting over $41 million for projects beginning in Fiscal Year 1969. Of these, 78 were selected for funding. These projects will serve some 139,000 pupils, 64 percent of them in urban communities.

The majority of projects will deal with children from Spanish-speaking backgrounds; five deal with American Indian dialect backgrounds, four deal with students from Portuguese-speaking families, and two deal with students from French-speaking backgrounds. The projects are located in 22 states, and include preschool storefront centers, the development of special curriculum materials, inservice education in bilingual methodology for bilingual staffs, and summer bilingual programs.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

The debate on this bill has been on a

very fine level, and I want to congratulate both sides. With the differences of opinion which exist, it has been a very stimulating debate.

However, I want to make a few observations.

There are two basic differences, as I see it, between the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS) and the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN) for herself, Mr. QUIE, and others.

The first of those two differences is the period of extension of the act, if it passes the House; whether it will be for 3 years or for 2 years. It seems to me that the 3-year period is the most desirable one.

I believe the gentlewoman from New York (Mrs. CHISHOLM) very ably presented the case in an eloquent and effective way. Her remarks were very timely and based upon experience as to the need of the educators of the country to plan ahead.

Certainly, in connection with that, whether we come from the North, the East, the South, or the West, we are all interested in education of the children, in education for those going to the schools of higher education, which will come later and be considered in a separate bill. We are all deeply interested.

Particularly as to the elementary and secondary levels it seems to me that the period of 3 years is much preferable to the period of 2 years.

The other difference is on the so-called consolidation provisions of the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN) for herself and several other Members.

As I examine that, it seems to me it is fraught with a lot of danger. As I examine that, I see where, under the guise of a State advisory council, the result could be greater power vested on the Federal level, greater power vested in the Commissioner of Education. I particularly call to the attention of my friends who have strong views on that subject the advisability of carefully examining the provisions of the amendment—I will refer to it as the Green-Quie substitute—and the substitute amendment offered by the gentleman from Kentucky, which does not contain any advisory council.

The provisions of the Green-Quie substitute in this respect call for the creation of a State council. That State council evaluates, advises, and so forth, the State educational agency. Now, suppose there is a difference between them; suppose they cannot get together; suppose the advisory council on the State level and the State educational agency, whether it is a Commissioner of Education or some State educational agency, elected or appointed, are unable to agree. They come to Washington, and the matter has to be certified, as a matter of fact, as I understand it, by the council. Then under this provision there is a lot of additional power given to the Commissioner of Education that does not exist under the present law.

I do not know whether this is right or wrong and correct or not, coming from the State of Massachusetts. If I came from some of the States that my friends came from where they have strong convictions in this matter, I would look into that very carefully and very quickly, because when you vote for the Green-Quie amendment, you are voting just for that.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. MCCORMACK asked and was given permission to proceed for 5 additional minutes.)

Mr. MCCORMACK. This is under the guise of a so-called consolidation. It is fraught with danger in that respect.

Might I also speak from another angle, looking into the future. We know what the law of natural consequences is, taking into account the language here with the doors open for interpretations. I can see where, with respect to the matters of which I have already spoken, it gives greater power on the Federal level than exists now. I know this and of this I am confident: If anything, on the Federal level you are going to have greater power of direction—and you can call it that—or dictation. You will have that on the Federal level. It so happens that I am one of those who believe that the relationship at the Federal-State level should be cooperative, but our schools should be operated on the State level. This is broadly speaking. Under this amendment, though, there are as least eight additional grounds, as I see it, giving further authority, whether expressed or implied, to the Commissioner of Education in Washington—not in Mississippi, not in Georgia, or in some other State, but in Washington. I suggest to my friends that you think and realize what it means. I know what it means. For years we have legislated here hesitatingly and uncertainly with many honest differences of opinion and with some emotionalism involved on the question of the relationship of church and state. Fortunately, in the last few recent years this Congress has pretty well taken care of that matter and has harmonized the problems confronting the public school system and the private school system. Yet I can see danger here under this language whereby we are going to dislocate or bring about some sources of concern—I will use that word—in relation to the healthy situation we now have with reference to the exercise of school legislation in relation to the private school system.

So, I say, were this language—projecting my mind into the reasonable future—adopted, I can see problems there. But the major thing I wish to call to the attention of my friends, is that I see greater problems than what I have heretofore stated.

Under the guise of obtaining greater States rights, you are in fact getting more serious Federal responsibility and more Federal control insofar as the particular consolidation provisions of this substitute are concerned. So, I want to caution you that if the Green-Quie substitute should be adopted, and if by any chance becomes law, and if the development of things I not only reasonably fear but I can see with certainty arise, I am not going to say, "I told you so," but you are alerted before the fact and not after the fact.

The provisions of this substitute are fraught with danger. It is not a step in connection of the emancipation of the States from so-called Federal control. This is a decided step of further control on the part of the Federal Government with reference to educational assistance provided for our several States.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Kentucky (Mr. PERKINS), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PERKINS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PERKINS and Mr. AYRES.

The Committee divided, and the tellers reported that there were—ayes 152, noes 203.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment in the nature of a substitute offered by the gentlewoman from Oregon (Mrs. GREEN), as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 514) to extend programs of assistance for elementary and secondary education, and for other purposes, pursuant to House Resolution 366, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute?

Mr. PERKINS. Mr. Speaker, I demand a separate vote on the Green of Oregon amendment.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

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

"TITLE I—EXTENSION AND AMENDMENT OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE I OF ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 101. (a) Section 102 of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'June 30, 1970,' and inserting in lieu thereof 'June 30, 1972'.

"(b) Section 121(d) of title I of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"'(d) For the purpose of making grants under this part there are authorized to be appropriated not in excess of $50,000,000 for

the fiscal year ending June 30, 1969, and for each of the three succeeding fiscal years.'

"(c) The third sentence of section 103(a)(1)(A) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(d) The second sentence of section 103(c) of title I of the Elementary and Secondary Education Act of 1965 is amended by striking out 'years ending June 30, 1968, June 30, 1969, and June 30, 1970,' and inserting in lieu thereof 'year ending June 30, 1968, and for each succeeding fiscal year,'.

"DESIGNATION OF RESPONSIBILITY FOR PROVISION OF SPECIAL EDUCATIONAL SERVICES FOR INSTITUTIONALIZED NEGLECTED OR DELINQUENT CHILDREN

"SEC. 103. (a) Section 103(a)(2) of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following sentence: 'Notwithstanding the foregoing provisions of this paragraph, upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children, described in clause (C) of the first sentence of this paragraph, who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency which does assume such responsibility shall be eligible to receive such portion of the allocation.'

"(b) Section 103(d) of such Act is amended by adding at the end thereof the following new sentence: 'For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.'

"REQUIRING GRANTS FOR MIGRATORY CHILDREN TO BE BASED ON THE NUMBER TO BE SERVED

"SEC. 104. (a) The first sentence of paragraph (6) of section 103(a) of title I of the Elementary and Secondary Education Act of 1965 is, effective with the first allocation of funds pursuant to such title by the Commissioner after the date of enactment of this Act, amended to read as follows: 'A State educational agency which has submitted and had approved an application under section 105(c) for any fiscal year shall be entitled to receive a grant for that year under this part, based on the number of migratory children of migratory agricultural workers to be served, for establishing or improving programs for such children.'

"(b) The second sentence thereof is amended by striking 'shall be' the first time it appears and inserting in lieu thereof 'may be made'.

"USE OF MOST RECENT DATA UNDER TITLE I

"SEC. 105. (a) The third sentence of section 103(d) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting immediately before the period at the end thereof the following: 'or, to the extent that such data are not available to him before April 1 of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination'.

"(b) Section 103(e) of such title is amended by inserting the following after 'during the second fiscal year preceding the fiscal year for which the computation is made': '(or, if satisfactory data for that year are not available at the time of computation, then during the earliest preceding fiscal year for which satisfactory data are available)'.

"CONTENT OF STATE AND LOCAL EDUCATIONAL AGENCY REPORTS

"SEC. 106. (a) The parenthetical phrase in clause (A) of section 106(a)(3) of title I of the Elementary and Secondary Education Act of 1965 is amended by inserting 'and of research and replication studies' immediately before the closing parenthesis.

"(b) Section 105(a)(7) of such title is amended by striking out 'in such form and containing such information, as may be reasonably necessary' and inserting in lieu thereof 'in accordance with specific performance criteria related to program objectives'.

"STAGGERED TERMS FOR NATIONAL ADVISORY COUNCIL ON EDUCATION OF DISADVANTAGED CHILDREN; TECHNICAL ASSISTANCE

"SEC. 107. (a) Section 134(a) of such title is amended by striking out ', within ninety days after the enactment of this title,'.

"(b) The second sentence of subsection (b) of such section is amended to read as follows: 'Such members shall be appointed for terms of three years, except that (1) in the case of the initial members appointed after January 20, 1969, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only.'

"(c) Such section is further amended by redesignating subsection (a) as subsection (f) and by inserting immediately after subsection (d) the following new subsection:

"'(e) The Council is authorized, without regard to the civil service laws, to engage such secretarial, clerical, and technical assistance as may be required to carry out its functions, and to this end up to one-fortieth of 1 per centum of any appropriations for grants under this title will be available for this purpose.'

"(d) Subsection (f) of such section (as so redesignated by the preceding subsection) is amended by striking out 'annual report' and inserting in lieu thereof 'annual reports' and by striking out 'to be made no later than January 31, 1969'.

"SALARY BONUSES FOR TEACHERS IN SCHOOLS WITH HIGH CONCENTRATIONS OF EDUCATIONALLY DEPRIVED CHILDREN

"SEC. 108. Section 105(a)(1) is amended by inserting 'payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools eligible for assistance under this section' after 'including the acquisition of equipment,'.

"TECHNICAL AMENDMENT

"SEC. 109. Section 107(b)(2) of such title is amended by striking out 'Wake Island,'.

"TITLE II—EXTENSION OF TITLE II OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 201. (a) Section 201(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"(b) Section 202(a)(1) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969,'.

"(c) Section 204(b) of such Act is amended by striking out 'for any fiscal year ending prior to July 1, 1970,'.

"TITLE III—EXTENSION AND AMENDMENT OF TITLE III OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF TITLE III

"SEC. 301. (a) Section 301(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years', and by striking out 'two' in the last sentence and inserting in lieu thereof 'four'.

"(b) The third sentence of section 302(a)(1) of such Act is amended by striking out 'for each fiscal year ending prior to July 1, 1969,'.

"(c) Clause (2) of section 307(b) of such Act is amended by striking out 'during the fiscal year ending June 30, 1970' and inserting in lieu thereof 'for any fiscal year ending after June 30, 1969'.

"PROVISIONS TO ASSURE PARTICIPATION BY ALL ELIGIBLE STUDENTS

"SEC. 302. Section 307 of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"'(f)(1) In any State which has a State plan approved under section 305 and in which no State agency is authorized by law to provide, or in which there is a substantial failure to provide, for effective participation on an equitable basis in programs authorized by this part by children and teachers in any one or more elementary or secondary schools of such State in the area or areas served by such programs, the Commissioner shall arrange for the provision, on an equitable basis, of such programs and shall pay the costs thereof for any fiscal year, out of that State's allotment. The Commissioner may arrange for such programs through contracts with institutions of higher education, or other competent nonprofit institutions or organizations.

"'(2) In determining the amount to be withheld from any State's allotment for the provision of such programs, the Commissioner shall take into account the number of children and teachers in the area or areas served by such programs who are excluded from participation therein and who, except for such exclusion, might reasonably have been expected to participate.'

"TITLE IV—EXTENSION OF TITLE V OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"SEC. 401. Section 501(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out '$80,000,000 each for the fiscal years ending June 30, 1969, and June 30, 1970' and inserting in lieu thereof '$80,000,000 for the fiscal year ending June 30, 1969, and for each of the three succeeding fiscal years'.

"TITLE V—EXTENSION AND AMENDMENT OF TITLE VI OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AND OF OTHER ACTS RELATING TO EDUCATION OF THE HANDICAPPED

"EXTENSION OF TITLE VI OF THE ACT

"SEC. 501. (a) Section 602 of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"(b) Section 603(a)(1)(B) of such Act is amended by striking out 'for the fiscal year ending June 30, 1968, and the succeeding fiscal year,'.

"EXTENDING AUTHORITY FOR REGIONAL RESOURCE CENTERS FOR THE IMPROVEMENT OF THE EDUCATION OF HANDICAPPED CHILDREN

"SEC. 502. Section 608(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"CENTERS AND SERVICES FOR DEAF-BLIND CHILDREN

"SEC. 503. Section 609(j) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"RECRUITMENT OF PERSONNEL AND INFORMATION ON EDUCATION OF THE HANDICAPPED

"SEC. 504. Section 610(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out 'two' and inserting in lieu thereof 'four'.

"EXTENSION OF AUTHORIZATION FOR GRANTS FOR TEACHING IN THE EDUCATION OF HANDICAPPED CHILDREN; TRAINING OF SUBPROFESSIONAL PERSONNEL

"SEC. 505. (a) Section 7 of the Act of September 6 1958 (Public Law 926, Eighty-fifth Congress, 20 U.S.C. 617), is amended by inserting after '1970' the following: ', and for each of the two succeeding fiscal years'.

"(b) The second sentence of the first section of such Act (20 U.S.C. 611) is amended (1) by striking out 'professional or advanced' before 'training', and (2) by striking out 'specialists' before 'providing special services' and inserting in lieu thereof 'special personnel'.

"EXTENSION OF AUTHORIZATION FOR RESEARCH IN EDUCATION OF THE HANDICAPPED

"SEC. 506. The first sentence of section 302(a) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 20 U.S.C. 618) is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"EXTENSION OF AUTHORIZATIONS AND TECHNICAL AMENDMENTS IN PROVISIONS FOR TRAINING OF PHYSICAL EDUCATORS AND RECREATION PERSONNEL FOR MENTALLY RETARDED AND OTHER HANDICAPPED CHILDREN

"SEC. 507. (a)(1) Section 501(b) of the Act of October 31, 1963 (Public Law 164, Eighty-eighth Congress, 42 U.S.C. 2698), is amended by inserting after '1970,' the following 'and for each of the two succeeding fiscal years,'.

"(2) Section 501(a) of such Act is amended by striking out 'professional or advanced' before 'training', and by inserting 'educators or' before 'supervisors'.

"(b)(1) Section 502(a)(1) of such Act (42 U.S.C. 2698a) is amended by striking out 'two' and inserting in lieu thereof 'four'.

"(2) Section 502(a)(1) of such Act is further amended by (A) striking out so much of the sentence as follows 'organizations,' and (B) inserting in lieu thereof 'and to make contracts with States, State or local educational agencies, public and private institutions of higher learning, and other public or private educational or research agencies and organizations, for research and related purposes (as defined in section 302(1) of this Act) relating to physical education or recreation for mentally retarded and other handicapped children (as defined in section 302(a) of this Act), and to conduct research, surveys, or demonstrations relating to physical education or recreation for such children.'.

"TITLE VI—EXTENSION AND AMENDMENT OF TITLE VII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF BILINGUAL EDUCATION PROGRAMS

"SEC. 601. Section 703(a) of the Elementary and Secondary Education Act of 1965 is amended by inserting before the period at the end thereof the following: ', and for each of the two succeeding fiscal years'.

"APPLICATION TO INDIANS ON RESERVATIONS

"SEC. 602. (a) Section 705 of the Elementary and Secondary Education Act of 1965 is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection immediately after subsection (b):

"'(c) From the sums appropriated pursuant to section 703, the Commissioner may also make payments to the Secretary of the Interior for elementary and secondary school programs to carry out the policy of section 702 with respect to individuals on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. The terms upon which payments for that purpose may be made to the Secretary of the Interior shall be determined pursuant to such criteria as the Commissioner determines will best carry out the policy of section 702.'

"(b) Section 706(a) of such Act is amended by inserting the following before the period at the end thereof: 'or, in the case of payments to the Secretary of the Interior, an amount determined pursuant to section 705(c)'.

"TITLE VII—EXTENSION AND AMENDMENT OF TITLE VIII OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

"EXTENSION OF AUTHORIZATION FOR DROPOUT PREVENTION PROGRAMS

"SEC. 701. Section 807(c) of the Elementary and Secondary Education Act of 1965 is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"REVISION OF FEDERAL ADMINISTRATION SECTION

"SEC. 702. Section 803(c) of the Elementary and Secondary Education Act of 1965 is amended by striking out '(1)' and by striking out everything after 'by such other departments and agencies' and inserting in lieu thereof the following: '. Federal departments and agencies administering programs which may be effectively coordinated with programs carried out under this Act or any Act amended by this Act, including community action programs carried out under Title II of the Economic Opportunity Act of 1964, shall, to the fullest extent permitted by other applicable law, carry out such programs in such a manner as to assist in carrying out, and to make more effective, the programs under this Act or any Act amended by this Act.'

"TITLE VIII—EXTENSION AND AMENDMENT OF IMPACTED AREAS PROGRAMS

"EXTENSION OF IMPACTED AREAS PROGRAMS

"SEC. 801. (a)(1) Section 3 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out 'June 30, 1970' and inserting in lieu thereof 'June 30, 1972'.

"(2) Section 15(15) of such Act is amended by striking out '1965–1966' and inserting in lieu thereof '1967–1968'.

"(b) Section 2(a), 3(b), and 4(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), are each amended by striking out '1970' wherever it occurs and inserting in lieu thereof '1972'.

"EXTENSION OF SCHOOL ASSISTANCE IN DISASTER AREAS

"SEC. 802. (a) Section 16(a)(1)(A) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1972'.

"(b) Section 7(a)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out 'July 1, 1970' and inserting in lieu thereof 'July 1, 1972'.

"ASSISTANCE FOR THE MAINTENANCE AND OPERATION OF SCHOOLS, BASED ON CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSING

"SEC. 803. (a) Title I of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended, effective July 1, 1969, by adding at the end thereof the following new section:

"'ASSISTANCE FOR CHILDREN LIVING IN FEDERALLY ASSISTED PUBLIC HOUSING

"'SEC. 8. (a) Subject to the reduction provided for in subsection (b), each local educational agency shall be entitled to receive for each fiscal year ending July 1, 1972, an amount equal to the product of—

"'(1) one-half the number of children (other than children with respect to whom the agency is entitled to receive a payment under section 3) who were in average daily attendance at the schools of the agency, and for whom such agency provided free public education, during such fiscal year and who, while in attendance at such schools, resided in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, and

"'(2) the local contribution rate (as determined under section 3(d)) for such agency.

"'(b) The amount to which a local educational agency is entitled under subsection (a) for a fiscal year shall be reduced by the amount it received from payments made by the public housing agency for such year under section 10(h) of the United States Housing Act of 1937 on account of such low-rent housing.

"'(c) If the funds appropriated for making the payments provided in this section are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this section for such year, the amount so appropriated shall be available for payment of a percentage of the amount to which each local educational agency is entitled under this section, such percentage to be equal to the percentage which the amount so appropriated is of the amount to which all such agencies are entitled under this section. In case additional funds become available for carrying out this section, the additional funds shall be paid by the Commissioner on the same basis as is provided above for the initial allocation.'

"(b)(1) Section 5(a) of such Act is amended by striking out 'or 4' and inserting in lieu thereof '4, or 8'.

"(2) The first sentence of section 5(c) of such Act is amended by inserting after 'this title' both times it appears the following: '(other than section 8)'.

"COUNTING CHILDREN IN FEDERALLY ASSISTED PUBLIC HOUSING FOR PURPOSES OF CONSTRUCTION ASSISTANCE IN FEDERALLY IMPACTED AREAS

"SEC. 804. (a) Section 1 of the Act of September 23, 1950 (20 U.S.C. 631), is amended by striking out the second sentence and inserting in lieu thereof the following: 'There is hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a) and for carrying out the provisions of sections 9 and 10. There is also authorized to be appropriated for each fiscal year such sums as the Congress may determine to be necessary to make payments on the basis of the number of children in an increase under paragraph (4) of section 5(a).'

"(b) Section 3 of such Act is amended by striking out 'or (3)' in the first sentence and inserting in lieu thereof '(3), or (4)', and by striking out the second sentence and inserting in lieu thereof the following: 'The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications on the basis of the number of children in an increase under paragraphs (1), (2), and (3) of section 5(a). He shall also by regulation prescribe a separate order of priority to be followed in approving applications on the basis of the number of children in an increase under paragraph (4) of section 5(a). The orders of priority so established shall be followed in the event the funds appropriated under the second sentence or under the third sentence of section 1 and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior

to such date (and for which funds appropriated under the second sentence or the third sentence, as the case may be, of subsection (a) of section 1 have not already been obligated).'

"(c) Paragraph (4) of section 5(a) of such Act is amended to read as follows:

"'(4) the estimated increase, since the base year, in the number of children in the membership of schools of such agency residing in low-rent housing assisted under the United States Housing Act of 1937 which is located in the school district of such agency, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated.'

"(d) Section 5(b) of such Act is amended (1) by striking out 'the paragraphs' and inserting in lieu thereof 'paragraphs (1), (2), and (3)', and (2) by adding at the end thereof the following new sentence: 'If paragraph (1), (2), or (3) of subsection (a) applies to a child to whom paragraph (4) also applies, then only paragraphs (1), (2), and (3) shall be deemed to apply to such child, except that paragraph (4) shall apply to such child if the local educational agency was not eligible for payments for the increase period on account of children counted under paragraphs (1), (2), and (3).'

"(e) Section 5(c) of such Act is amended (1) by striking out 'or (3)' and inserting '(3), or (4)', and (2) by striking out 'or (2)' and inserting ', (2), or (4)'.

"(f) Section 5(f) of such Act is amended by striking out 'or (3)' and inserting '(3), or (4)'.

"(g) The amendments made by this section shall become effective July 1, 1969. For purposes of sections 5(a)(4) and 5(f) of such Act of September 23, 1950, the number of children in the membership of a local educational agency residing in low-rent housing assisted under the United States Housing Act of 1937 located in the school district of the local educational agency during the years of the base period preceding such effective date shall be determined by the Commissioner on the basis of estimates.

"TITLE IX—MISCELLANEOUS

"EXTENSION OF ADULT EDUCATION PROGRAM

"SEC. 901. Section 314 of the Adult Education Act of 1966 (title III of Public Law 89-750) is amended by inserting after '1970,' the following: 'and for each of the two succeeding fiscal years,'.

"REQUIRING REPORTS TO CONGRESS WITH RESPECT TO CONTRACTS FOR EVALUATIONS

"SEC. 902. Section 402 of the Elementary and Secondary Education Amendments of 1967 is amended by inserting '(a)' after 'SEC. 402.' and by adding at the end thereof the following new subsection:

"'(b) No later than July 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 401 a report containing (1) a brief description of each contract or grant for evaluation of a program or programs referred to in section 401 (whether or not such contract or grant was made under this section), any part of the performance under which occurred during the preceding fiscal year, (2) the name of the firm or individual who is to carry out the evaluation, and (3) the amount to be paid under the contract or grant.'.

"JOINT FUNDING

"SEC. 903. Pursuant to regulations prescribed by the President, where funds are advanced by the Office of Education and one or more other Federal agencies for a project or any activity funded in whole or in part under a statute for the administration of which the Commissioner of Education has responsibility (either as provided by statute or by delegation), any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.

"RULEMAKING REQUIREMENTS

"SEC. 904. No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act may take effect until thirty days after it is published in the Federal Register.

"INDIRECT COST AMENDMENT

"SEC. 905. The Elementary and Secondary Education Act of 1965 is amended by adding the following new section at the end thereof:

"'INDIRECT COSTS

"'SEC. 808. Local educational agencies are authorized to use organized and systematic approaches in determining cost collection, cost measurement, and cost reporting as may be required by this Act: *Provided*, That such conform generally to the concept of reimbursement procedures prescribed by the Bureau of the Budget in circular numbered A-21 (revised) as in effect on March 1, 1969.'

"PROGRAM CONSOLIDATION

"SEC. 906. The Elementary and Secondary Education Act of 1965 is further amended by adding a new title as follows:

"'TITLE IX—CONSOLIDATION OF SPECIAL STATE-GRANT PROGRAMS

"'APPROPRIATIONS AUTHORIZED

"'SEC. 901. (a) The Commissioner shall carry out a program for making grants to the States for the uses and purposes set forth in section 903 of this title.

"'(b) For the purpose of making grants under this title, there are hereby authorized to be appropriated the sum of $1,000,000,000 for the fiscal year ending June 30, 1971, and for the succeeding fiscal year.

"'ALLOTMENTS TO STATES

"'SEC. 902. (a)(1) There is hereby authorized to be appropriated for each fiscal year for the purposes of this paragraph an amount equal to not more than 3 per centum of the amount appropriated for such year for payments to States under section 901(b). From the amount appropriated for any fiscal year pursuant to the preceding sentence the Commissioner shall allot (A) among Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands an amount determined by him according to their respective needs for assistance under this title, and (B) to (i) the Secretary of the Interior the amount necessary to provide programs and projects for the purposes of this title for individuals on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior, and (ii) the Secretary of Defense the amount necessary for such assistance for children and teachers in the overseas dependents schools of the Department of Defense. The terms upon which payments for such purpose shall be made to the Secretary of Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"'(2) From the sums appropriated for carrying out this title for any fiscal year pursuant to section 901(b), the Commissioner shall allot to each State an amount which bears the same ratio to the total of such sums as the number of children aged five to seventeen, inclusive, in that State bears to the total number of such children in all the States. The amount allotted to any State under the preceding sentence for any fiscal year which is less than its aggregate base year allotment shall be increased to an amount equal to such aggregate, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being reduced to less than its aggregate base year allotment. For the purposes of this subsection, (A) the term "aggregate base year allotment" with respect to a State means the sum of the allotments to that State, for the fiscal year ending June 30, 1969, under titles II and III of this Act and part A of title III and part A of title V of the National Defense Education Act of 1958; (b) the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; and (C) the number of children aged five to seventeen, inclusive in each State and in all of the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"'(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to section 901 shall be deemed part of its allotment under subsection (a) for such year.

"'USES OF FEDERAL FUNDS

"'SEC. 903 (a) It is the purpose of this title to combine within a single authorization, subject to the modifications imposed by the provisions and requirements of this title, the programs formerly authorized by titles II and III of the Elementary and Secondary Education Act of 1965 and by titles III-A and V-A of the National Defense Education Act, and except as expressly modified by this title, Federal funds may be used for the purchase of the same kinds of equipment and materials and the funding of the same types of programs previously authorized by those titles.

"'(b) Grants under this title may be used, in accordance with State plans approved under section 906, for

"'(1) the provision of library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials for the use of children and teachers in public and private elementary and secondary schools of the State;

"'(2) the provision of supplementary educational centers and services to stimulate and assist in the provision of vitally needed educational services not available in sufficient quantity or quality, and to stimulate and assist in the development and establishment of exemplary public and private elementary and secondary school educational programs to serve as models of regular school programs; and

"'(3) programs for testing students in the public and private elementary and secondary schools and in junior colleges and technical institutes in the State, and programs designed to improve guidance and counseling services at the appropriate levels in such schools.

"'(c) In addition to the uses specified in subsection (b), funds appropriated for carrying out this title may be used for—

"'(1) proper and efficient administration of the State plan;

"'(2) obtaining technical, professional, and clerical assistance and the services of experts and consultants to assist the advisory council authorized by this title in carrying out its responsibilities; and

"'(3) evaluation of plans, programs, and projects, and dissemination of the results thereof.

"'PARTICIPATION OF PUPILS AND TEACHERS IN NONPUBLIC SCHOOLS

"'SEC. 904 (a) Except with respect to uses described in subsection (c), funds appropriated pursuant to section 901 shall be utilized only for programs which provide for the effective participation on an equitable basis of children and teachers in private elementary and secondary schools in the State which comply with the compulsory attendance laws of the State or are otherwise recognized by it through some procedure customarily used in the State.

"'(b) In order to facilitate the policy set forth in subsection (a) the State educational agency shall take appropriate action to provide liaison with private elementary and secondary school officials in the State.

"'(c) The State educational agency, in approving applications of local educational agencies for programs and projects funded under this Act, shall assure that in the planning of such programs and projects there has been, and in the establishment and carrying out thereof there will be, suitable involvement of private elementary and secondary school officials in the area to be served by such programs or projects.

"'PUBLIC CONTROL OF LIBRARY RESOURCES AND INSTRUCTIONAL EQUIPMENT AND TYPES WHICH MAY BE MADE AVAILABLE; PROHIBITION OF USE FOR RELIGIOUS INSTRUCTION OR WORSHIP

"'SEC. 905 (a) Title to library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials furnished pursuant to this title, and control and administration of their use, shall vest only in a public agency.

"'(b) The library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, and audiovisual equipment and materials made available pursuant to this title for use of children and teachers in any school in any State shall be limited to those which have been approved by an appropriate State or local educational authority or agency for use, or are used, in a public elementary or secondary school of that State, and provision for the participation of private school pupils and teachers shall not include the construction or remodeling of private school facilities.

"'(c) The library resources, textbooks, instructional materials and equipment, and educational services of all kinds made available pursuant to this title shall be used only for secular purposes and for instruction in secular studies and the use of such resources, textbooks, materials and equipment, or educational services for religious instruction or in connection with religious worship is expressly prohibited.

"'STATE PLANS

"'Sec. 906. (a) Any State which desires to receive grants under this title shall submit to the Commissioner, through its State educational agency, a State plan, in such detail as the Commissioner deems necessary, which—

"'(1) designates the State educational agency (which may act either directly or through arrangements with other State or local public agencies) as the sole agency for administration of the State plan;

"'(2) sets forth a program under which funds paid to the State from its allotment under section 901 will be expended solely by public agencies and only for the purposes set forth in section 903;

"'(3) provides assurances satisfactory to the Commissioner that the requirements of sections 904 and 905 will be effectively carried out and sets forth in such detail as the Commissioner may deem necessary the criteria, methods, and procedures to be utilized in meeting these requirements;

"'(4) provides assurances that the funds allocated for each of the uses authorized for section 903 shall not be less than 50 per centum of the State allotment for fiscal year 1969 for each such use under titles III–A and V–A of the National Defense Education Act and titles II and III of the Elementary and Secondary Education Act of 1965;

"'(5) provides that not less than 15 per centum of funds allocated for supplementary educational centers and services shall be used for special programs or projects for the education of handicapped children;

"'(6) takes into consideration the relative need, as determined from time to time, of the children and teachers of the State for the services, materials, and equipment provided under this title, sets forth principles for achieving an equitable distribution of assistance under this title giving appropriate consideration to (A) the geographic distribution and density of population within the State and (B) the relative need of children and teachers in different geographic areas and within different population groups in the State for the assistance provided under this title, and for determining the priority of applications in the State for such assistance, and provides for approving such applications in the order so determined;

"'(7) provides for adoption of effective procedures (A) for the evaluation, at least annually, of the effectiveness of programs and projects supported under the State plan, (B) for appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects, and (C) for adopting, where appropriate, promising educational practices developed through such programs or projects;

"'(8) contains the necessary certification of the State advisory council established pursuant to the requirements of section 907(b);

"'(9) sets forth policies and procedures which give satisfactory assurance that Federal funds made available under this title for any fiscal year (A) will not be commingled with State funds, and (B) will be so used as to supplement and, to the extent practical, increase the fiscal effort (determined in accordance with criteria prescribed by the Commissioner, by regulation) that would, in the absence of such Federal funds, be made by the applicant for educational purposes;

"'(10) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this title;

"'(11) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the extent to which funds provided under this title have been effective in improving the educational opportunities of persons in the areas served by the programs or projects supported under the State plan and in the State as a whole, including reports of evaluations made in accordance with objective measurements under the State plan pursuant to paragraph (7), and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"'(12) provides that final action with respect to any application (or amendment thereof) regarding the proposed final disposition thereof shall not be taken without first affording the local educational agency or agencies submitting such application reasonable notice and opportunity for a hearing; and

"'(13) contains satisfactory assurance that, in determining the eligibility of any local educational agency for State aid or the amount of such aid, grants to that agency under this title shall not be taken into consideration.

"'(b) The Commissioner may, if he finds that a State plan for any fiscal year is in substantial compliance with the requirements set forth in subsection (a), approve that part of the plan which is in compliance with such requirements and make available (pursuant to section 908) to that State that part of the State's allotment which he determines to be necessary to carry out that part of the plan so approved. The remainder of the amount which such State is eligible to receive under this section may be made available to such State only if the unapproved portion of that State plan has been so modified as to bring the plan into compliance with such requirements: *Provided*, That the amount made available to a State pursuant to this subsection shall not be less than 50 per centum of the maximum amount which the State is eligible to receive under this section.

"'(c)(1) The Commissioner shall not finally disapprove any plan submitted under subsection (a), or any modification thereof, without first affording the State educational agency submitting the plan reasonable notice and opportunity for a hearing.

"'(2) Whenever the Commissioner, after reasonable notice and opportunity for hearings to any State educational agency, finds that there has been a failure to comply substantially with any requirement set forth in the approved plan of that State or with any requirement set forth in the application of a local educational agency approved pursuant to such plan, the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall not make further payments under this title to specified local educational agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this title, or payments by the State educational agency under this title shall be limited to local educational agencies not affected by the failure, as the case may be.

"'(3)(A) If any State is dissatisfied with the Commissioner's final action with respect to the approval of a plan submitted under subsection (a) or with his final action under paragraph (2), such State may, within 60 days after notice of such action, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28, United States Code.

"'(B) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make a new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings.

"'(C) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judg-

ment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"'STATE ADVISORY COUNCIL

"'SEC. 907. (a) Any State desiring to receive payments to carry out a State plan under this title shall establish a State Advisory Council (hereinafter referred to as "the Council") which shall—

"'(1) be appointed by the State educational agency, and be broadly representative of the cultural and educational resources of the State and of the general public, including persons representative of—

"'(A) public elementary and secondary schools,

"'(B) private elementary and secondary schools,

"'(C) urban education,

"'(D) rural education,

"'(E) higher education, including junior and community colleges,

"'(F) the State library system, and

"'(G) areas of professional competence in dealing with children needing special education because of physical or mental handicaps;

"'(2) advise the State educational agency on the preparation of, and policy matters arising in the administration of, the State plan including development of criteria for the allocation of funds within the State and the approval of applications under such State plan;

"'(3) assist the State educational agency in evaluating programs and projects assisted under this title;

"'(4) prepare and submit through the State educational agency a report of its activities and recommendations, together with such additional comments as the State educational agency may deem appropriate, to the Commissioner and to the National Advisory Council, established pursuant to this title, at such times, in such form, and in such detail as the Secretary may prescribe; and

"'(5) obtain such professional, technical, and clerical assistance as may be necessary to carry out its functions under this title.

"'(b) The Commissioner shall not approve a State plan submitted under section 906 unless it is accompanied by a certification of the Chairman of the Council that such plan has been reviewed by the Council. Such certification shall be accompanied by such comments as the Council or individual members thereof deem appropriate, and shall indicate whether the plan meets with the approval of the Council and, if not, the reasons for its disapproval. Upon the disapproval of a State plan by the Council the Commissioner shall not approve such plan until he had afforded the Council or its designated representative an opportunity for a hearing.

"'PAYMENTS TO STATES

"'SEC. 908. (a)(1) From each State's allotment under section 902 (or in part thereof made available to the State under section 906(b)) for any fiscal year the Commissioner shall pay to that State, if it has in effect a State plan approved pursuant to section 906 for that fiscal year, an amount equal to the amount expended by the State for the uses referred to in section 903 (a) and (b) in accordance with its State plan.

"'(2) The Commissioner is further authorized to pay each State, from its allotment for any fiscal year, amounts necessary for the activities described in section 903(c), except that the total of such payments pursuant to this paragraph shall not exceed 7½ per centum of its allotment for that year or $175,000 ($60,000 in the case of Puerto Rico, Guam, American Samoa, the Virgin Islands, and Trust Territory of the Pacific Islands), whichever is greater.

"'(b) In any State which has a State plan approved under section 906 and in which no State agency is authorized by law to provide library resources, textbooks, other printed and published instructional materials, laboratory and other instructional equipment, or audiovisual equipment and materials for the use of children and teachers in any one or more elementary or secondary schools in such State, the Commissioner shall arrange for the provision on an equitable basis of such library resources, textbooks, other instructional materials, laboratory and other instructional equipment, or audiovisual equipment and material for such use and shall pay the cost thereof for any fiscal year out of that State's allotment.

"'(c)(1) In any State which has a State plan approved under section 906 and in which no State agency is authorized by law to provide, or in which there is a substantial failure to provide, testing or counseling and guidance services, or to provide for effective participation in supplementary educational centers and services, for the use of children and teachers in any one or more elementary or secondary schools of such State, the Commissioner shall arrange for the provision on an equitable basis of such service or services and shall pay the cost thereof for any fiscal year out of that State's allotment.

"'(2) In determining the amount to be withheld from any State's allotment for the provision of such services, the Commissioner shall take into account the number of children and teachers in the area or areas served by such programs who are excluded from participation therein and who, except for such exclusion, might reasonably have been expected to participate; the Commissioner may arrange for such services through contracts with institutions of higher education or other competent institutions or organizations, or by other appropriate methods.

"'RECOVERY OF PAYMENTS

"'SEC. 909. If within twenty years after completion of any construction for which Federal funds have been paid under this title—

"'(a) the owner of the facility shall cease to be a State or local educational agency, or

"'(b) the facility shall cease to be used for the educational and related purposes for which it was constructed, unless the Commissioner determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court or the district in which the facility is situated.

"'NATIONAL ADVISORY COUNCIL

"'SEC. 910 (a) The President shall, by January 31, 1970, appoint a National Advisory Council on Educational Assistance which shall—

"'(1) review the administration of, general regulations for, and operation of this title, including its effectiveness in meeting the purposes set forth in section 903;

"'(2) review, evaluate, and transmit to the Congress and the President its evaluation of the reports submitted pursuant to sections 906(a)(11) and 907(a)(4);

"'(3) evaluate programs and projects carried out under this title, and disseminate the results thereof; and

"'(4) make recommendations for the improvement of this title, and its administration and operation.

"'(b) The Council shall be appointed by the President without regard to the civil service laws and shall consist of twelve members, a majority of whom shall be broadly representative of the educational and cultural resources of the United States including at least one person who has professional competence in the area of education of handicapped children. Such members shall be appointed for terms of three years except that (1) in the case of the initial members, four shall be appointed for terms of one year each and four shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only. When requested by the President, the Secretary of Health, Education, and Welfare shall engage such technical and professional assistance as may be required to carry out the functions of the Council, and shall make available to the Council such secretarial, clerical and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

"'(c) The Council shall make an annual report of its findings and recommendations (including recommendations for changes in the provisions of this title) to the President and the Congress not later than January 20 of each year. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report.

"'(d) Members of the Council who are not regular full-time employees of the United States shall, while serving on business of the Council, he entitled to receive compensation at rates fixed by the President, but not exceeding $100 per day, including travel time; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"'LABOR STANDARDS

"'SEC. 911. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).'

"TECHNICAL AND CONFORMING AMENDMENTS

"SEC. 19. Title VIII of the Elementary and Secondary Education Act is amended by inserting at the end of section 801, 'Definitions', the following:

"'(1) The term "laboratory and other instructional equipment and audiovisual equipment and materials" means equipment and materials (other than supplies consumed in use) suitable for use in providing education in science, mathematics, history, civics, geography, economics, industrial arts, modern foreign languages, English, or reading (or, when available and suitable, for instruction in other subjects not involving religious instruction or worship if there exists a critical need therefor in the judgment of local school authorities) in public and private elementary or secondary schools, or both, and testgrading equipment for such schools and specialized equipment for audiovisual libraries serving such schools, and minor remodeling of laboratory or other space used for such materials or equipment in public elementary or secondary schools.'

"USE OF FUNDS AVAILABLE UNDER AUTHORIZATIONS CONSOLIDATED BY THIS ACT

"SEC. 907. Title VIII of the Elementary and Secondary Education Act is amended by adding thereto the following new section:

"'CONSOLIDATION OF PROGRAMS

"'SEC. 809. Funds appropriated pursuant to the following authorizations shall be considered as funds appropriated pursuant to section 901 of the Elementary and Secondary Education Act of 1965, as amended by this Act:

"'(1) Section 301 of the National Defense Education Act of 1958 (as amended);

"'(2) Section 501 of the National Defense Education Act of 1958 (as amended);

"'(3) Section 201 of the Elementary and Secondary Education Act of 1965; and

"'(4) Section 301 of the Elementary and Secondary Education Act of 1965.'"

Mr. ALBERT (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment may be dispensed with and that it may be printed in the RECORD.

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

There was no objection.

The SPEAKER. The question is on the amendment.

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

The yeas and nays were ordered.

Mr. GERALD R. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GERALD R. FORD. Is this vote on the Green of Oregon substitute amendment, as amended?

The SPEAKER. The answer to that is "Yes."

Mr. GERALD R. FORD. I thank the Speaker.

The question was taken; and there were—yeas 235, nays 184, not voting 13, as follows:

[Roll No. 46]

YEAS—235

Abbitt	Clausen, Don H.	Gross
Abernethy	Clawson, Del	Grover
Adair	Cleveland	Gubser
Anderson, Ill.	Collier	Hagan
Andrews, Ala.	Collins	Haley
Andrews, N. Dak.	Colmer	Hall
Arends	Conable	Hammer-schmidt
Ashbrook	Conte	Hansen, Idaho
Aspinall	Corbett	Harsha
Ayres	Coughlin	Harvey
Baring	Cowger	Hastings
Beall, Md.	Cramer	Heckler, Mass.
Belcher	Daniel, Va.	Henderson
Bell, Calif.	Davis, Ga.	Hogan
Bennett	Davis, Wis.	Hosmer
Berry	Dellenback	Hunt
Betts	Denney	Hutchinson
Bevill	Dennis	Ichord
Biester	Derwinski	Jarman
Blackburn	Devine	Johnson, Pa.
Bow	Dickinson	Jonas
Bray	Dowdy	Jones, N.C.
Brinkley	Downing	Keith
Brock	Duncan	King
Broomfield	Dwyer	Kleppe
Brotzman	Edwards, Ala.	Kuykendall
Brown, Mich.	Erlenborn	Kyl
Brown, Ohio	Esch	Landgrebe
Broyhill, N.C.	Eshleman	Landrum
Broyhill, Va.	Findley	Langen
Buchanan	Fish	Latta
Burke, Fla.	Fisher	Lennon
Burleson, Tex.	Flowers	Lipscomb
Burton, Utah	Flynt	Lloyd
Bush	Ford, Gerald R.	Long, La.
Byrnes, Wis.	Foreman	Lujan
Cabell	Fountain	Lukens
Caffery	Frelinghuysen	McClory
Cahill	Frey	McCloskey
Camp	Fuqua	McClure
Carter	Galifianakis	McCulloch
Casey	Garmatz	McDade
Cederberg	Gettys	McDonald, Mich.
Chamberlain	Giaimo	McEwen
Chappell	Green, Oreg.	McKneally
Clancy	Griffin	McMillan
MacGregor	Quie	Steiger, Wis.
Mahon	Quillen	Stephens
Mailliard	Railsback	Stuckey
Mann	Rarick	Taft
Marsh	Reid, Ill.	Taylor
Martin	Reifel	Teague, Calif.
Mathias	Rhodes	Teague, Tex.
Mayne	Riegle	Thompson, Ga.
Meskill	Roberts	Thomson, Wis.
Michel	Robison	Ullman
Miller, Ohio	Rogers, Fla.	Utt
Minshall	Roth	Vander Jagt
Mize	Roudebush	Waggonner
Mizell	Rumsfeld	Wampler
Montgomery	Ruth	Watkins
Morse	Sandman	Watson
Morton	Satterfield	Weicker
Mosher	Schadeberg	Whalley
Myers	Scherle	Whitehurst
Nelsen	Schneebeli	Whitten
Nichols	Schwengel	Widnall
O'Konski	Scott	Wiggins
O'Neal, Ga.	Sebelius	Williams
Passman	Shriver	Wilson, Bob
Pelly	Sikes	Winn
Pettis	Skubitz	Wold
Pike	Smith, Calif.	Wyatt
Pirnie	Smith, N.Y.	Wydler
Poage	Snyder	Wylie
Poff	Springer	Wyman
Pollock	Stafford	Zion
Price, Tex.	Stanton	Zwach
	Steiger, Ariz.	

NAYS—184

Adams	Gallagher	O'Hara
Addabbo	Gaydos	Olsen
Albert	Gibbons	O'Neill, Mass.
Alexander	Gilbert	Ottinger
Anderson, Calif.	Gonzalez	Patman
	Gray	Patten
Anderson, Tenn.	Green, Pa.	Pepper
	Griffiths	Perkins
Annunzio	Gude	Philbin
Ashley	Halpern	Pickle
Barrett	Hamilton	Podell
Biaggi	Hanley	Powell
Bingham	Hanna	Preyer, N.C.
Blanton	Hansen, Wash.	Price, Ill.
Blatnik	Hathaway	Pryor, Ark.
Boggs	Hawkins	Pucinski
Boland	Hays	Randall
Bolling	Hechler, W. Va.	Rees
Brademas	Helstoski	Reid, N.Y.
Brasco	Hicks	Reuss
Brooks	Holifield	Rodino
Brown, Calif.	Horton	Rogers, Colo.
Burke, Mass.	Howard	Ronan
Burlison, Mo.	Hull	Rooney, N.Y.
Burton, Calif.	Hungate	Rooney, Pa.
Button	Jacobs	Rosenthal
Byrne, Pa.	Joelson	Rostenkowski
Carey	Johnson, Calif.	Roybal
Celler	Jones, Ala.	Ruppe
Chisholm	Jones, Tenn.	Ryan
Clark	Karth	St Germain
Clay	Kastenmeier	St. Onge
Cohelan	Kazen	Saylor
Conyers	Kee	Scheuer
Corman	Kirwan	Shipley
Daddario	Kluczynski	Sisk
Daniels, N.J.	Koch	Slack
de la Garza	Kyros	Smith, Iowa
Delaney	Leggett	Steed
Dent	Long, Md.	Stokes
Diggs	Lowenstein	Stratton
Dingell	McCarthy	Stubblefield
Donohue	McFall	Sullivan
Dorn	Macdonald, Mass.	Symington
Dulski	Madden	Thompson, N.J.
Eckhardt	Matsunaga	Tiernan
Edmondson	Meeds	Tunney
Edwards, Calif.	Mikva	Udall
Eilberg	Miller, Calif.	Van Deerlin
Evans, Colo.	Mills	Vanik
Evins, Tenn.	Minish	Vigorito
Fallon	Mink	Waldie
Farbstein	Mollohan	Watts
Fascell	Monagan	Whalen
Feighan	Moorhead	White
Flood	Morgan	Wilson, Charles H.
Foley	Moss	Wolff
Ford, William D.	Murphy, Ill.	Wright
Fraser	Natcher	Yates
Friedel	Nedzi	Yatron
Fulton, Pa.	Nix	Young
Fulton, Tenn.	Obey	Zablocki

NOT VOTING—13

Bates	Goodling	Rivers
Culver	Hébert	Staggers
Cunningham	May	Talcott
Dawson	Murphy, N.Y.	
Edwards, La.	Purcell	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Murphy of New York against.

Mrs. May for, with Mr. Dawson against.

Mr. Talcott for, with Mr. Edwards of Louisiana against.

Until further notice:

Mr. Culver with Mr. Cunningham.

Mr. Rivers with Mr. Bates.

Mr. Staggers with Mr. Goodling.

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

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

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

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

MOTION TO RECOMMIT

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ASHBROOK. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the bill H.R. 514 to the Committee on Education and Labor.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

The motion to recommit was rejected.

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 400, nays 17, answered "present" 1, not voting 14, as follows:

[Roll No. 47]

YEAS—400

Abbitt	Betts	Burke, Fla.
Adair	Bevill	Burke, Mass.
Adams	Biaggi	Burleson, Tex.
Addabbo	Biester	Burlison, Mo.
Albert	Bingham	Burton, Calif.
Alexander	Blackburn	Burton, Utah
Anderson, Calif.	Blanton	Bush
	Blatnik	Button
Anderson, Ill.	Boggs	Byrne, Pa.
Anderson, Tenn.	Boland	Byrnes, Wis.
	Bolling	Cabell
Andrews, Ala.	Bow	Caffery
Andrews, N. Dak.	Brademas	Cahill
	Brasco	Camp
Annunzio	Bray	Carey
Arends	Brinkley	Carter
Ashley	Brock	Casey
Aspinall	Brooks	Cederberg
Ayres	Broomfield	Celler
Baring	Brotzman	Chamberlain
Barrett	Brown, Calif.	Chappell
Beall, Md.	Brown, Mich.	Chisholm
Belcher	Brown, Ohio	Clancy
Bell, Calif.	Broyhill, N.C.	Clark
Bennett	Broyhill, Va.	Clausen, Don H.
Berry	Buchanan	

Clay	Hogan	Philbin
Cleveland	Holifield	Pickle
Cohelan	Horton	Pike
Collier	Hosmer	Pirnie
Collins	Howard	Podell
Conable	Hull	Poff
Conte	Hungate	Pollock
Conyers	Hunt	Preyer, N.C.
Corbett	Hutchinson	Price, Ill.
Corman	Ichord	Price, Tex.
Coughlin	Jacobs	Pryor, Ark.
Cowger	Jarman	Pucinski
Cramer	Joelson	Quie
Daddario	Johnson, Calif.	Quillen
Daniel, Va.	Johnson, Pa.	Railsback
Daniels, N.J.	Jonas	Randall
Davis, Ga.	Jones, Ala.	Rees
Davis, Wis.	Jones, N.C.	Reid, Ill.
de la Garza	Jones, Tenn.	Reid, N.Y.
Delaney	Karth	Reifel
Dellenback	Kastenmeier	Reuss
Denney	Kazen	Rhodes
Dennis	Kee	Riegle
Dent	Keith	Roberts
Derwinski	King	Robison
Devine	Kirwan	Rodino
Dickinson	Kleppe	Rogers, Colo.
Diggs	Kluczynski	Rogers, Fla.
Dingell	Koch	Ronan
Donohue	Kuykendall	Rooney, N.Y.
Dorn	Kyl	Rosenthal
Dowdy	Kyros	Rostenkowski
Downing	Landgrebe	Roth
Dulski	Landrum	Roudebush
Duncan	Langen	Roybal
Dwyer	Latta	Rumsfeld
Eckhardt	Leggett	Ruppe
Edmondson	Lennon	Ruth
Edwards, Ala.	Lipscomb	Ryan
Edwards, Calif.	Lloyd	St Germain
Eilberg	Long, La.	St. Onge
Erlenborn	Long, Md.	Sandman
Esch	Lowenstein	Satterfield
Eshleman	Lujan	Schadeberg
Evans, Colo.	Lukens	Scherle
Evins, Tenn.	McCarthy	Scheuer
Fallon	McClory	Schwengel
Farbstein	McCloskey	Scott
Fascell	McClure	Sebelius
Feighan	McCulloch	Shipley
Findley	McDade	Shriver
Fish	McDonald, Mich.	Sikes
Fisher	McEwen	Sisk
Flood	McFall	Skubitz
Flowers	McKneally	Slack
Flynt	McMillan	Smith, Calif.
Foley	Macdonald, Mass.	Smith, Iowa
Ford, Gerald R.	MacGregor	Smith, N.Y.
Ford, William D.	Madden	Snyder
Foreman	Mahon	Springer
Fountain	Mailliard	Stafford
Fraser	Mann	Staggers
Frelinghuysen	Marsh	Stanton
Frey	Mathias	Steed
Friedel	Matsunaga	Steiger, Ariz.
Fulton, Pa.	Mayne	Steiger, Wis.
Fulton, Tenn.	Meeds	Stephens
Fuqua	Meskill	Stokes
Galifianakis	Mikva	Stratton
Gallagher	Miller, Calif.	Stubblefield
Garmatz	Miller, Ohio	Stuckey
Gaydos	Mills	Sullivan
Gettys	Minish	Symington
Giaimo	Mink	Taft
Gibbons	Minshall	Taylor
Gilbert	Mize	Teague, Calif.
Gonzalez	Mizell	Thompson, Ga.
Gray	Mollohan	Thompson, N.J.
Green, Oreg.	Monagan	Thomson, Wis.
Green, Pa.	Moorhead	Tiernan
Griffin	Morgan	Tunney
Griffiths	Morse	Udall
Gubser	Morton	Ullman
Gude	Mosher	Van Deerlin
Haley	Moss	Vander Jagt
Hall	Murphy, Ill.	Vanik
Halpern	Myers	Vigorito
Hamilton	Natcher	Waggonner
Hammer-schmidt	Nedzi	Waldie
Hanley	Nelsen	Wampler
Hanna	Nichols	Watkins
Hansen, Idaho	Nix	Watson
Hansen, Wash.	Obey	Watts
Harsha	O'Hara	Weicker
Harvey	O'Konski	Whalen
Hastings	Olsen	Whalley
Hathaway	O'Neill, Mass.	White
Hawkins	Ottinger	Whitehurst
Hays	Patman	Whitten
Hechler, W. Va.	Patten	Widnall
Heckler, Mass.	Pelly	Wiggins
Helstoski	Pepper	Williams
Henderson	Perkins	Wilson, Bob
Hicks	Pettis	Wilson, Charles H.
Winn	Wydler	Young
Wold	Wylie	Zablocki
Wolff	Wyman	Zion
Wright	Yates	Zwach
Wyatt	Yatron	

NAYS—17

Abernethy	Martin	Rarick
Ashbrook	Michel	Saylor
Clawson, Del	Montgomery	Schneebeli
Colmer	O'Neal, Ga.	Teague, Tex.
Gross	Passman	Utt
Hagan	Poage	

ANSWERED "PRESENT"—1

Powell

NOT VOTING—14

Bates	Goodling	Purcell
Culver	Grover	Rivers
Cunningham	Hébert	Rooney, Pa.
Dawson	May	Talcott
Edwards, La.	Murphy, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Bates.

Mr. Edwards of Louisiana with Mr. Talcott.

Mr. Dawson with Mr. Goodling.

Mr. Murphy of New York with Mr. Cunningham.

Mr. Culver with Mr. Grover.

Mr. Rivers with Mrs. May.

Mr. Rooney of Pennsylvania with Mr. Purcell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, H.R. 514, and to include extraneous matter.

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

There was no objection.

PERMISSION FOR THE COMMITTEE ON THE JUDICIARY TO SIT DURING GENERAL DEBATE TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit tomorrow during general debate.

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

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

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

Mr. ALBERT. Mr. Speaker, I see the distinguished minority leader on the floor, I take this time only to announce that tomorrow the Committee on House Administration will bring up certain printing resolutions and the Committee on Rules will bring up House Resolution 347, to authorize the general Subcommittee on Labor of the Committee on Education and Labor to make certain studies and investigations. So far as I know, that will be the program.

SECOND CHANCE FOR SELECTIVE CONSCIENTIOUS OBJECTORS

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

Mr. KOCH. Mr. Speaker, it has been my position that the present selective service law permits a local draft board to grant selective conscientious objector status to any young man who is opposed to participation in a particular war based on his religious or ethical revulsion against that war.

On February 9, I wrote to President Nixon requesting that he direct the Selective Service System to establish the selective conscientious objector classification under its rules and regulations. The President has the legal power to act in this matter since the governing statute on conscientious objection can properly be interpreted to include the selective conscientious objector.

Since no Executive action was taken, on February 27, I introduced a bill to amend the Military Selective Service Act of 1967. The proposed amendment removes any ambiguity in the present law and requires the granting of selective conscientious objector status to those who qualify in the future.

Consistent with my position that the present law has been interpreted too narrowly, I am introducing a bill today that would provide a second chance to those young men who have been opposed to participation in the Vietnam war and yet have been forced into the heartrending dilemma of service in a war they oppose or prison or flight from the country.

By second chance, I mean giving a young man the opportunity now to offer information to his local board in substantiation of his claim to exemption from military service provided he was conscientiously opposed to participation in a particular war at the time he received a notice to report for induction or at the time he left a jurisdiction to evade military service.

It should be understood that any claim to exemption which is granted, would require the young man to perform noncombatant service in the Armed Forces or an acceptable form of alternative civilian service as that now performed by traditional conscientious objectors.

My bill would give a second chance to:

First. Any young man who received a notice to report for induction into the Armed Forces prior to the date of enactment of the legislation whether he is already in the Armed Forces or not;

Second. Any young man who left a jurisdiction prior to the date of enactment of the legislation with intent to avoid prosecution for refusing or evading service and who returns to such jurisdiction;

Third. Any young man who is being prosecuted or has been convicted for refusing or evading service; and

Fourth. Any young man in the Armed Forces who is being prosecuted or has been convicted for acts arising out of a nonviolent refusal or evasion of continued service.

It is provided that the grant or improper denial of a claim to exemption

made pursuant to the new law shall be a defense to a prosecution for refusing or evading service and shall be a ground for permanent release from prison.

Although most young men reached by my legislation may find it difficult to demonstrate their motivation for claiming exemption, they should have the chance.

As I have called upon the President to act, I now respectfully beseech the Congress to take a major step in bringing this country together again. Let us give those who have exiled themselves or gone to jail out of conscience the opportunity of coming back into the mainstream of American life.

GUNS ON CAMPUS

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

Mr. ROBISON. Mr. Speaker, as the Representative for the Cornell University community in this body, and as an alumnus of that great institution, I have, of course, been deeply concerned over the recent events that have been taking place and are still taking place on that campus.

As we have all noted, and as the New York Times commented on yesterday:

> Arms have been introduced into the campus controversy at Cornell, and only blindness to the lessons of history can shut out the fundamental nature of the threat that development poses.

Mr. Speaker, it is precisely true, as the Times went on to note:

> This threat is doubly frightening because it arose on a campus whose liberal administration has carefully listened to, and even anticipated, legitimate demands for student and faculty participation in campus administration.

Mr. Speaker, I will include the full text of the Times editorial with my remarks, but I would like to summarize my own thoughts about this situation by quoting the last two paragraphs therefrom for the consideration of my colleagues:

> If agreements extorted under duress are to be honored by campus authorities, the American university is embarked on a course of self-destruction, not self-government. American society has borne violence as a heavy cross through all its history; it is the university's task to lead the way toward eliminating violence.
>
> Cornell's ability to enforce its ban not only on guns but on all forms of coercion will be a crucial indicator of the intellectual community's capacity to remain a key element in perpetuating both the free competition of ideas and democratic rule itself.

The complete Times editorial is as follows:

GUNS ON CAMPUS

The academic world was aghast early in the 1930's when pictures of academic convocations in German universities featured jackbooted students with daggers and sidearms. Some observers, to be sure, explained the whole development away as a temporary aberration—the unfortunate but excusable reaction of concerned youths to social injustice in a country ground down by an oppressive peace treaty. Most educators, however, needed no further confirmation that the bell had tolled for German universities and for freedom.

Now arms have been introduced into the campus controversy at Cornell, and only blindness to the lessons of history can shut out the fundamental nature of the threat that development poses. The threat is doubly frightening because it arose on a campus whose liberal administration has carefully listened to, and even anticipated, legitimate demands for student and faculty participation in campus administration.

Unquestionably, the black students at Cornell have had to contend with suspicion and even hostility on the part of some whites. But it is also true that black militants—separate from, yet in many ways parallel to, the white radicals of the New Left—have undermined the extensive administrative and judicial reforms, first by refusing to serve on joint discipline committees, then by challenging their legitimacy.

The issue here is clearly not one of administrative unresponsiveness. The university's aim has been to prove that reason and the rule of law can make the students full partners in self-government built on nonviolent progress and mutual consent.

All these expectations lie shattered—victim of an intolerable display of coercion at gunpoint. To avert a slaughter, the university has had to surrender to the demands of armed insurgents. This is the lugubrious end of a line that has run from Berkeley through Columbia and Harvard and San Francisco State and dozens of other campuses—a line that rests on the use of illegal force to cow the majority into submission.

If agreements extorted under duress are to be honored by campus authorities, the American university is embarked on a course of self-destruction, not self-government. American society has borne violence as a heavy cross through all its history; it is the university's task to lead the way toward eliminating violence.

Cornell's ability to enforce its ban not only on guns but on all forms of coercion will be a crucial indicator of the intellectual community's capacity to remain a key element in perpetuating both the free competition of ideas and democratic rule itself.

NEED FOR A NATIONAL TRANSPORTATION POLICY—SPEECH OF SENATOR CHARLES McC. MATHIAS

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

Mr. BEALL of Maryland. Mr. Speaker, efficient nationwide transportation systems are essential to our national economic health and growth. Through the years, the Federal Government has become involved in supporting, to a greater or lesser extent, many different forms of land, water, and air transportation. However, these efforts are too often fragmented, uncoordinated, and even contradictory.

In a speech to the better service conference of the C. & O.-B. & O. Railroad at Cumberland, Md., on April 12, Senator CHARLES McC. MATHIAS, JR., outlined the need for a coherent national transportation policy and summarized some of the important questions which should be considered in shaping such overall policy. Senator MATHIAS' observations and suggestions deserve wide attention, and I would like to include the text of his speech in the RECORD at this point:

ADDRESS BY SENATOR MATHIAS

In his last budget message as President, the late Dwight D. Eisenhower endorsed a Commerce Department recommendation for a Department of Transportation with these words:

"National transportation is presently out of balance. It is less a national system than a loose grouping of individual industries. We have built vast networks of highways, railways, inland waterways and seaports, airways and airports, and pipelines with little attention to conflict among these expanding networks."

Since those words, we have had that Department of Transportation in being. Is it working to minimize the kind of conflicts to which Dwight Eisenhower addressed himself? Is it a success?

First, I believe that the new Department, like anything new in Washington takes time to shake down. Certainly, the new Secretary, John Volpe, has not had his hand on the tiller long enough to measure his course.

Today the Federal government expends billions of dollars in the construction of highway programs, from farm-to-market roads to giant highways of the inter-state system linking all our major cities. The government promotes airport construction and has prime responsibility for air navigation. It dredges and develops our rivers and harbors and after it spends hundreds of millions of dollars in these programs, it spends additional hundreds of millions to maintain these port facilities. It administers airline and Merchant Marine subsidies.

Few, if any, of these Federal programs help the railroads. In fact, some of these programs increase the railroads' difficulties in competing with other forms of transportation. All in all, the Federal government today is pursuing a variety of programs, designed to regulate, subsidize and promote various forms of transportation, and it spends billions of the taxpayers' dollars doing it—or trying to do it.

But despite the advent of the Department of Transportation, there is insufficient coordination among these programs. Some modes of transportation, for example, are regulated and some are not. Some forms are subsidized and some are not. The fortunes of some kinds of transportation are promoted effectively and some are not. There is constant competition for the tax dollar. There are inequities in the size and kind of subsidies accorded different carriers. The component parts of the system are not developed as a whole. The public is not served to the extent it might be because of this patchwork of regulations and subsidies which help to prevent the development of the best in each transportation system.

To administer these highway, airway, waterway and a variety of other programs, a number of Federal agencies had, over the years, sprung up. None was concerned with the needs of the other. Each had its own promotional job to do. Each tended to serve as special counsel and advocate for its own kind of transportation.

The more the public pays in subsidies, real and hidden, the more confused the objectives have seemed to be. The job of the Department of Transportation, it seems to me, is to rationalize these differences. As yet, this concept has not taken hold.

We must develop a coherent and modern system out of the present unstable conglomerate of diverse and unrelated transportation systems. Only in a coherent framework can the development of a truly rational transportation policy result—a framework in which we will be able to keep all our transportation systems in balance and capable of functioning effectively.

To these general observations, I would add a few specific suggestions:

1. We can never fully develop a coherent

transportation policy and system until we decide who pays for it and how; to what extent should public subsidies be involved, and how evenhandedly can they be administered. We continue to find policies affecting the waterways being developed without sufficient regard to the impact they will have on the railroads. We find charges for airport use totally unrelated to plant costs for other modes of transportation. Who supports Friendship airport? The State of Maryland, the Federal government and to an extent, the airlines. Who supports Union Station? The railroads who use it.

2. We cannot expect prompt and easy solutions when the directives given the Department of Transportation by Congress do not constitute a clear signal or provide an open track. In the first years of the Department there has been too much reliance on the very existence of the Department itself—as though our national transportation problems would just blow away because there is a new agency in being. Clearly, change will not come about merely because old agencies have been reshuffled into new.

3. As has been demonstrated time and time again in other fields, federal money alone is not the answer. The Urban Mass Transportation Act is an appropriate example. The law provides Federal financial assistance to improve mass transit systems—bus and rail—in our cities. Congress would have been more effective had we gotten down to the hard economic facts of life, stripping all Federal benefits from the equation and determining the true costs of providing essential services. Had Congress insisted on this course—not just for mass transit, but for all transportation programs—we might have avoided our present situation. Designed as a program responsive to an urgent urban need—with appropriate recognition that the transit fare box alone cannot support and revive a deteriorating system—this Act of Congress has too often had the opposite effect on the fate of local transit systems from its intentions. Too often private transit companies have tended to hang onto their fading properties without any effort at improvement whatsoever. They have done so in the hope that a quick infusion of Federal funds would encourage city government to bail them out by purchasing the private transit lines for public ownership. Meanwhile, back at City Hall the decision-makers were making no such commitments because the promise of Federal was just that—there aren't really enough funds to go around to reinvigorate on any broad basis the transit system.

4. Federal policy has not given sufficient attention to new ownership concepts in the field of transportation. I am aware of one well-run railroad in another section of America which was making excellent strides in improving the quality of its service until it was swallowed up in a larger business conglomerate. The rail service has, I am informed, been on the downgrade since. Other perhaps more profitable enterprises of the conglomerate have come to the fore. Rather than this form of transportation integration more thought should be given to the development of transportation modes to get the job done at less cost to the consumer public and the taxpayer. We ought to at least consider effective transportation integration rather than isolating transportation ownership through the present separate and strictly competitive instruments—rails, trucks, air and the waterways.

My remarks are not a criticism of a vibrant and successful segment of our free enterprise economy. The federal government has, for better or worse, a large stake in the system. All of us in Washington, and particularly in the Congress, have a special obligation to see to it that the contributions that the Federal government makes to the system work—and work well.

TOUR STUDYING PROBLEMS OF BOSTON

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

Mr. GUDE. Mr. Speaker, last weekend, along with 10 of my colleagues, I had the opportunity to visit for 2 days and a night in the city of Boston to study and observe the problems of that metropolitan area and the efforts of Mayor Kevin White and his cabinet to cope with the enormously big-city problems. There is much to see and to learn on the visits to the cities sponsored by the Conference of Mayors but I would in particular like to call attention to two aspects of government which I observed on this tour which are particularly significant.

First, I, and also, I believe some of my colleagues were particularly impressed by the efforts to decentralize and to set up "little city halls" in various areas of the city. These institutions are not conceived just as "complaint bureaus" for the citizens but are the beginning of an effort to decentralize actual operation of certain city services to bring them close to the citizenry. I am convinced the beginning effort here in Washington last October as well as those in Boston should be pushed—the trend of the thirties to use big city hall consolidation to solve metropolitan problems has a blighting effect on the role of democratic representative institutions in the problem-solving process.

Second, I was particularly impressed by what seemed to be the deep interest and involvement of so many of Boston's citizens in the process of finding solutions to their city's problems. Boston's democratic roots go deep and among certain groups involvement in government and politics is as natural as eating and sleeping. In contrast, the District of Columbia is particularly devoid of citizen tradition or structure for democratic institutions. The history of so many of Washington's citizens is lacking of a heritage of citizen participation in the democratic process.

I am convinced that the establishment of voting representation in Congress will go a long way toward developing a structure of involvement in the democratic process which is so essential if city citizens are to work together to find solutions to the problems of their metropolitan areas.

For these reasons, the establishment of voting representation for the District of Columbia is a top priority measure for the 91st Congress.

NORTH KOREA'S MADNESS—NIXON'S "BIG STICK"

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

Mr. BRAY. Mr. Speaker, North Korea has once again drawn attention to itself and the following two statements by persons who should know more than the rest of us about that country are pertinent.

Comdr. Lloyd Bucher, skipper of the U.S.S. *Pueblo*, in testimony before the Navy court of inquiry, March 10, 1969:

> I watched them pull legs off baby birds which fell out of a nest . . . they would find a toad and spilt him apart by pulling out his legs . . . this was common practice . . . they are just basically cruel and brutal savages . . . there were a few pups around the prison compound. I never once saw the Koreans pass one of those dogs without kicking him. This is just their mentality . . . just the way they are brought up.

Prof. B. C. Koh, South Korean by birth and now associate professor of political science, University of Illinois:

> No nation is too small to threaten the peace and security of the entire world community. In North Korea's case, moreover, its smallness is dangerously deceptive. Not only does it boast a well-trained Soviet-equipped army of over 350,000 men, 500 Soviet-made jet aircraft, modern air-defense missile complexes, and a militia of 1.2 million men and women. It is also ruled by a Stalinist dictator whose fanatical dedication to revolutionary objectives is surpassed only by his brash audacity in seeking to carry them out in the face of all obstacles. North Korea has a past record of strident belligerency, coupled with a seemingly inexhaustible potential for precipitating international crisis.

The *Pueblo* in 1968; an EC–121 in 1969; considering the two incidents and the two statements above, it seems obvious that the Nixon administration is probably faced with that most dreaded, unpredictable and unstable element that can be found in a foreign adversary: madness.

There seems no other word for it. The phenomenon is an extreme rarity in international power politics. Adolf Hitler himself, though his eventual conduct in World War II slid toward the irrational and earned him the wonderfully expressive German term Teppichfresser—carpet chewer—at least had attempted to weigh the risks before striking at Poland in 1939. "What now?" snarled Der Fuehrer at his Foreign Minister, Joachim von Ribbentrop, when Britain's unexpected ultimatum to Germany to withdraw from Poland, meaning a general European war, was presented to him.

Of all Communist-power dictators today, it now seems that Kim Il-Sung, Premier of North Korea, can truly be termed at the very least unstable, and some observers even contend he has become more paranoid than Stalin at his very worst. There is no comparable parallel in any other country. Not beyond the grim towers of the Kremlin, and not even in Peking, where an old man watches the shadows lengthen across Tien An Men Gate and dreams of the days of the Long March, and the comradeship of the Caves of Yenan.

Like Mao, in Red China, and Ho, in North Vietnam, Kim has been a dominant figure in his own country for 20 years. However, unlike Mao and Ho, he did not capture power on his own. His role in liberation of Korea from Japan was nil. Only with solid backing of the Soviet occupation forces was he able to rise to power. His rivals—actual and potential—have been methodically elim-

inated by purges, assassination, or execution. He has tried to gain greater stature in the eyes of North Koreans by masquerading under the name of a legendary national hero but this patent sham has probably been more of a liability than an asset.

He has developed a personality cult that would embarrass Mao Tse-tung. History has been completely twisted and falsified to glorify Kim. The last few years have seen an increase in this cult and statements about him in North Korea today are written in a purple prose style that would shame the most servile Soviet writer of Stalin's heyday.

So, madness—madness generated by bitterness and resentment from what Kim feels was desertion and sellout by his Red Chinese and Soviet allies at the end of the Korean war.

Madness—as Ho Chi Minh gets headlines, acclaim and aid, and North Korea's lone pleas for help from Peking and Moscow are brushed aside.

Madness—as 56,000 American troops back up the Korean Army across the 38th Parallel.

Madness—as one attempt after another to send agents into South Korea for espionage, terror, and subversion go down to defeat when faced with the deadly combination of the highly efficient South Korean Intelligence Service and the Red-hating South Korean citizens.

Madness—with nothing to save his face, nothing to salve his scored and bruised ego except the periodic meetings at Panmunjom, where his officers carry on their strutting farce of insults directed at U.S. representatives.

So—a way out, of sorts—provoke the United States, possibly into attack, or at least pull a feather or two from the American eagle's tail, and draw world attention to himself once again. Thus it was with *Pueblo*. I said at the time it was a shameful and unforgiveable thing to have inflicted on the American Republic, and no less so is the incident of the EC–121.

I do think, however, that the last man on one of these missions has been lost. There are some highly significant and major differences between what was done after *Pueblo* and what has been done after the reconnaissance plane was shot down.

For instance, after *Pueblo*, it was decided in 1968 not to arm spy ships because it would be "provocative." I quote, here, from former Secretary of Defense Robert S. McNamara, appearing on "Meet the Press," February 4, 1968. The statement had just been made to him that—

> There are many Americans who are greatly disturbed that a ship as important as the *Pueblo* could be captured so easily. Why wasn't it better protected?

The Secretary's answer was as follows:

> First, to have protected it would have been a provocative act. Second, it would have compromised the mission. . . . And, finally, the protection itself always runs the risk of leading to military escalation. . . . Nor do we protect aircraft on similar kinds. You will remember that we lost an RB–47 shot down by the Soviets on a mission similar to this in 1960. It was unprotected. Neither then nor now do we protect it for the reasons I've outlined.

Now, let us look at President Nixon's statement on April 18, 1969, in response to a question about U.S. reaction to the EC–121:

> There are 56,000 American troops stationed in South Korea . . . the responsibility of the President of the United States as Commander in Chief . . . It is the responsibility of the Commander in Chief to protect the security of those men. . . . What do we do about these flights in the future? They were discontinued immediately after this incident occurred. I have today ordered that these flights be continued. They will be protected. This is not a threat. It is simply a statement of fact.
>
> As the Commander in Chief of our armed forces, I cannot and will not ask our men to serve in Korea, and I cannot and will not ask our men to take flights like this in unarmed planes without providing protection. That will be the case. . . . when planes of the United States or ships of the United States in intelligence gathering are in international waters or international air space they are not fair game. They will not be in the future and I state that as a matter of fact.

I find a considerable difference in response—and also in what the President as Commander in Chief sees as his obligation and responsibility to men in uniform who must be sent out on dangerous assignments.

To underscore the fact that fear of "provoking" our enemies is not a part of the foreign policy of this administration, and that "protection" means exactly that—and something more besides—what is believed to be the largest concentration of American seapower in that area since the Korean war has been assembled in the Sea of Japan. Task Force 71, consisting of three attack carriers, one antisubmarine carrier, three cruisers and 14 destroyers, has almost 300 jet fighters and fighter-bombers, plus considerable missile and antisub ability.

I am sure the fact is not lost on Kim Il-Sung that Task Force 71 is not only quite well prepared to protect our intelligence missions, but it also carries the potential for direct retaliatory raids against North Korea itself.

President Theodore Roosevelt said:

> Speak softly and carry a big stick.

President Nixon has spoken—softly—but the big stick has been hauled out of the closet, dusted off, swung once or twice for heft, and laid close at hand.

Can even Kim Il-Sung be that mad? If he is, the big stick is ready—and we can argue about map coordinates afterwards.

THE PROBLEM OF UNCONTAINED POPULATION GROWTH AND THE NATURAL ENVIRONMENT

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

Mr. UDALL. Mr. Speaker, the 1960's comprise the decade in which the U.S. Government became deeply involved in what has now been generally recognized as one of the world's most severe problems, that of uncontained population growth.

Four years of hearings on the problem, conducted by former Senator Ernest Gruening, of Alaska, have served to bring the controversial subject of population control, once off limits to public discussion, into the light of legitimate and open debate. The late Presidents Eisenhower and Kennedy both expressed their concern. Former President Johnson said:

> Second only to the search for peace, it is humanity's greatest challenge.

As a result, the U.S. Government, through its National Institutes of Health, has a growing program of research in reproductive physiology and contraception. The Department of Health, Education, and Welfare, the Department of State, and the Office of Economic Opportunity administer or support programs of voluntary family planning.

However, I wonder if we as a government are doing enough in the field. As we look around us, we see tremendous, truly staggering divisions, strife, conflict and conditions which, I believe, are related if not directly caused by uncontained population.

We are told by some experts that there is nothing that can be done to prevent widespread famine in Asia within the next decade—that the children are already born who will face starvation in the next few years. Although others tell us that a "green revolution" now underway has reduced fears of such a famine in the 1970's, I believe that no "green revolution," unaccompanied by a parallel revolution in population growth rates, can long delay massive hunger.

We are told that Latin America's hundreds of millions will double within the next generation. Can anyone believe that political and economic stability can be achieved there in the face of that kind of growth?

We see hunger in America. We witness almost daily disruptions of our campuses, occurring coincident to the largest influx of new students in colleges ever.

We have come to realize that population growth and density are related to the problems of our cities, to problems of poverty, racial strife, transportation, the rotting of central cities, and the ugly and formless sprawl of suburbia.

Conservationists are beginning to see more and more that no amount of public and private spending will save our remaining wilderness, the natural beauties of our country, or prevent the continued pollution of soil, air, and water, if our population continues to grow at its present rate.

But the problem is much more than the sum of these things. It involves whether our children, or their children will enjoy any of the quality of life we enjoy. It involves whether our society and its cherished institutions can withstand the pressures and demands put upon them by rampant growth. Indeed, it may involve whether mankind itself can long survive its abuses of the delicate balance of nature that sustains it and all other life on this planet.

For one thing is clear: Our little planet simply is not going to carry more life on its surface than its natural resources can sustain. If mankind cannot control his numbers through humane and voluntary

birth control methods then those numbers will be controlled by natural or manmade disasters.

Still, I am deeply troubled, as I know that many of my colleagues are troubled, about the proper role of Government in solving the population problem. In struggling with the issue in my own mind, possible solutions collide with the basic human rights so cherished by our society. In short, I have a deep conviction that governmentally imposed, coercive population control is the very antithesis of individual human freedom and would be an indefensible invasion by Government into a deeply sensitive, personal, and private relationship.

On the other hand, I do not believe that the current public programs, or mere extensions of them, really meet the problem. I do not believe that voluntary family planning programs which have as their goal making every child a wanted child will reverse, stop or even slow down the rising tide of population growth. After all, we are coming to realize that the majority of America's annual population increase is composed of wanted children.

Therefore, today I am introducing legislation that calls upon Congress to "find, encourage, and implement at the earliest possible time necessary policies, attitudes, and actions which will, by voluntary and humane means consistent with basic human rights and individual conscience bring about the stabilization of the population of the United States."

My hope is that congressional and public discussion of this issue—and of this goal—will help to make the American people aware of the dangers inherent in continued rampant population growth, and that they will respond by voluntarily limiting the size of their families by whatever birth control means they find acceptable. The ideal result would be that those couples who now have two or more children would make a voluntary decision not to have more. Other couples would voluntarily decide to stop at two children.

My investigation of the current national programs, research and legislation regarding the population problem has led me to this general and related conclusion: Those experts who address themselves to the preservation of our natural environment seldom address themselves to the population problem, possibly because of its controversial nature. Likewise, I find that those who address themselves to family planning and birth control programs seldom indicate a true understanding of the environmental consequences of uncontained population growth, possibly because the link between population and environment is dimly understood.

I am convinced that this is the very relationship on which the health and future of mankind as a species depend. Although man is much more than the other animals, he remains wholly dependent on the wafer-thin layer of air, water and soil that comprises the surface of our earth and, acting in ways more delicate and complicated than the most sophisticated computer, makes all life possible on this earth.

I believe that man must rethink himself in terms of his natural environment if he is to thrive, or even survive. Therefore, my bill creates within the Department of Interior a Bureau of Population and the Environment, to devote itself to searching out and making known the implications of that crucial relationship.

Furthermore, to define the authority and mission of the Bureau and the scope of the problem, my bill creates a Commission on Population and the Environment, with a life of 2 years, composed of respected men in private life and high government officials, to conduct a full study and make recommendations as to the programs and policies available to Congress and the Bureau that would be effective in this area.

I believe this bill to be a necessary forward step in coping with this highly complex problem. I believe that the true solution—should there be one—lies in the ability of free citizens becoming aware of the dangers of uncontrolled population growth and acting in their own interest by planning their families accordingly. Should this bill be effective in achieving that goal, we would, by bringing about the stabilization of our national population, demonstrate to the world that this is a problem within the power of mankind to solve. Thus we would provide by example the necessary incentives for other nations even more beset than ours that now are approaching the problem half-heartedly, if at all.

NIMH PRESENTS AN EXCELLENT PROGRAM ON DRUG ABUSE EDUCATION

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

Mr. ROGERS of Florida. Mr. Speaker, yesterday afternoon an excellent presentation was made to the Members of the House on the drug abuse education activities of the National Institute of Mental Health.

Dr. Stanley F. Yolles, Director, National Institute of Mental Health; Dr. Sidney Cohen, Director, Division of Narcotic Addiction and Drug Abuse, National Institute of Mental Health; and Mr. Gerald N. Kurtz, Director, Office of Communications, National Institute of Mental Health, and their associates told the Members of some new approaches being taken by NIMH to inform the public, and particularly the young adult population, of the dangers of drug abuse.

I was particularly impressed with the audiovisual advertisements which, this week, are being distributed to radio and television stations across the Nation for local dissemination as a public service. These new advertisements are factual and to the point. And I believe that this will be the most effective way of stemming the shocking increase in drug abuse which we have witnessed in recent years.

I commend Dr. Yolles, Dr. Cohen, and Mr. Kurtz and those at NIMH for the work they are doing to meet this national problem, and at this point in the RECORD, I would like to insert the statements made by these gentlemen at yesterday's briefing session for the benefit of my colleagues:

DRUG ABUSE

(Statement by Stanley F. Yolles, M.D., Director, National Institute of Mental Health, Associate Administrator for Mental Health Services and Mental Health Administration, U.S. Department of Health, Education, and Welfare, before the Subcommittee on Public Health and Welfare of the Committee on Interstate and Foreign Commerce, Apr. 22, 1969)

Mr. Chairman, I am happy to appear today to discuss the scope of the national drug abuse problem and the efforts of the National Institute of Mental Health in the area of drug abuse.

Drug abuse takes a multitude of shapes. It is the heroin user injecting his "H", the methedrine user high on "speed," or the fourteen-year-old sniffing airplane glue. But it is also the suburban housewife using her diet pills for a quick pick-me-up, the driving executive alternating between stimulants by day and sleep-inducing barbiturates at night, the urbanite needing those extra 1 or 2 lunch-hour martinis.

Yet, more than that, drug abuse and narcotic addiction are major and growing public health problems of major national concern. As of December 31, 1968, the number of active narcotic addicts reported by the U.S. Bureau of Narcotics was approximately 64,000 and estimates of the true number of addicts are appreciably higher and on the order of 100,000 to 110,000. Hallucinogenic substances such as marihuana have been at the least experimented with by millions of Americans.

The costs of narcotic abuse to society are both quantifiable and non-quantifiable. The latter include personal and social costs which result from the dysfunction of narcotic abusers as people.

The quantifiable factors associated with narcotic abuse include costs for: law enforcement, crime associated with abuse, lost productivity, and the cost of research and treatment programs. There are also welfare costs associated with broken families and with unemployed abusers.

The total of involuntary social costs of narcotic drug abuse amounts to $541 million per year.

Narcotic addiction historically tended to be concentrated in ghetto neighborhoods with inadequate housing and a lack of physical and social cohesion. We are now witnessing the signs of increasing use of heroin in suburban areas.

The number of non-narcotic drug abusers, including those addicted or habituated to agents such as sedatives, stimulants, marihuana, LSD and related drugs, and certain "tranquillizers," can only be grossly estimated. Inferences as to the size of the problem can be drawn, however, from data on production and illicit diversion of barbiturates and amphetamines.

About eight billion amphetamine tablets (40 tons) are produced in a year—enough to provide each man, woman, and child in the United States with 35 doses. About half of these tablets, it is estimated, go into illicit channels of distribution at bars, gas stations, and restaurants.

Five hundred tons of barbiturates were produced 10 years ago. This is enough to provide 28 doses for each person in the population. Here, too, there is a large illegal market.

Several of the relatively new and popular non-barbiturate sedatives and tranquillizers have been found capable of causing state of intoxication and dependence if seriously overused. These drugs include meprobamate (Miltown, Equanil), gluthethimide (Doriden), and chlordiazepoxide (Librium).

Of those abusing these drugs, the range of persons directly affected is between 200,000 and 400,000.

The use of LSD has declined during the past two years. In part it may be due to the information disseminated about its dangers and the fact that it does not provide instant insight or magical solutions to one's problems. It remains a drug of abuse essentially for young middle-class persons.

Marihuana use has been rapidly increasing in the past five years. Although originally restricted to certain jazz musicians, artists and ghetto dwellers, it has now appeared among the middle and upper class. A conservative estimate of persons, both juvenile and adult, who have used marihuana at least once is about 5 million.

The National Institute of Mental Health is expending considerable effort in the area of narcotic addiction research. Currently, the NIMH supports 59 research projects which have narcotics and/or narcotic abuse as their principal focus. These studies range from examination of the basic neurophysiology of drug action to the studies of the psychosocial characteristics of users. The NIMH expends approximately $2,600,000 in the support of such research. In addition, fellowship, training and special facilities grants in this area raise total grant monies in fiscal 1969 to nearly $11 million.

One major difficulty in the treatment of narcotic addicts has been their tendency to relapse. Current research is being conducted on the development of a method to varify an addict's abstinence from opiates. It is anticipated that early, reliable detection of relapses will prove helpful in the followup treatment of narcotic addicts.

An exciting and controversial advance has been the development of methadone maintenance programs and the use of other narcotic antagonists, such as Cyclazocine and Naloxone. Since methadone maintenance involves the continued use of a narcotic on a long-term basis, it has been the object of criticism. The general idea consists of treating heroin addicts by first stabilizing them on a daily maintenance dosage of methadone and subsequently undertaking rehabilitation, rather than the usual sequence in other programs of first withdrawing the narcotic drug and then attempting rehabilitation.

Research attempting to assess the efficacy of this treatment has indicated that for selected patients, social rehabilitation is a feasible goal. However, methadone does not appear to be a "universal treatment" for all addicts, nor does it result in an abstinence from drugs. Considering the impact of methadone maintenance programs, we need to gain a thorough understanding of its implications for all aspects of the individual's functioning, and a wide variety of studies toward this end are being supported. Studies are also being supported to develop new and long-acting antagonists.

To better understand the motivation of narcotics users, both those in city ghettos as well as middle-class suburbs, the Institute is supporting several studies.

Research is being conducted on drug users within the context of their local slum neighborhoods. The focus is on the specific individual with emphasis on his movement toward drug usage and his development of addict identity.

For any control program to be effective, knowledge is needed of the extent of the narcotics addiction problem.

In view of the estimate that over one-half of the narcotic addicts in the United States live in New York, principally in New York City, NIMH reseachers are assisting the New York City Health Department with a register giving a reliable, up-to-date, unduplicated count of narcotic addiction there.

Results in the area of treatment have often been discouraging, particularly if the criterion of success is total abstinence from drugs. At least part of the difficulty with treatment has been that the addict was often treated in a hospital far from his home community and was not adequately followed up upon release.

Means for overcoming this deficiency, and others, were provided in the Narcotic Addict Rehabilitation Act of 1966 (P.L. 89–793). Through this Act, known as NARA, Congress established a new national policy. It calls for the treatment of narcotics addicts rather than prosecuting them under criminal statutes.

For the first time, Federal law provides that narcotics addicts may apply for treatment in lieu of prosecution for certain crimes and that addicts not charged with a criminal offense may also be committed to the Surgeon General for treatment and rehabilitation.

The Act set in motion a new nationwide program for the supervised treatment and rehabilitation of addicts in the community. The NIMH Division of Narcotic Addiction and Drug Abuse is responsible for the examination and treatment of patients committed under the Act.

Titles I, II, and III of NARA are designed to extend and improve treatment and rehabilitation programs already in existence. The basic principle of Title IV, the development of community programs for addicts, is now incorporated in a new law (PL 90–574) which permits the NIMH to make grants for construction and staffing of narcotic addict and alcoholism facilities in communities.

The first NARA patient was committed under the provisions of Title I on June 29, 1967. As of February 1, 1969, 1,287 addicts had been admitted to NIMH Clinical Research Centers in Fort Worth and Lexington. Of this number, 6 percent charged with a criminal offense chose commitment under the provisions of Title I in lieu of prosecution; and 66 percent were committed under Title III. Ninety-one percent of the Title III commitments were initiated by the addict himself.

When suitable State and local facilities have been developed, these services will be contracted for as close as possible to the addict's home community. As of March 1969, there were contracts for services with 70 agencies in 66 different cities and 39 different States caring for 306 patients. NIMH staff will be assigned to area offices in the 11 metropolitan areas having the largest population.

While searching for better means of treating narcotic addicts, the NIMH simultaneously conducts prevention and education programs. The basic philosophy underlying the NIMH information/education program is our intent to bridge the credibility gap by presenting the facts. Having long had the responsibilities for drug abuse education and information, it is the NIMH's goal to develop effective educational programs for use in elementary, junior, and senior high schools and colleges, as well as parents' groups and other segments of the community. Other members of the NIMH staff who have accompanied me here today will tell you about these educational efforts aimed at the general population.

Other preventive and educational materials are made available to the scientific community and others who, by virtue of their frequent contact with users and potential users of drugs, can form a first line of defense against continued drug abuse.

As the national center for support of research in narcotic addiction and drug abuse, the NIMH has a primary responsibility in coordinating and disseminating research findings, technical information, and noteworthy scientific advances in the field. This is accomplished by ongoing consultation and liaison activities by the staff of the Division of Narcotic Addiction and Drug Abuse.

In addition, the Institute's National Clearinghouse for Mental Health Information, the world's largest computerized repository of mental health and related findings, is actively engaged in assisting the researcher and therapist keep abreast of technical information in drug abuse.

The goal is to develop a complete data bank of all important research and new methods relevant to the problems of drug abuse. This bank already is a valuable source of accurate and complete bibliographies and references tailored to the needs of individual researchers. Information gathered for the data bank is also used to publish, on a regular basis, Drug Dependency Notes, containing timely, original articles of major importance in drug abuse research and recent bibliographies of new research.

The potential audience of Drug Dependence Notes is large. In addition to physicians, psychologicata, sociologists and other mental health professionals, educators, legislators, and lawyers will have use for these reports of research facts.

The Clearinghouse is also producing a complete directory of treatment and rehabilitation facilities in the United States. Although the number of such facilities is essential information about the facilities will provide a much needed source of information to those who seek professional help. Another Clearinghouse publication, the Mental Health Digest, frequently carries scientific articles on drug abuse.

It is clear that one is not dealing here with a simple, unitary phenomenon. Drug abuse is a health, legal, social, economic, and moral problem. Drug abuse is a complex phenomenon in which the major interacting factors are the characteristics of the drug, and the characteristics of the society within which the drug is abused.

It is evident that there will be no simple solution to the problem of drug abuse. Substantial effort must be devoted to prevention, discovery and dissemination of new knowledge, and development of more and better treatment resources.

It is the task of the National Institute of Mental Health to mount the programs needed to deal flexibly with the many problems of drug abuse. As the problem is complex and changing, so must be the strategies designed to understand and cope with it. This is the end toward which we at the NIMH have dedicated our resources.

Drug Abuse: Educational Efforts

(Statement by Sidney Cohen, M.D., Director, Division of Narcotic Addiction and Drug Abuse, National Institute of Mental Health, Health Services and Mental Health Administration, U.S. Department of Health, Education, and Welfare, before the Subcommittee on Public Health and Welfare of the Committee on Interstate and Foreign Commerce, April 22, 1969)

GENERAL STATEMENT

It is evident that the prevention of drug taking behavior or the conversion of the drug abuser into an abstinent person is the ideal solution to the problem of drug dependence. These methods require a modification of attitudes and beliefs. Attitude and belief change can be best accomplished by skillfully presenting factual information and by correcting false ideas about the abused drugs. It is our position that the presentation of unbiased information is sufficiently impressive that it will deter most potential or actual users. Furthermore, attempts to sermonize or to scare with inaccurate statements is likely to fail or even encourage mass drug abuse. This is so because young people are likely to rebel against patently false information. In the drug area the generation gap often consists of ignorance about drugs on the part of the elders and illusions about drugs on the part of the youngsters. We are

attempting to close the gap from both directions.

The National Institute of Mental Health is expanding $900,000 for Fiscal Year 1969 for drug education and information. A description of the more important educational projects follows.

I. FOR TEACHERS

Since the teacher is often the first person who is asked questions and must provide answers about dangerous substances a number of projects are directed specifically at the educator.

1. A sixteen page center insert dealing with the facts and techniques of teaching the facts about drug abuse was placed in the March 1969 issue of Today's Education, the National Education Association journal which is circulated to 1,400,000 educators (copy attached). The insert can be easily removed from the magazine for future use. Additional copies can be obtained on request. During Fiscal Year 1970 a second insert will be placed.

2. A two week teacher's workshop in cooperation with the American Association for Health, Physical Education and Recreation (AAHPER) was held for 20 teachers from all regions of the country in San Francisco and Mendicino State Hospital during October 1968. The entire workshop was videotaped and printed materials were developed. Each participant was to return to the school district and conduct two-day workshops for the local AAHPER members, 14 of which have already been held. From the experience gained at the workshop a handbook of materials was selected for publication (draft copy attached) entitled "Drug Abuse Education."

3. A film library which is being selected by a group of scientific and communication experts. Mr. Kurtz will elaborate on this.

4. A contract to researchers in Dade County, Florida, is under serious consideration. They hope to develop a new model of drug abuse education. Teachers and parents will be involved, but the innovative aspects is the key role of the students themselves in doing the work of preparing materials, designing programs and giving the instruction.

5. The Center for Studies of Substance Abuse in New York, N.Y., has been working under an NIMH grant to provide specific methods of dealing with the special problems that vary from school to school. Their team is invited into a school and they obtain accurate information about the situation from students, faculty and administration. Then they design a solution for the special situation.

II. FOR THE COMMUNITY

1. An up-to-date list of agencies and facilities concerned with drug abuse is badly needed. Resources where individuals and agencies can go for help and information will be collected by city. Numerous private, city, county, State and Federal agencies are available, but a complete directory is not.

2. The NIMH has issued four flyers called "Marihuana," "The Hallucinogens," "The Up and Down Drugs" and "The Narcotics." Over a million copies have been distributed, and another four million are in press.

3. A Spanish language edition of the four flyers mentioned above for Puerto Ricans and Mexican-Americans will be printed. In addition to direct translations; there will be tailored flyers for the specific cultural requirements of those groups.

4. Reprints of other educational materials such as Dr. Yolles' New York Times Magazine article and the NARA flyer are being distributed (copies attached).

5. Personnel from the Division of Narcotic Addiction and Drug Abuse have given many talks to high schools, colleges, community groups, jurists, legislators and professional groups. Although no assigned personnel are available for these lectures and discussion groups, the staff willingly attempts to meet as many requests for speakers as possible.

6. Consultations with many agencies public and private have been provided. Committees and groups which are forming to deal with some aspect of drug abuse have sought out the NIMH as a source of information.

7. Written into the grants of our six NARA Centers and of the additional ones to be funded during Fiscal Year 1969 is a provision requiring that they serve as a community resource for education and information on drug abuse.

8. We are about to write a contract with a group of researchers in Nevada who will examine and evaluate different techniques of drug abuse educational efforts. The program will coordinate school and community activities and will compare small vs. large group meetings.

9. A series of high school newspaper editors' conferences by regions are planned. In general they will be tied into a university journalism program with drug abuse as a prime topic. It is planned that experts in this field will speak and answer their queries. In turn, they will report on the conference in their student newspapers.

III. FOR THE PROFESSIONAL

1. A quarterly journal "Drug Dependence" will be issued, beginning July 1969. It will contain articles pertinent to the subject and abstracts of articles in other journals on drug abuse. This specialized journal will be a concentrated source of information for scientists of all fields.

2. A book is in press which represents the proceedings of a conference held on the effect of LSD on chromosome structure. It contains an up-to-date bibliography on the subject.

3. A grant has been provided for investigators at the University of California at Berkeley to explore new therapeutic approaches to the drug taker. If the approach proves to be successful, it will provide therapists with an additional technique of dealing with drug abusers. In essence it represents an effort to demonstrate that one can "turn on" to life rather than require drugs.

4. The National Clearinghouse for Mental Health Information and the Division of Narcotic Addiction and Drug Abuse are planning to expand the present collection of material in the computer to include every article on drug abuse in the world literature in the form of an annotated reference. It will be possible to furnish an investigator with a printout of abstracts of such material on any aspect of this subject.

DRUG ABUSE: EDUCATIONAL EFFORTS

(Statement by Gerald N. Kurtz, Director, Office of Communications, National Institute of Mental Health, Health Services and Mental Health Administration, U.S. Department of Health, Education, and Welfare, before the Subcommittee on Public Health and Welfare of the Committee on Interstate and Foreign Commerce, April 22, 1969)

Mr. Chairman, I appreciate this opportunity to appear here today to discuss the extensive new campaign against drug abuse being conducted across the country by the National Institute of Mental Health.

There are several aspects to the NIMH education/information effort: A public service announcement series presented in cooperation with the mass media; a program for the educational community, including curriculum development and workshops; a grassroots program to disseminate material and information to parents, youngsters and the general public; a professional communications program aimed at providing the latest scientific findings to physicians and researchers.

We are taking advantage of every channel of communication to reach our widely divergent audiences. The messages, which are custom-tailored to specific target groups, all have one thing in common. They present the facts. We believe that only a factual campaign can bridge the credibility gap which exists in this area.

Thousands of young people are convinced that "drugs are the answer." Their parents and teachers are anxious and alarmed. Misinformation, contradictory information received by our youth, has been widening the so-called generation gap. By presenting the facts without resorting to scare techniques or exaggeration, and by presenting these facts in language and via media appropriate to the audience, we believe we will have an impact.

This week we are launching what we call our "umbrella campaign." Factual public service messages; which have been prepared by a national advertising agency—on a nonprofit basis—have been sent under the auspices of the Advertising Council to radio and television outlets across the country.

I should point out that this material has been pre-tested by the agency before groups of young people, former addicts, and addicts. For the past month we have been conducting a pilot program in the Washington, D.C. metropolitan area. Following two one-half hour segments of a three part film series, "The Distant Drummer," shown during prime time with the cooperation of a network affiliate, television and radio spot announcements were made available to every TV and radio station in the area. The response of the stations was enthusiastic. The spots continue to be used throughout the broadcasting day on most stations.

The public media campaign, which goes national this week, is divided into several segments. Our primary aim is to arm young people and their parents with the facts to help them resist pressures to experiment with drugs—marihuana and LSD. We also have special messages for adults who overuse amphetamines and barbiturates, and a subcampaign for residents of the inner city exposed daily to the dangers of heroin addiction.

The spots are directed at the potential user in each category, and since our largest target audience is young people, messages are sophisticated and factual and are intended as ammunition for the youngster to resist peer-group pressure.

There was one exception to this: a segment of the campaign aims mainly at middle-class housewives, concerning the abuse of amphetamines and barbiturates. These women, having found ways to exceed the prescribed amount, are probably unaware of the fact that they are serious drug abusers and are potentially in trouble. The approach to them was quite different from our approach to youth. It's harsher . . . scarier. But this has an interesting side-effect on the youth effort.

The reason is simple: Most young people will say that as long as Mom pops pills all day, and Dad drinks himself into oblivion on the weekend, there's no hard line they can take on drugs that is anything but transparently hypocritical. So when an establishment campaign on drugs seems to go impartially after drug abuse wherever it occurs, even in the parent group, it may win a few more sympathetic ears when it focuses on the young.

Here, then, are the four television spot announcements aimed at the alarming amount of adult abuse of amphetamines and barbituates.

In arming the "potential user" with ammunition of resistance, the spots talk in a quiet, rational, totally factual way about the known dangers of using each of these drugs. There is a minimum of witty, slick advertising phrases. Irony is used occasionally, for that is a favorite literary device of the young. In the main, however, the spot simply says: here are the facts you as an intelligent human being need to help you

make up your mind. Nowhere do the spots preach, make a moral judgment, or shake a finger.

One criterion was carefully applied to everything produced on this project. The spots scrupulously avoid showing any aspect of the drug scene in any light which might be remotely construed as being attractive.

The spot announcements prepared for youth speak for themselves. We have the six announcements that are currently being shown.

We think the radio campaign is of particular importance. Radio perhaps is the only common communications denominator in trying to reach young people away from home, at school, after school in the suburbs as well as in the ghettos. You see transistor radios on buses and subways, in the streets, at beaches, pools and playgrounds.

Accordingly, six radio spots for a general audience using the same approach as the television material are now being distributed.

Currently in production are radio spots prepared from taped interviews with former addicts, who tell their stories. Here are several of them which will be sent out with factual material for the disc jockey or general announcer to prepare his own script.

One of the most dramatic aspects of the campaign is the radio material for the Black ghetto. These radio spots were prepared by a youth who is himself a resident of the ghetto now working for the advertising agency. They address the problem in a way that only someone with first-hand experience could communicate.

To support the inner-city targetted radio campaign, we have also prepared posters for car cards, billboards, school bulletin boards, club rooms and the like. The campaign theme, "Slavery" as you have just heard on the radio spots, is being carried through in the print media. Here are slides of these posters, which incidentally also were inspired by the same young ghetto resident. This material is now in production at the Government Printing Office.

In mid-May another group of spot announcements will be released. In these, leading sports, music, TV, and stage celebrities will discuss facts about drug abuse. And other materials are being prepared for radio and television.

For example, with the help of Otto Graham, who has agreed to serve as a consultant to NIMH, special radio and TV messages are to be recorded by professional and amateur athletic stars for broadcast on a seasonal year-round basis. We are asking cooperation of major professional athletic leagues and broadcasters to program these messages during live broadcasting of athletic events locally. The idea is that a Willie Mays spot would be played for a San Francisco broadcast/telecast of the Giant game and that it will be seen or heard in the city of the Giants' opponents as well.

A contemporary designer, well known to today's youth—Peter Max—is doing an anti-drug poster, which will be featured with the artist on television. The poster will be printed by GPO and sent to all requesters.

Another poster, designed in the "Graphics of Today" by a young NIMH artist, Mr. Bill Bowman, carries another campaign theme—one that we consider the soundest argument against experimenting with drugs. It asks, "Will they turn you on, or will they turn on you?" It is now being produced in psychedelic colors. We plan to show these on some 68,000 Post Office trucks during the month of July, and to distribute them widely in schools, recreation centers and so forth.

Earlier I mentioned the film program, noting the debut of "The Distant Drummer" documentary series in the Washington area. This three-part series, which is being scheduled for prime-time television airing in major U.S. cities, presents the most detailed account of current knowledge about narcotics and dangerous drugs ever recorded on film. Beginning with the history of the poppy plant, these films record how opium has been used through history—from opium itself through morphine to heroin—and how man's fascination with drugs has led to the epidemic proportion of drug abuse today. These films will soon be available through a drug abuse information film library being established as part of the National Audiovisual Center.

This series, intended for general audiences, will be supplemented with additional films for specific groups which will elaborate on particular problem areas in drug abuse. A group experienced in recording true-to-life events in the ghetto will prepare a film on the abuse of narcotics in the inner-city. A documentary on treatment—what kinds are available, and where—for adults and teenage drug abusers is also being prepared.

New distribution methods are being tried in an effort to get the films before their intended audiences. Along with distribution through the film libraries, the institute will establish film and equipment loans through community mental health centers.

The distribution of factual literature plays a significant role in the current campaign. More than a million copies of four flyers—Marihuana, LSD, Up and Down Drugs, and Narcotics—have been distributed and 4 million more are in press. Already, these flyers have been distributed to schools, community, groups, pharmacists and others.

Distribution will soon begin to doctors' and dentists' waiting rooms—a co-operative project with the American Medical Association and the American Dental Association. In addition, the flyers will be used to answer public inquiries generated by the mass media campaign.

They are being translated into colloquial Spanish for Mexican Spanish-Americans and Puerto Ricans and new versions for inner-city audiences are planned. The "Hooked" comic book—more than 2 million distributed—will be revised and a Spanish edition is being produced.

Two additional publications are now in press. The first, "Before Your Kid Tries Drugs," will supply parents with facts on drug abuse. It is based on an article by Dr. Yolles that appeared recently in the New York Times Magazine. The second, dealing with research at NIMH on drug abuse, will be distributed to college students to provide them with up-to-date findings in the field.

The Family Service Association of America, working with prominent theatrical writers and Actors Equity, is preparing an open-ended play on drug abuse intended for showing before parent and teenage groups by professional companies, college, school and local dramatic groups. After presentation of the play, an experienced discussion leader will conduct a group seminar on the facts about drug abuse. Productions of the play and copies of the scripts will be made available nationally and at the local level for use by PTA's and other organizations.

In another effort to reach high school students, a series of pilot press conferences and workshops will be conducted this summer and fall. Approximately 1,000 high school newspaper editors will participate in these sessions, where they will meet with experts on drug abuse, professional journalists, high school teachers and college journalism professors.

The students will be asked to evaluate materials being nationally distributed by NIMH and to offer suggestions on new materials they think might be effective. The young journalists at the conferences will write editorials and feature stories and will be encouraged to produce articles and stories for use in their own publications.

Three such conferences have already been approved. Participating universities are Syracuse University, Kansas State University and University of Texas. Proposals are being sought from other universities across the country so that the program can be expanded.

An exhibits program for schools, health fairs, State and County fairs is also being mounted. The exhibits will be the vehicle for distribution of factual literature and for displaying a film version of the television spot messages.

In still another direction, staff of the Office of Communications is developing materials for the Nation's newspapers, radio, and television for the dissemination of drug abuse information. Fact packets are being prepared for local radio stations, syndicated columns are being made available to daily and weekly newspapers, and material is being assembled for a nationwide editorial campaign on the dangers of drug abuse. An awards program is being developed to accord special recognition for outstanding public service journalism.

In conclusion, I would like to point out that the National Institute of Mental Health has been negotiating with several communications research firms for the development of a study to evaluate our public service campaign, to obtain information on the effectiveness of the messages, use of color vs. black and white, and so forth, to help guide us in the development of fellow-up materials.

The intensive broad-based campaign I have described represents a great collaborative effort. Staff at the NIMH Division of Narcotic Addiction and Drug Abuse, its Center for Studies of Narcotic and Drug Abuse, and the Office of Communications have been working closely with other agencies, including the Department of Justice and the Department of Defense. We have also, of course, been working with the private sector—the advertising profession, communications industry and particularly with the National Coordinating Council on Drug Abuse Information and Education and the American Medical Association. The Coordinating Council, which is comprised of more than 60 public and private organizations, including the AFL–CIO, most professional associations, many civic associations, scouting, and the Pharmaceutical industry which means genuine citizen participation in our efforts. The role of the Coordinating Council will become especially valuable as the campaign gains momentum. The Council will be undertaking such invaluable projects as film and literature evaluation and to carry on an even broader public program at the local level.

As Dr. Yolles has indicated, drug abuse has reached epidemic proportions in the United States. The programs and activities we have been discussing are just a beginning. We plan to build on the base we have laid.

RELOCATION BILL

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

Mr. WIDNALL. Mr. Speaker, today I have introduced a bill which will go a long way toward alleviating what is rapidly becoming a bottleneck in our urban redevelopment programs, namely, the lack of statutory procedures for persons who will be displaced by urban renewal or model cities plans to question the adequacy of the relocation plans.

There have been three cities which have had their urban renewal programs slowed down or halted recently because of prolonged lawsuits over the adequacy of the relocation plans which are part of each urban renewal program. One of the major issues has been whether the

people who are to be dislocated have the right to question the relocation plan. In these most recent cases—in Norwalk, Conn.; Philadelphia; and San Francisco—the courts have held that displacees do indeed have the standing to sue.

The citizens who are being displaced certainly should have the opportunity to question whether the relocation plan meets the requirements of the laws. My bill provides for a two-step procedure. Any person who will be displaced may ask the Secretary of Housing and Urban Development to hold hearings and issue a decision on whether the relocation plan meets lawful standards. The Secretary must issue this decision within 60 days of the request, or all further displacement activity must be halted until the decision is issued. If the decision is adverse to the displacee, he may file suit in the Federal district court for the area in which he resides seeking review of the Secretary's decision.

Our urban development programs are crucial, and very costly. We cannot afford delays of the type that have resulted from injunctions growing out of the recent suits. Delays mean higher costs, and sometimes the redrafting of the entire program.

And yet there are often problems with the programs; which the people living in the areas are more sensitive to than the planners. These problems often do not arise until the program is being implemented. We must give the people most directly affected by urban renewal or model cities full opportunity to question the relocation portion of the full program, but without halting the entire plan. That is what my bill will do.

This bill is also needed for another reason. HUD in the past has coped with this case on an ad hoc basis. The Department has no established policy for dealing with suits questioning the relocation plans. As our urban programs expand, and inner city residents become more active in questioning these plans, we can expect more, not less, activity. The Department in the past has not recognized this. By enacting this bill, the Congress would signify its recognition.

For all these reasons, Mr. Speaker, this legislation is necessary. We have an opportunity to establish a procedure for administrative hearings and judicial review of the relocation question. We will do this without the danger of stopping the entire project, as has happened in the past. It is a small step, but an important one, in having effective programs for eliminating urban decay and replacing it with urban development.

ISRAEL'S 21ST ANNIVERSARY

The SPEAKER. Under a previous order of the House the gentleman from New York (Mr. HALPERN) is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, the 21st anniversary of the memorable day when the Jewish nation was reborn reminds us movingly of the heroism and indomitable will that have made the State of Israel a reality. And wherever there is doubt about man's capacity to shape his own future, this great occasion should be cause for renewed hope.

But there is reason, too, on this anniversary for continued alertness and determination in the face of the stubborn and unreasoning hostility directed against the youthful State of Israel by her Arab neighbors, and there is cause for dismay and for outspoken denunciation in the growing evidence of active anti-Semitism in the Soviet Union.

These somber realizations are cause for a different celebration in Israel than in past years and should give us pause as well. There will be no military parade, no impressive display of weaponry or brilliant air maneuvers. The Knesset some time ago decided against such demonstrations in these days of trial and tension.

The preceding day, as is customary, will be devoted to memorial observances honoring all who have died that Israel might live. The nation's birthday will be celebrated in great gatherings, at the fairgrounds outside Tel Aviv and at public places in cities and settlements throughout the land. The meaning of this restraint cannot be ignored by the American Government or the world.

However, the seriousness of the present situation, Mr. Speaker, cannot allow us to forget the achievement of the people of Israel in the years since 1948. Burdened with the terrible memories of Nazi persecution, confronted by the hatred of the Arab States, inundated by waves of immigrants of the most diverse social, economic backgrounds, handicapped by lack of funds and space and by the barren condition of much of the land, and forced into expensive arms race as a means of self-defense, the Israeli people have triumphed over every obstacle.

It has been a triumph of hope but, even more, it has been a triumph of the courage and faith and determination which transformed that hope into impressive reality. As a result, Israel stands today as an oasis of freedom, of opportunity, of democracy in its finest sense, a land in which respect for human dignity comes first.

But Israel's triumph cannot be taken for granted. Her victories so far can only be considered temporary, for the tiny but dynamic country is still engaged in a struggle for survival. We in America who should understand better than most the unique quality of Israel's accomplishments, cannot be indifferent to that struggle. The 21st anniversary comes at a time of grave challenge. In the coming year Israel can either move forward to peace by retaining her firm resolve for a viable settlement, or can be cast into war by the unrelenting hostility of her foes. The test has come for Israel's friends. The forum of that test is at the United Nations where the four power conferences are now in progress. The Soviet Union and France are openly hostile to Israel. Britain is eager for peace at any price. This leaves the United States to assert Israel's right to a real peace and prevent a sellout that would undermine the interests not only of Israel but also of our own United States.

Our commemoration today of Israel's 21st anniversary will, I hope, demonstrate that the Congress of the United States remains deeply concerned and committed to those people.

INVESTIGATION OF MAGAZINE SUBSCRIPTION SALES PRACTICES

The SPEAKER. Under a previous order of the House the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 10 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, I am pleased to call the attention of my colleagues to information I have received from the Federal Trade Commission.

At my urging, the Commission several weeks ago authorized a limited field investigation of deceptive and fraudulent magazine subscription sales practices. That field investigation, conducted primarily in Pennsylvania and New Jersey, has led to the determination that a broader investigation of the magazine subscription sales industry is in order.

Consequently, the FTC has directed each of its 12 field offices across the country to begin an immediate, full-scale investigation of magazine subscription sales practices in their respective regions.

These field offices are located in Atlanta, Ga.; Boston, Mass.; Chicago, Ill.; Cleveland, Ohio; Kansas City, Mo.; Los Angeles, Calif.; New Orleans, La.; Houston, Tex.; New York City, N.Y.,; San Francisco, Calif.; Seattle, Wash.; and the Washington, D.C., area.

Four offices—Atlanta, Chicago, Los Angeles, and New York—have been designated to explore the subject area in greater depth than the other eight. Reports from all 12 field offices have been requested within 45 days.

The specific target of this nationwide investigation is to assess the impact of the FTC-endorsed code of self-regulation which was established in 1968 to police sales practices among the "paid during service"—PDS—long-term budget payment—subscription sales companies.

This self-regulatory code is administered by the Central Registry of Magazine Subscription Solicitors, an agency sponsored and controlled by the Magazine Publishers Association. The FTC appraisal of the so-called Central Registry Code of fair practices and its effectiveness will take into consideration the views of organizations which have an interest in consumer affairs and consumer protection, as well as views of law-enforcement officials and of consumers themselves.

I am optimistic that this investigation—which I anticipate will be a searching and thorough appraisal of the self-regulatory code's impact—will substantiate my view that the code is not effective, will not be effective, and actually serves as a smokescreen behind which unscrupulous sales practices are flourishing.

The truth of the matter is that there is little new to the magazine sales industry's self-regulatory code except its endorsement by the FTC. Actually, Central Registry supposedly has been operating self-regulatory codes for the magazine

sales industry for years with relatively little success in preventing fraud and deception in sales practices.

I contend and have offered a great deal of evidence to this effect over the past 2 months and intend to offer far more that the old code was ineffective, the new code is ineffective, and that the unscrupulous practices of today are the same old tactics which have been used within the industry to dupe consumers for a decade or more. If anything has occurred, the unscrupulous practices have gained momentum as the magazine subscription sales business becomes increasingly competitive and competing firms grow more greedy for substantial chunks of the magazine subscription market.

Further, it is simple matter of fact that no matter how magazine subscriptions are sold—honestly or by deception and fraud—the mounting sales are a valuable asset to the magazine publishers. I cannot conceive of General Registry ever providing effective control over the subscription sales industry as long as it is operated by the magazine publishers which benefit from the increased circulation and soaring advertising revenues which result from sales that are consumated by whatever tactics the subscription sales companies utilize.

In conjunction with an earlier statement regarding my request to the FTC for a full-scale investigation, I inserted in the RECORD expressions of interest and concern from FTC Chairman Paul Rand Dixon, who wrote on behalf of the Commission, and two members of the Commission, Mr. Philip Elman and Mr. Everette MacIntyre. I have received similar expressions from the two remaining members and would like to include those in the RECORD at this time. They are Commissioners Mary Gardiner Jones and James M. Nicholson. The letters follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., March 4, 1969.

Hon. FRED B. ROONEY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROONEY: I fully agree with your concern about the seriousness of deceptions respecting newspaper solicitations.

I am a strong supporter of self-regulatory programs but I agree with you that unless they are actively implemented, they become a charade.

I have not personally looked into the implementation of the PDS program. I had myself asked for such a report and am very glad that you have called this matter officially to our attention. You can be assured that I shall do everything I can to ensure that any deceptions which are going on be proceeded against promptly by the staff.

Very sincerely yours,
MARY GARDINER JONES,
Commissioner.

FEDERAL TRADE COMMISSION,
Washington, D.C., March 17, 1969.

Hon. FRED B. ROONEY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROONEY: I have been delayed in responding to your letter dated February 27, 1969 primarily because I was not a member of the Commission at the time the previous matter involving the self-regulatory code was considered and so found it necessary to bring myself up-to-date on the background of the problem.

As I understand the facts, the Commission approved the regulatory code for magazine subscription salesmen on a conditional basis, with the understanding that there would be a review of the manner in which it has been operated and its effectiveness three years after the date of the Advisory Opinion, which was rendered in May of 1967. While I have read the Chairman's report to you dated March 6, 1967, which covers some of the activities taken to date by the Code Administrator, I am without any firsthand knowledge as to the overall effectiveness of the Code in dealing with the many trade abuses which exist in this industry.

In this connection, I note that the Code itself does not purport to cover the entire magazine subscription selling industry. Thus I am not informed as to whether the practices which have been brought to your attention were engaged in by members of the industry not subject to the Code or were such as had not yet been brought to the attention of those administering the Code. From the Chairman's report to you, I gather the matter is now being given consideration by the Code Administrator with the result that action is now being taken. This, then, is one of the situations which will ultimately have to be reviewed by the Commission in its evaluation of the Code's effectiveness.

Let me assure you that I am greatly concerned with this matter which you have brought to our attention and intend to give careful consideration to subsequent reports as to the progress which is being made in correcting the situation. I am further equally concerned that the Code itself should prove effective in other situations as well as this particular one if the consumer is to be adequately protected and intend to give close attention to this aspect of the matter as well.

Before closing, I would also like to point out that William D. Dixon, the attorney who handled the Advisory Opinion request at staff level and to whom you addressed similar inquiries, is now serving as my Legal Adviser. I have discussed the matter with him and had the benefit of his background knowledge in preparing my reply to you, which he would like to have you consider as taking the place of his reply as well. I am sure you can appreciate his difficulty in his present position in personally responding to a matter being considered at the Commission level.

Sincerely yours,
JAMES M. NICHOLSON,
Commissioner.

VOYAGEURS NATIONAL PARK IN MINNESOTA

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. BLATNIK) is recognized for 30 minutes.

Mr. BLATNIK. Mr. Speaker, this afternoon the seven other members of the Minnesota House delegation join me in a nonpartisan effort, reintroducing legislation to authorize the establishment in northern Minnesota of a Voyageurs National Park.

I want to take this opportunity to express my appreciation to the members of the delegation for the splendid cooperation and consideration they have given me throughout last year and in recent months.

The objective of this legislation is to preserve a truly unique, nationally significant, and magnificent natural resource as an outstanding water-recreation-oriented park.

This exceptional waterway system is clearly worthy of the high honor of national park status. Rich in the history and the colorful folklore of the voyageurs, whose bold pursuit of the fur trade opened the heartland of North America, these contiguous bodies of water stretch from Crane Lake through Namakan and Kabetogama Lakes all the way to Rainy Lake, and provide throughout a striking panorama of scenery, geology, forests, and water.

Mr. Speaker, as is usual in issues of this kind, there has been considerable controversy in the discussion of the pros and cons of the park proposal, but I am confident that the built-in safeguards and improvements which have been incorporated into this legislation will make this the best possible and fairest proposal for our area.

This bill is a product of the combined best judgments of knowledgeable experts, after extensive consideration was given over a period of many months, to the numerous suggestions from individuals, various groups, county and State officials, and private enterprise.

We offer in this bill a precise, definite proposal describing the features of the park, and setting forth the terms and conditions under which it would be established by law.

We have worked hard for the best bill which would respond to local needs and wishes as much as possible, minimize any adverse effects upon the cabin owners, resorts, and other businesses dependent upon the park area for their livelihood, and the wood products and paper industry, which would be affected the most—while at the same time meeting the criteria required for a national park.

Every effort possible has been made and will continue to be made to assure fair treatment to the people now living and working within the park area, and to avoid disturbing present uses as much as possible.

In the long run, this Voyageurs National Park can—and I believe it will—bring the most good to the largest number of people.

It will be of significant economic benefit to the immediate area, as well as to northeastern Minnesota, the rest of the State, and will certainly be in the national interest.

It is my hope that committee hearings can be held at the earliest possible opportunity so that all concerned may be allowed to express their views on the proposal.

A $14 MILLION INVESTMENT PLANNED: ACQUISITION COSTS ESTIMATED AT $21 MILLION

Park development plans will bring an investment of $14 million in Federal funds to northern Minnesota in visitor centers, campgrounds, boat marinas, hiking trails, snowmobile routes, picnic areas, and so forth, within the park over a 5-year period. Acquisition costs might go as high as $21 million, based on current land values, but could be less, depending on how much State and Federal land can be exchanged for the private holdings.

SAFEGUARDS LISTED

Mr. Speaker, I especially want to point out that the bill includes a number of important safeguards guaranteed by law to minimize as much as possible any ad-

verse effects upon the people living and working in the area.

The significant safeguards in the bill are:

RESORT AND CABIN OWNERS

The bill exempts 52 of 59 resort and commercial properties in the Kabetogama area from acquisition.

It exempts 25 of 30 resorts and most of the nearly 170 private cabins in the Crane Lake area from acquisition.

Most of the park's access points would be through existing resorts, which should give private enterprise a big economic boost and which will permit free entry to the park.

An important provision of the bill establishes conditions under which resorts subject to acquisition may continue to operate on a concession basis under private management.

NO MAJOR INCREASE IN FEDERAL LAND OWNERSHIP

The bill opens the door for a three-way, private-State-Federal land exchange that would offer Boise-Cascade State held timberland comparable to their present holdings within an economical distance from the mill. By using public-private land exchange procedures to the maximum and holding direct acquisition to a minimum, Federal landownership in the State of Minnesota would hardly be increased at all, and the counties' tax base would scarcely be affected.

PLANNING PROVISION

I have asked the Upper Great Lakes Regional Commission for funds for at least a 1-year study on the development of the area bordering the park.

The planning will be done jointly by the State, county, and local municipal governments. Hopefully, this will provide the initial impetus to a progressive cooperation among the governmental agencies for the economic and recreational benefit of northern Minnesota and the entire State.

Under this planning provision, counties and municipalities will have a voice in the development of the park. This will, I believe, result in a harmony of effort among governmental agencies, providing maximum benefit for all concerned and for the future of the park.

SAFEGUARDS FOR PRIVATE PROPERTY OWNERS

Private property is to be acquired through negotiation, at fair market value, and the owner may retain the right of use and occupancy of the property for his lifetime or for an agreed upon period of years.

The bill further seeks to minimize any hardship which might result to individual property owners from undue delay by the Secretary in acquiring property, and requires that hardship due to delay in acqusition shall be taken into consideration in arriving at a price for the property.

TAX LOSS REIMBURSEMENT

Should either Koochiching or St. Louis Counties suffer a tax loss as a result of land acquisition for park purposes, these counties will be reimbursed for that loss.

PARK BOUNDARIES

The park boundaries would include Kabetogama Peninsula, Kabetogama Lake, and portions of Rainy, Namakan, and Sand Point Lakes, and lands and waters generally north of, but excluding, Crane Lake.

AREA

The total area of the park is 219,850 acres, which includes 139,550 acres of land and 80,300 acres of water.

This broadened park proposal will offer vacationers a wider range of recreational opportunities, while providing an additional access to the park. It also illustrates the willingness of the Federal Government to cooperate by contributing a share of its holdings in the area along with the State and private interests to create a park which is designed for the greatest benefit for far more people over a long period of time.

MOTORBOATS AND HOUSEBOATS

The bill assures free use of park waters by all types of watercraft—large and small—including seaplanes, under virtually the same conditions as now exist.

SNOWMOBILES

Year-round recreational use of the park is provided, including use of snowmobiles, under the same conditions as established by the State of Minnesota on its snowmobile trails system.

TIMBER MANAGEMENT

Proper protection of the forest against fire, insects, or disease is assured by the provisions of this bill.

DEER HUNTING

Until the park is established, deer hunting will continue under State regulation.

After establishment of the park, deer hunting will be permitted under a controlled management program established jointly by the Secretary of the Interior and the Governor of the State of Minnesota, after consultation with technical and administrative personnel of the National Park Service and the Minnesota Department of Conservation. This game management program will assure a continuing and healthy deer population to provide present and future recreational opportunity to users of the park.

TRAPPING AND WATERFOWL

Until the park is established, trapping and waterfowl hunting will be permitted in accordance with existing laws and regulations.

After the park is established, the Secretary, after consulting with the Minnesota Department of Conservation, may designate zones and periods where and when trapping or waterfowl hunting will be discontinued for reasons of public safety, administration, or public use and enjoyment.

OTHER HUNTING

All other hunting not mentioned above will be permitted under existing laws and regulations until the park is established.

Upon establishment of the park, all other hunting may be permitted by the Secretary in accordance with Minnesota law. The Secretary, after consulting with the Minnesota Department of Conservation, may set up zones and designate periods when hunting will not be permitted for reasons of public safety, administration, or public use or enjoyment.

ESTABLISHMENT OF PARK EXPLAINED

Establishment of a national park takes place when the Secretary of the Interior has acquired sufficient land within park boundaries to begin major developments. This usually takes place 3 to 5 years after the bill becomes law.

Mr. Speaker, at this point I submit for the RECORD the following summary of the bill to authorize the establishment of Voyageurs National Park:

SUMMARY OF LEGISLATIVE PROPOSAL, VOYAGEURS NATIONAL PARK, APRIL 23, 1969

LEGISLATIVE INTENT

After many years of study, legislation was introduced last year and is being introduced again this year to authorize establishment of a "Voyageurs National Park" in Minnesota to preserve, for the inspiration and enjoyment of present and future generations, the outstanding scenery, geological conditions, and waterway system which constituted a part of the historic route of the Voyageur who contributed significantly to the opening of the northwestern United States.

At the same time, the bill gives consideration to the multiplicity of local as well as national problems which experience has shown should be recognized and accommodated when at all possible.

RESORTS AND HOMES INCLUDED

The bill provides for a park which will consist of lands and waters as shown on an official boundary map of the National Park Service, which must be available for public inspection (Sec. 101). The boundaries have been most carefully drawn and include generally, the Kabetogama peninsula, Lake Kabetogama, portions of Rainy, Namakan, and Sand Point Lakes, and lands and waters north of, but not including, Crane Lake. Boundaries have been so drawn as to exclude fifty-two of fifty-nine resorts in Kabetogama area, twenty-five of thirty in the Crane Lake Area, and a majority of the private homes bordering these areas.

ESTABLISHMENT OF THE PARK

Enactment of this bill into law will not, in and of itself, create the park. Establishment of the park will only take place when the Secretary of the Interior determines that sufficient interests in lands have been acquired for administration in accordance with the provisions of the act. (Sec. 101). It should noted that there may be a one or two year lag between the time a bill is introduced and the time it is enacted, and two or more years between enactment and acquisition of such interests as would warrant establishment. Prior to establishment of the park, there will be no alternation of present use patterns.

DEER HUNTING

Until the park is established, deer hunting will continue as at present (Sec. 301(c)). After the establishment of the park, deer hunting by the public will be permitted under a program of planned reduction of the deer population according to joint recommendations of the National Park Service and the Minnesota Department of Conservation, subject to the regulations issued jointly by the Governor of Minnesota and the Secretary of the Interior. Deer hunters will be subject to the approval and licensing provisions of Minnesota law, and upon State approval, will be deputized as rangers by the Secretary.

TRAPPING AND WATERFOWL HUNTING

Until the park is established, trapping and waterfowl hunting will be permitted in accordance with existing laws and regulations. After establishment of the park, the Secretary may, after consulting with the Minne-

sota Department of Conservation, discontinue trapping or waterfowl hunting in certain zones during designated periods for reasons of public safety, administration, or public use and enjoyment.

ADMINISTRATION AFTER ESTABLISHMENT

Administration is, generally, to be in accordance with National Park Service's usual authority to administer such an area, including that of contracting with concessioners to provide for facilities the Secretary deems necessary to accommodate visitors. (Sec. 301 (a)).

FEES

Fees are to be collected in accordance with existing law, which, at present, provides an exemption from charges for the following: (a) Use of waters; (b) Property owners, lessees, and life tenants going to and from their property.

FISHING

Both commercial and sport fishing will be permitted in accordance with the laws of the State of Minnesota (Sec. 302(a)), with special recognition given to the resources of Shoepac Lake (Sec. 302 (b)).

TIMBER MANAGEMENT

Commercial timber operations will not be continued. However, timber will be managed so as to control insects, or diseases, and to conserve the natural and scenic qualities of the park (Sec. 301(c)).

WINTER USE OF THE PARK

The bill contemplates year-round use of the park, therefore winter uses, including snowmobile operations, are authorized (Sec. 303).

BOATING

Appropriate use of all types of watercraft, including houseboats, runabouts, canoes, sailboats, fishing boats, and cabin cruisers is provided for (Sec. 303).

SEAPLANES

It is not expected that land based aircraft will be accommodated within the park. However, seaplane use is expected and authorized (Sec. 303).

WATER LEVELS AND USE

The two treaties (Webster-Ashburton; Root-Bryce) which have special applicability to the area, one dealing with use of waters and the other concerned with water levels, are specifically recognized as continuing in full force and effect.

ROADS

While roads to the area will remain the responsibility of the State, roads within the area are the responsibility of the Secretary. Accordingly, he is authorized to construct such roads as are necessary within the Park to assure adequate access (Sec. 305).

LAND ACQUISITION PROCEDURES

Within the established boundaries, the Secretary of the Interior is authorized to acquire lands and interests therein, principally by negotiation, at the fair market value (Sec. 201). Another method which may be utilized is exchange of Federal lands administered by the Secretary outside the boundaries of the Park, for non-Federal lands within the boundaries (Sec. 201(b)). There are 88,000 acres of such Federal lands in Minnesota which would be available for the purposes of exchange with the State of Minnesota in the event the State enters into an agreement with Boise-Cascade to exchange State lands outside the boundaries of the park for Boise-Cascade lands within the proposed park.

PLANNING

The Secretary is also authorized to cooperate with agencies and political subdivisions of the State as well as with other agencies of the Federal government for the development of comprehensive plans to preserve and enhance the resources and beauty of the land and water areas adjacent to the park area. The initiative for such planning must come from the State and local governments (Sec. 301(b)).

PRIVATE PROPERTY RIGHTS

The full use and enjoyment of private property will continue until it is acquired (Sec. 301(e)), with retained interests by certain owners and lessees providing for continued use of the property by the owner, or a purchaser from him for the term retained.

RETAINED INTERESTS BY OWNERS AND LESSEES

Owners of noncommercial residential dwellings, under construction prior to enactment of the legislation, have the absolute right to remain for their life (or their spouse's) or for a term of twenty-five years (Sec. 202(a)). Thus, the Secretary will pay to them the value of their property, reduced by the value of whatever right of occupancy is retained by the owner.

Similarly, lessees of State owned lands who have erected noncommercial recreational buildings on leased lands prior to enactment of legislation, will have a parallel right to remain after conveyance of State lands to the United States. This will be for the greater of the average useful life of the improvement on the land, or ten years. (Sec. 202(b)).

HARDSHIP PROVISION

Should undue delay in action by the Secretary in acquiring property which has been offered for sale by individual property owners cause hardship to those owners, the Secretary is authorized to take that hardship into account in arriving at a price for that property (Sec. 201(c)).

TERMINATION OF RETAINED INTERESTS

Both types of retained interests are subject to termination in only two instances:

1. If the use and occupancy is exercised in a manner inconsistent with the purposes of the park; or

2. If the Secretary determines that the property is required for proper administration of the park.

Since the boundaries have already been drawn to account for administrative needs, it is not expected that the second alternative would be utilized. In either case, the Secretary must tender the fair market value of the remaining interest to the owner or lessee, on termination (Sec. 202(c)).

RESORT ACQUISITION

As indicated previously, the drawing of the boundaries excluded almost all private resorts so as to afford private enterprise the opportunity to continue to provide services for visitors to the park. As a result, a substantial number of points of free entry to the park would be provided by these resorts for their patrons. The bill, however, makes absolutely clear those resorts that are within the boundaries and those that will be acquired (Sec. 203(a)). The resort owners will, however, be given a preference as to concession contracts if the Secretary decides that visitor accommodations are necessary at their locations (Sec. 203(b)).

PAYMENT FOR RECREATIONAL VALUE OF BOISE-CASCADE LANDS

If the State of Minnesota should negotiate and exchange with timber companies to acquire their lands within the park, with values based on timbering worth, the Secretary can pay the timber companies an amount equal to the difference between this value and any higher value, if any, of their lands for recreational purposes. This must be an inherent value for recreational purposes, and not merely attributable to the authorization of the park.

TAX LOSS REIMBURSEMENT

The remaining provision dealing with administration is concerned with the temporary, partial loss of tax revenues due to Federal land acquisition. Though the presence of a National park generally results in an overall economic benefit to an area, there may be an intermediate period of tax loss to the locality. To partially make up this loss, the Secretary is authorized to provide for the payment of real property tax losses caused by Federal acquisition of tax-producing real estate for a period of five years (Sec. 306).

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

Mr. BLATNIK. Mr. Speaker, I am delighted to yield to one who has made a very significant contribution to the shaping out of a very realistic and very fargoing bill out of a very controversial situation, the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I thank my colleague for yielding to me, and I want to commend the gentleman on the work that he has done in putting together the Voyageurs Park bill. It really is very easy for those of us outside of the Eighth District of Minnesota to support the Voyageurs Park bill because the controversy does not exist within our district that has existed within the district of the gentleman from Minnesota (Mr. BLATNIK).

The gentleman has done a very superb job of listening to both sides and putting together a bill which has the greatest support in Minnesota. I know that this has not been an easy task for the gentleman to do, and as I say it was a superb job. I just want my colleagues to know that I commend the gentleman for the job that he has done, and that I look forward to the opportunity of working with the gentleman in this excellent venture not only for the benefit of the State of Minnesota, but also for the benefit of people all over this country who will be able to enjoy this park which will be unique and different from any park in the United States.

Mr. Speaker, it is a pleasure to join with my Minnesota colleagues in introducing a bill today authorizing the establishment of the Voyageurs National Park in Minnesota.

The area, which includes the Kabetogama Peninsula, Kabetogama Lake, and portions of Rainy, Namakan, and Sand Point Lakes, contains a variety of geological and scenic interests. To obtain the best use of this area, establishment of a national park would appear to be the best alternative. Comprising some 220,000 acres, 80,000 of which are water, this area should be made available to as many visitors as possible.

With an expanded population, particularly with a higher percentage of young people, it is essential that we develop recreational areas where they can experience the beauties of nature. These lakes and adjoining lands provide untold opportunities for healthful recreation. They also abound in flora and fauna. If one wishes, a person could travel along the entire boundary of this proposed park by water. There is a continually changing vista if one follows this course.

This park will offer several types of recreational facility. Of prime importance will be the opportunity for camping in a relatively virgin situation. The proposed park borders on a wilderness area where rugged individuals can canoe

and camp for several days in a completely wilderness situation. Establishment of Voyageurs National Park will complement the wilderness area.

While it is estimated that there will be economic advantage to northern Minnesota, I believe that the other benefits to families from surrounding States far surpasses the economic opportunity which would be afforded by establishment of this park.

I urge my colleagues in the House to give early approval to this bill.

Mr. BLATNIK. Mr. Speaker, I appreciate the very generous and obviously sincere remarks made by my friend, the gentleman from southeastern Minnesota (Mr. QUIE). I want the RECORD to show also that it was through the combined participation of all of us and the combined judgment, combined recognition, and combined patience that made it possible to work out that which I believe is a splendid proposal. I am hopeful that in the very near future, and within a very realistic time we shall have hearings for receiving the response of the public before the committee on this proposal.

Mr. Speaker, I ask unanimous consent that the remarks of my friends and colleagues from Minnesota also appear at this point in the RECORD, they being the remarks of Mr. KARTH, Mr. FRASER, Mr. MACGREGOR, Mr. NELSEN, Mr. ZWACH, and Mr. LANGEN.

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

There was no objection.

Mr. KARTH. Mr. Speaker, the entire Minnesota delegation has joined our senior Congressman, the Honorable JOHN A. BLATNIK, in introducing legislation in both the House and Senate to authorize the establishment in northern Minnesota of a Voyageurs National Park.

I would like, Mr. Speaker, to call to the attention of my colleagues that the nonpartisan objective of the legislation offered today is to assure for all Americans the preservation of a truly unique, nationally important natural resource, a waterway parkland unparalleled in its potential for outdoor recreation.

The proposed park region is comprised of 139,550 acres of land and 80,300 acres of lakes and contiguous water routes that make recreational navigation possible virtually from tip to tip of the entire area. The striking panorama of unspoiled scenery, geology, forests, and water make this area clearly worthy of the high honor or preservation as a national park.

The variety of the scenery that will greet visitors is unmatched even in other sections of the Minnesota-Ontario border lakes country. For example, while most of the land area is covered by a mixture of evergreen and typical second growth aspen and birch, Lake Kabetogama contains islands which are covered by elm trees. This is just another unusual feature of a thoroughly delightful and unique area.

Of special interest to all Members of the House, should be the carefully prepared safeguards and provisions of the bill which will make possible recreational and sporting activities not offered in other national parks of this type.

Specifically, and in conjunction with recommendations of a joint State-Federal study of the area, controlled hunting—except for waterfowl—and trapping will be permitted under the guidance of the Secretary of the Interior, the National Park Service, the Minnesota Department of Conservation, and the Governor of the State.

To protect existing resort owners in the area, liberal exemptions from acquisition have been provided which also will represent considerable savings to the Federal Government if our proposal is enacted.

Other unique features of the legislation provide for the free use of park waters by watercraft, including seaplanes; year-round recreational use of the park, including controlled snowmobile routes in the winter; and continuation of commercial and sport fishing in accordance with State law.

I believe, Mr. Speaker, this well-conceived legislation represents a strikingly good example of balanced conservation and recreational planning. It should be remembered that the National Wilderness Area of northern Minnesota locks up for all time a vast portion of the State which will be "untouched" for future generations.

The Voyageurs plan makes possible the sensible usage of a significant wild area, while protecting the rights and interests of local people already settled in the region. The opportunity for enjoyment of this parkland will be readily available to an estimated 2 to 5 million people annually. Its proximity to vast urban centers in the Midwest make it an especially attractive vacation area.

Finally, Mr. Speaker, I think great credit should go to our colleague, and my good personal friend, the gentleman from Minnesota (Mr. BLATNIK). His thoughtful, patient preparation of the measure should enhance its reception by this body. I trust that all of my colleagues will join with us in Minnesota in support for a new Voyageurs National Park.

Mr. MACGREGOR. Mr. Speaker, I am pleased to join with all other members of the Minnesota congressional delegation in introducing legislation to establish a Voyageurs National Park in northern Minnesota.

With the introduction of this legislation we now have a proper forum for the expression of all points of view on this proposal. I am confident that the House Committee on Interior and Insular Affairs will recommend for House approval a bill which will have broad-based support throughout Minnesota and, indeed, the Nation.

It is of vital importance in these days of ever-expanding population and affluence that we take immediate steps to provide for future generations the benefits of the great outdoors through wise conservation practices. Certainly the national park system is a key element in this effort. We must make sure that our natural resources are protected for the enjoyment of millions of traveling and vacationing families.

The Voyageurs Park proposal consists of a 211,000-acre area encompassing some of the most scenic and historical water and land in the entire United States. Stretching along the Canadian border, the area is a magnificent panorama of lakes and streams, cliffs, islands, beaches, in a truly wilderness setting.

The park, consisting of 139,000 acres of land and 72,000 acres of water, would be a unique recreational area providing year-round facilities for camping, fishing, boating, snowmobiling, hiking, nature study, skating, cross-country skiing, and other means of outdoor relaxation.

The proposed national park embraces one of the most important segments of 18th and 19th century exploration in North America. As the National Park Service said in a recent study:

> The voyageurs' travels left one decisive imprint on the map of North America. At one time or another France, England, and the United States had claimed the Quetico-Superior Region. When the Webster Ashburton Treaty of 1842 firmly established the international boundary, it drew the line along the Pigeon River route from Lake Superior to Lake of the Woods, which it defined as the "customary waterway" of the voyageur.

Voyageurs National Park will create for the visitor the setting which the voyageurs of old traveled. It is an exciting proposal and I am most hopeful that all Members of Congress will thoroughly acquaint themselves with this project during the course of our deliberations.

Mr. LANGEN. Mr. Speaker, I am pleased to join with the distinguished congressional delegation from Minnesota in introducing a Voyageurs Park bill to authorize the establishment of a national park in northern Minnesota. This is the same bill, with some clarifying changes, that was introduced last year in the same bipartisan manner.

Our colleague, the gentleman from Minnesota (Mr. BLATNIK), has gone into considerable detail in his statement in connection with the bill, and I will not wish to duplicate that effort.

However, I wish it known that I am pleased to see a concrete proposal put before the Congress, reflecting the thinking of the entire Minnesota congressional delegation and incorporating suggestions from many additional sources. Now the discussion can proceed relative to a definite bill that spells out not only the boundary of the proposed national park, but also definite procedures for acquiring land, preservation of resources, and use of the park. In hammering out such a bill, the prime interest was in best serving Minnesota interests where the land is located, preserving the national scenic beauty of the area and providing outdoor recreational facilities for all Americans.

Special attention was paid to minimize any adverse effects upon cabinowners, resorts, and other businesses dependent upon the park area for their livelihood, and the wood products and paper industry that is dependent upon the timber. Most of the resort, commercial, and private cabin properties are exempt from Federal acquisition, and most of the park's access points would be through existing resorts, giving private enterprise a boost. Even the resorts subject to acquisition could continue to operate on a concession basis. The bill also provides for reimbursement to counties faced with a tax loss, and that land exchanges be-

tween private owners, the State and Federal Governments, will keep county tax bases and commercially used timber holdings near their present levels.

It is hoped that committee hearings can be held at an early moment, giving everyone concerned a chance to express their views on the proposal to authorize the establishment of a Voyageurs National Park in northern Minnesota.

Mr. NELSEN. Mr. Speaker, I am proud to join the congressional delegation from Minnesota in introducing with our colleague (Mr. BLATNIK) the bill to establish the Voyageurs National Park.

A great deal of effort has gone into this proposal to establish Voyageurs Park on the part of officials of the State and local governments, sportsmen and conservationists, businessmen and individual citizens. We are all, of course, indebted to my good friend JOHN BLATNIK for all the detailed work he and his staff have put into this effort.

The benefits of this park, when established, will be received not only by Minnesotans who live in that beautiful North country, but by the expected thousands of Americans who will come to the park annually.

The natural beauty of the park setting, so essential to the greatness of the Voyageurs area will be preserved by making it a National Park. Over 139,000 acres of land dotted with 72,000 acres of water make up one of the most scenic and historical areas in the Nation.

With the establishment of this first and only national park in the State of Minnesota, we will have achieved a great conservation goal, and we will be more able to show all Americans "L'Etoile Du Nord," the "Star of the North," the appropriate motto of our great State.

Mr. ZWACH. Mr. Speaker, I am most happy to join with my Minnesota colleagues in introducing legislation to authorize the establishment of one of the most unique national parks in America, the 211,000-acre Voyageurs National Park in northeast Minnesota.

The park area roughly consists of 1 acre of water for every 2 acres of land. It is rich in history since it encompasses some of the most important 18th and 19th century exploration and trade routes in North America.

It is a land of beauty, an area unparalleled in water recreation potential in the entire Nation.

The final form of this bill is a credit to the patience and diligence of the gentleman from Minnesota (Mr. BLATNIK). It has tremendous backing from most segments of our Minnesota population.

In these days of shortening work weeks and exploding population, the need for recreational areas becomes acute. The establishment of the Voyageurs National Park would help to fill this need.

It would also fill the geographical need of a vast area of the American heartland which has only one small mainland park, Wind Cave in South Dakota, within a thousand miles.

Mr. Speaker, we in Minnesota are extremely proud of the stark wilderness beauty of our Voyageurs National Park area. Where else can the haunting cry of the loon or the lonely howl of the timber wolf become indelible in your memory?

We in Minnesota will be happy to share this rich treasure with all of the people of our Nation. I hope the committee sees fit to hold early hearings on this legislation so that Congress will be able to express its views on the establishment of the Voyageurs National Park in Minnesota.

GENERAL LEAVE

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the subject of the Voyageurs Park bill.

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

There was no objection.

BARRON'S REVEALS THE "VAULTING AMBITION" OF THE BANK HOLDING COMPANIES

(Mr. PATMAN asked and was given permission to address the House at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, hearings on legislation to control one-bank holding companies—bank conglomerates—are now in their second week before the Banking and Currency Committee.

The testimony we have had over these first 6 days of hearings has dramatically pointed to the need for early enactment of a strong regulatory act.

Mr. Speaker, the Barron's Business and Financial Weekly, a leading business publication, in its March 24 issue, clearly spelled out what these one-bank holding companies are planning around the Nation. The title of the article is "Vaulting Ambition"—a phrase that fully describes the attitude of these big holding companies.

The article discusses the plans of the First National City Bank of New York to acquire the huge Chubb Insurance Corp. through the one-bank holding company device. After discussing the takeover, the article states:

> The bank's executives apparently are impressed, too, by still another potential benefit. Chubb's mainstay property and casualty business is conducted on a nationwide scale, which could be expected to provide National City with a national base from which its ambitious management could launch, via the holding company, a number of additional financial services.

In simple words, Barron's, which has massive contacts in the business world, says that First National City Bank intends to move into every State through the acquisitions made possible by the one-bank holding company loophole. First National City Bank, the Nation's third largest, then will be in direct competition with every bank in every city.

The article also discusses the fact that these one-bank holding companies are being formed under Delaware law instead of under the corporation law existing in the home States of the banks. In other words, these huge financial giants are being operated out of a hole-in-the-wall, one-man office located somewhere in Delaware.

Here is what Barron's publication has to say on this point:

> Another benefit not lost on executives of national banks is that when stockholders turn in their shares for stock in the holding company (usually set up under Delaware law), they give up two special rights guaranteed them legally as holders of national bank shares: pre-emptive or prior rights to future securities offerings by the bank and the privilege of "cumulative voting" in selecting directors of the bank; this bunching procedure is designed to facilitate minority representation on a board.

Mr. Speaker, I place this entire article, "Vaulting Ambition" in the RECORD. Unintentionally, I think Barron's Weekly has given away a lot of the secrets of these one-bank holding companies. The article follows:

THE BUSINESS FRONT: VAULTING AMBITION—HOLDING COMPANIES WILL PUT BANKS ON MORE COMPETITIVE GROUND

Boston Co., a pioneer one-bank holding company—a concept which currently is under hard-eyed scrutiny in Washington—had good news for stockholders last week. It announced plans for a 2-for-1 split of its Class A and B common and a hike in the dividend on both. After the split, the quarterly rate will be 35 cents, a boost of five cents on present shares. Organized as a bank holding company in 1965 by one of the Hub City's more venerable concerns, Boston Safe Deposit & Trust Co. started out with a single subsidiary. Today it boasts over 15 under its corporate roof; altogether they furnish a wide variety of financial services, ranging from personal banking and the management of pension funds to advising clients on real estate and oil ventures.

LEGAL LOOPHOLE

Scores of other banks are no longer content to stick to their last these days. For the past year they have been trying to branch out into such activities as mortgage servicing, the operation of data processing centers and insurance underwriting. But without the backing of Congress, they haven't had much to show for their efforts. Led by such major institutions as California's giant Bank of America, New York's First National City Bank and Philadelphia's First Pennsylvania Banking & Trust, they have been reorganizing into bank holding companies, which under a loophole in federal law can diversify into nonbanking fields beyond the scope of the bank regulatory agencies (although the bank subsidiaries themselves continue under regulation).

To date, more than 100 institutions, with over $140 billion in deposits, or nearly one-third of the deposits of the nation's banking system, either have announced plans to form a one-bank holding company or have actually hung out their new corporate shingle.

Needless to say, this attempt to, in effect, take the law into their own hands has stirred up considerable resentment in official circles. The U.S. Treasury, Federal Reserve Board and banking's arch-critic, Chairman Wright Patman of the House Banking and Currency Committee, among others, have been busily drafting rival bills aimed primarily at plugging the loophole and bringing the one-bank holding companies back into the regulatory fold. Rep. Patman has scheduled hearings on the proposals starting April 1. Apparently Congress will lose little time adopting legislation to end the exemption for one-bank holding companies and subject them to regulation of a kind long imposed on multibank holding concerns—those that own 25% or more of at least two banks—under the federal Bank Holding Company Act of 1956.

Paradoxically, in so doing, Congress is almost sure to legitimatize many of the broader diversification powers the one-bank holding companies have sought to stake out for themselves with as yet little visible evidence of success. The reason: the traditional fear of bank regulatory officials—particularly conservative Federal Reserve Board governors—that the one-bank concerns might use the loophole to link up with one or more major manufacturing corporations in an unholy alliance of financial and industrial interests, to produce an unwarranted concentration of economic power.

GREATER WILLINGNESS

Accordingly, of late, bank regulators have shown an increased willingness to permit bank holding companies, whether of the one-bank or multi-bank variety, to form or acquire subsidiaries limited to only providing other nonbanks financial services (along with operation of the bank) as a lesser of evils.

This more permissive attitude is especially significant in the case of multibank concerns. For the Reserve Board, which alone administers the Federal Bank Holding Company Act, long has resisted the diversification efforts, even though the law specifies that they may engage in "financial, fiduciary or insurance" activities. (There are approximately 80 such registered bank holding companies; currently they control over 630 affiliated banks with more than $58 billion in total deposits.) But now the Fed has indicated it is prepared to yield on this hard-nosed position in line with its softer stance on approving the formation or acquisition of financial-type subsidiaries by one-bank companies.

Viewed in broad perspective, then, the new anticipated legislation (expected to be enacted as an amendment to the federal Bank Holding Company Act) clearly would be a boon to the various bank holding concerns. The principal benefit, of course, is that by penetrating new markets for financial services, they will be in a position to expand the pool of assets under their management and hence, hopefully to enhance their return on capital. They stand to benefit, too, by gaining greater access to capital markets than is available to conventional banks, under their generally more rigid borrowing rules.

Despite the furor created by the mushrooming of one-bank holding companies over the past year, few new organizations have been especially aggressive in forming or acquiring subsidiaries. One major exception is First National City Corp., the five-month-old parent holding company of the $18 billion First National City Bank, New York's largest, which recently announced its intention to acquire, for securities valued at some $340 million currently, Chubb Corp. Chubb is an insurance holding concern also based in New York. Citibank officials clearly are impressed by Chubb's annual growth rate (about 10%) and the quality of the financial assets involved in the acquisition (one particularly juicy morsel is a $190 million common-stock portfolio, more than 45% of which represents unrealized appreciation).

ANOTHER POTENTIAL BENEFIT

The bank's executives apparently are impressed, too, by still another potential benefit. Chubb's mainstay property and casualty business is conducted on a nationwide scale, which could be expected to provide National City with a national base from which its ambitious management could launch, via the holding company, a number of additional financial services.

Plans to bring mortgage servicing concerns under a holding company umbrella have been announced during the past few weeks in at least two instances. Pittsburgh National Corp., parent of Pittsburgh National Bank, said it is discussing acquiring Kissel Co., a Springfield, Ohio, mortgage servicing firm. In Dallas, First National Bank reported it seeks to acquire 80% of the outstanding voting shares of Lomas & Nettleton Financial Corp., a Dallas-based mortgage banking company. In addition, First National announced plans for the formation of a one-bank holding company under which Lomas & Nettleton would operate as an autonomous unit.

Undoubtedly many banks have been attracted to the one-bank holding company as a way to expand geographically beyond the borders of the county, banking district or state to which the bank itself is confined by law. Although most large banks have long made it a practice to dispatch officers to call on corporate customers in nearby states or even throughout the nation, the actual location of the banks' offices has always been closely controlled by federal or state banking authorities.

A case in point is Wachovia Corp., Winston-Salem, N.C., which came formally into existence at the start of 1969 as owner of Wachovia Bank & Trust Co., the largest bank in the Southeastern U.S., along with several other subsidiaries that formerly had been subsidiaries of the bank itself. One of these is Wachovia Mortgage Co.; acquired by the bank in a prior merger, it already had offices in Charleston and Columbia, S.C., outside the state. The mortgage loan subsidiary now is planning still other loan production offices in Virginia and the District of Columbia, to serve the booming Washington suburban housing market. But, according to a spokesman, it may not have considered further out-of-state expansion without the holding company.

While bankers see this broader geographic coverage and greater diversification of services as satisfying goals in themselves, investmentwise their main value lies in their contribution to a holding company's growth potential and profits. The recent escalation of the one-bank holding company movement, the bankers stress, reflects directly on the industry's present environment of mounting costs rising U.S. affluences and advancing technology. Thus, as the banks' savings interest costs have continued to rise, they are being forced to seek new, higher-yielding outlets for their funds via additional services.

At the same time, their growing computerization provides them with cost-saving opportunities in furnishing these services, while their customers' mounting affluence provides an increasingly receptive market. "Banks can't make it any more on just interest income from loans," says William H. Boyle, president both of Eastern National Bank, a $65 million Long Island bank and of General Eastern Corp., its recently formed parent holding company. "We've got to look more and more to fees from services."

Equally important from the standpoint of investors, as noted, is that the holding company mechanism gives the parents greater access to capital markets. Hence, they can issue debt securities and then either exchange them for the securities of subsidiaries being acquired or use the proceeds for cash acquisitions—all of which means greater leverage in bolstering per-share earnings. William M. Weiant, an analyst of Eastman Dillon, Union Securities & Co., calculates that a one-bank holding company can support debt equal to 50%–60% of its common, compared with the maximum of only around 33⅓% allowed most banks as individual entities. Mr. Weiant maintains, moreover, that the heavier debt load need not be a worry because the holding company can usually count on the predictable earnings of its one major subsidiary—the bank itself—to generate a consistent flow of cash to service the debt.

HOLD TALENT

The one-bank holding company concept enjoys additional advantages. Thus, officials of the new First Pennsylvania Corp., parent of the $2.5-billion First Pennsylvania Banking & Trust Co., see it as a good way to attract and hold executive talent. The subsidiaries' semi-autonomous status makes it possible to hire experts in specific fields without disrupting pay scales in the affiliated firms. Similarly, there are greater opportunities for advancement, participation in policy formation and higher pay than in a single large bank. First Pennsylvania Corp., according to President John R. Bunting, is now holding talks aimed at acquiring as a key subsidiary, Associated Mortgage Cos., the third-biggest mortgage banking firm in the U.S.

Another benefit not lost on executives of national banks is that when stockholders turn in their shares for stock in the holding company (usually set up under Delaware law), they give up two special rights guaranteed them legally as holders of national bank shares: pre-emptive or prior rights to future securities offerings by the bank and the privilege of "cumulative voting" in selecting directors of the bank; this bunching procedure is designed to facilitate minority representation on a board.

However, there are drawbacks, too. For one thing, regulatory authorities are deeply concerned about the danger of self-dealing among affiliates and the consequent threat to the safety of customers' deposits. Many authorities also worry about the dangers of economic concentration. "Consider what would happen," says one, "if Bank of America were to decide to join forces with General Motors Corp. Where do you call a halt?" (Bank of America's holding company plan has just been okayed by the Comptroller of Currency, supervisory authority for federally chartered national banks, and is expected to be implemented shortly.)

PRESENT SAFEGUARDS

Proponents, on the other hand, argue that existing legal safeguards are more than adequate to prevent any such abuses. They maintain that present regulations and examinations should be sufficient to detect any conflict-of-interest banking, since the regulatory agencies already have the authority to examine the books and operations of a bank's holding company affiliate and probably could also insist on seeing those of the subsidiaries. In fact, proponents believe that such concerns can expect more, rather than less, regulation because their status as general business corporations brings them directly under the scrutiny of the Securities and Exchange Commission and Federal Trade Commission—as well as of the banking agencies. Finally, if a question is raised about any improper concentration of economic power, the Department of Justice is automatically empowered to step in.

Nevertheless, the swing to the one-bank holding company device has created a new batch of headaches for banks. Thus, Mr. Boyle of Eastern National Bank notes that superimposing another corporate layer on top of the bank added an element of confusion and mystification for some customers and investors and that it has taken a lot of talking by him and other officials to help clear the air.

The present one-bank holding company trend is not entirely new. Actually the corporate practice of owning a bank dates mainly from the depression of the 'Thirties when many smaller financially stricken banks were taken over by a major company in their towns or neighborhood. Some 290 non-bank corporations in the U.S. at latest report own a single bank, including Sears, Roebuck & Co., Goodyear Tire & Rubber Co., and Corn Products Co., to name a few; in addition, another 500 comparatively small banks are controlled by private holding companies, frequently operated as tax shelters. In recent years, the one-bank holding company movement has received renewed impetus from corporations, primarily conglomerates like Gulf & Western, C.I.T. Financial and

General American Transportation, that have found it fashionable, if not financially advantageous, to own a fairly sizable bank.

Almost as soon as the Bank Holding Company Act went on the books in 1956, the Federal Reserve Board vainly sought legislation to subject corporate owners of a single bank to the same restrictions as apply to holding companies owning two or more. The Act's main thrust was to safeguard against the intermingling of financial and commercial interests by requiring firms owning two or more banks to sell off non-banking businesses to qualify as registered bank holding concerns. Congress, however, consistently rejected the Fed's plan for broadening the law on the ground it had detected no abuses in the arrangement. That. however, was before the banks themselves decided to get into the act in a big way which, as noted, gave rise to apprehensions that large banks might team up with major corporations in vast concentrations of economic power or otherwise engage in self-dealing.

In the welter of bills aimed at regulating one-bank holding companies scheduled to come before the House Banking and Currency starting April 1, the question of divestiture will be one of the more vexing problems. The measure introduced by Chairman Patman proposes a hard-line approach on this point, as it does on other areas where the bills are in conflict. The Patman bill provides that in those instances where acquisitions by one-bank holding companies were determined to be unacceptable nonbank subsidiaries, the holding concern would be given only two years to sell off the disapproved operation (or alternatively the bank itself). The Treasury version, by contrast, proposes to maintain the status quo respecting the acquisition of non-banking business prior to June 30, 1968. Any acquisitions before that cutoff would be exempt from divestiture proceedings—if Congress adopts the plan.

ANOTHER KEY POINT

The Patman and Treasury bills clash on another key point. The Treasury prefers to have one-bank holding companies regulated by the agency that normally supervises the underlying bank—the Comptroller of Currency for federally-chartered national banks, the Federal Reserve for state member banks and the Federal Deposit Insurance Corp. for insured nonmember banks.

Under the Treasury approach, the traditional agency hence would decide on such matters as proposed acquisitions, as well as define the different types of financial activities that one-bank holding companies can engage in. The tougher Patman bill would leave all these matters entirely in the hands of the equally tough minded Fed, a resolution that most Reserve Board governors—but generally not bankers—concur in.

The technique of the one-bank holding company as an industry innovation goes back only to 1965 when the aforementioned Boston Co. was organized. But while Boston Co. was the first bank to use the new corporate structure as such, the real credit for pioneering the present wave of one-bank financial congenerics goes to Union Bank in Los Angeles. Union Bank, with over $1 billion in deposits, turned to the holding-company format in the fall of 1967 to facilitate, among other things, the acquisition of Western Mortgage Corp., a major West Coast mortgage brokerage concern after it became apparent that trying to merge the company directly into the bank presented bookkeeping and regulatory problems. The resultant parent holding company, Union Bancorp., recently completed its second major acquisition, this time of a West Coast insurance brokerage firm, which together with its majority-owned property and casualty insurer, has been installed as a new subsidiary.

A few months after the formation of Union Bancorp., several prominent regional banks announced similar reorganizations, including Wachovia Bank & Trust Co., Winston-Salem, N.C. (the aforementioned Wachovia Corp.), Industrial National Bank, Providence, R.I. (Industrial Bancorp.) and First Union National Bank, Charlotte, N.C. (First Union National Bancorp.). But it wasn't until last July when New York's Citibank announced its holding company plans that the trend began to gain momentum.

Included in the approximately 100 banks that now have announced one-bank holding companies (some 60 are still awaiting stockholder or regulatory approvals, or both) are all major banks in New York City, except those that are already components of registered multi-bank holding firms like Bankers Trust Co. (Bankers New York Corp.) and Irving Trust Co. (Charter New York Corp.) All 10 of the country's largest banks except Pacific Security National Bank, Los Angeles, either have just formed or are in the process of organizing one-bank holding companies.

While First National City Corp.'s proposed acquisition of Chubb Corp. has gained widespread attention (the proposal is scheduled to come up for approval by FNC stockholders late in April), such as amalagamation of a bank and insurance concern under a one-bank holding company roof won't be the first. Effective January 1, 1969, the Third National Bank of Nashville, Tenn., with over $500 million in assets, joined forces with National Life & Accident Insurance Co. there, with $1.5 billion in admitted assets, to form the new NLT Corp. which owns both the bank and insurance firm.

Among NLT's interests is Nashville's celebrated country-music radio (and TV) station, WSM, long owned and operated by National Life. If the Fed succeeds in bringing one-bank holding concerns under the Bank Holding Company Act, WSM almost certainly would be adjudged a non-banking asset and might have to be sold off under the stiff terms of the Patman bill, an official of the firm concedes.

NEW YORK TIMES CALLS FOR REGULATION OF ONE-BANK HOLDING COMPANIES

(Mr. PATMAN asked and was given permission to address the House at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the need to regulate the one-bank holding companies and to prevent the banks' entry into nonbanking enterprises is gaining wide attention in the Nation's press.

The New York Times of Saturday, April 19, discusses this issue in detail and I urge my colleagues to read this editorial, "Drawing Bank Boundaries."

I call particular attention to the concluding paragraph which states:

The bank-centered industrial empires that dominated the German and Japanese economies in the decades before World War II stand as reminders of what Congress should seek to avoid in regulating one-bank holding companies. Their industry boundaries should be tightly drawn and regulatory power vested in a single agency.

Mr. Speaker, I place a copy of the editorial in the RECORD:

DRAWING BANK BOUNDARIES

By an anomaly of law holding companies that control only one bank are exempted from Federal regulation. Thus, by the simple expedient of forming holding companies, the nation's largest banks have been able to acquire manufacturing establishments, insurance companies, mortgage brokerage houses and other businesses from which they have long been debarred.

President Nixon, in his recent message to Congress, presented a succinct argument for regulating the one-bank holding company. He pointed to "the erosion of the traditional separation of powers between suppliers of money—the banks—and the users of money—commerce and industry." There are now more than 800 one-bank holding companies which control about $135 billion of bank deposits and are moving steadily to acquire companies in other industries.

"Left unchecked," the President said, "the trend toward the combining of banking and business could lead to the formation of a relatively small number of power centers dominating the American economy. This must not be permitted to happen; it would be bad for banking, bad for business and bad for borrowers and consumers."

Unfortunately the Administration's bill for regulating the one-bank holding company—unlike the strong measure sponsored by Chairman Wright Patman of the House Banking Committee—will not avert the dangers to which the President pointed. Its principal weakness is a failure to set boundaries beyond which the one-bank holding companies may not venture.

Three regulatory agencies—the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation—would decide whether the entry of a bank into data processing or some other business is consistent with the "public interest." But the bill makes no provision for resolving disagreements that might arise among the regulators.

Moreover, existing acquisitions of one-bank holding companies would be sanctioned by a grandfather clause. That arrangement, while greatly beneficial to the early settlers on the one-bank holding company frontier, would lead others to press for lax standards under Federal regulation. It would be better to disgorge the banks of their holdings in other industries through a blanket divestiture provision.

If anyone with the requisite capital were free to move into the banking business, there would be less danger in having banks move into other industries. But banks have been traditionally sheltered from competition by heavy government regulations. Allowing them to venture into other industries from that protected base could lead to a dangerous concentration of economic power in a period when there is already too much such concentration.

The bank-centered industrial empires that dominated the German and Japanese economies in the decades before World War II stand as reminders of what Congress should seek to avoid in regulating one-bank holding companies. Their industry boundaries should be tightly drawn and regulatory power vested in a single agency.

SUBSIDIZED DEMAGOGUERY—TAX EXEMPT ABUSES

(Mr. RARICK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RARICK. Mr. Speaker, the American people understand that there is a fundamental difference between the Christian charity of voluntarily reaching into your own pocket to assist someone—true giving—and reaching into someone else's pocket—true theft. It is time for us, elected to represent the American people, to recognize the same simple distinction.

In the past, we have granted tax-free status to foundation and other entities

believed to fill desirable public purposes—I speak of the tax exemptions enjoyed by the educational, charitable, and religious organizations. What we are prone to overlook is that the deficiencies in revenue created by these exemptions are made up by heavier and heavier taxes on the great numbers of ordinary Americans who carry the real load of national expenditures. The people have a right to expect that such privileged organizations will use their privileges for the purpose for which they were granted. When these privileges are abused, they have a right to expect that action will be taken to correct such abuses.

Last Monday the Supreme Court handed down another of its weird decisions—again usurping the functions of the Congress to reorganize these United States more to the liking of a temporary majority of that Court. I am referring to the decisions in companion cases which have the effect of declaring unconstitutional the fundamental and reasonable welfare residence requirements of the various States, long approved by the Congress, which limit regular public assistance to bona fide residents of the State.

There are two immediate results to be expected from this decision. First, many States will immediately have greatly increased need for funds to defray their costs of public assistance to those made newly eligible through this judicial fiat. These additional funds will come from the pockets—and from the savings—of the productive citizens of those States. Second, many States will find that the Court has created a constitutionally protected migrant voter. These paupers, euphemistically labeled "welfare clients" will be encouraged to move to areas offering more benefits—and right around the corner from the elimination of a residency requirement for charity is the certain elimination of any residency requirement for voting.

When the much abused American taxpayer discovers this, he will be properly indignant. And when he discovers the extent to which the demagogs who schemed and conspired to bring about this result misused and abused the privileges of tax exemption granted to them for education, charitable, and religious purposes to accomplish this entirely different goal, he will rightfully demand that corrective action be taken by the Congress.

Mr. Speaker, in order that our colleagues may have this information readily available before they hear from their angry constituents, I include for insertion at this point in my remarks a list of the organizations and corporations appearing as amici curiae—friends of the court—in support of the attack before the Supreme Court of the attack on the fiscal resources of the States:

AMICI CURIAE IN SUPPORT OF INVALIDATING STATE LAWS WHICH ESTABLISH MINIMUM RESIDENCE REQUIREMENTS FOR WELFARE RECIPIENTS

National Federation of the Blind: John F. Nagle, B. V. Yturbide, and Joanne C. Heffelfinger.

American Jewish Congress: Howard M. Squadron and Joseph B. Robison.

Council of Jewish Federations and Welfare Funds, Inc.: Carlos Israels.

National Conference of Catholic Charities: William Polking.

National Council of Churches of Christ in the U.S.A.: William S. Ellis.

Scholarship, Education and Defense Fund for Racial Equality, Inc.: Carl Rachlin.

American Civil Liberties Union.

American Civil Liberties Union of Southern California.

Connecticut Civil Liberties Union: A. L. Wirin, Fred Okrand, Laurence C. Sperber, Michael Henry Shapiro, Boyd S. Lemon, Melvin L. Wulf, Emanuel Psarakis, Thomas L. Fike, Thomas Schneider, Cherie A. Gaines, and Mark C. Peery.

The Center of Social Welfare Policy and Law.

Travelers Aid Association of America.

National Association of Social Workers, Inc.

Citizens Committee for Children of New York, Inc.: Lee A. Albert, Paul Dodyk, and Henry A. Freeman.

The foregoing organizations and corporations provided the highly-paid attorneys to bring about these decisions. Such activities are a far cry from the purposes for which tax exemptions for charitable, educational, or religious purposes. It is for the purpose of correcting precisely this type of evil that I introduced last month H.R. 9460, providing for the loss to tax exemptions so abused. The bill follows:

H.R. 9460

A bill to amend the Internal Revenue Code of 1954 to provide that tax-exempt organizations which voluntarily engage in litigation for the benefit of third parties, or commit other prohibited acts, shall lose their exemption from tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) (1) (A) of section 503 of the Internal Revenue Code of 1954 (relating to loss of exemption from taxation) is amended by adding at the end thereof the following: "or if it has engaged in barratry, maintenance, or champerty, voluntarily provided legal assistance to, or participated or sought to participate by intervention, as amicus curiae, or otherwise, for the benefit of any person or class other than itself, in any judicial proceeding after the date of enactment of this Act."

ANTI-ABM LOBBY: COINCIDENCES

(Mr. RARICK asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. RARICK. Mr. Speaker, I want to call to my colleagues' attention some interesting coincidences relating to the anti-ABM campaign.

Far be it from me to suggest that there is any working relationship between various anti-ABMers who extend from powerful government politicos, through political preachers to the official organ of the Communist Party. It is just a coincidence.

Likewise, the sound and pictures being carried by both of the major television networks are repetitious of the same theme morning, noon, and night, ad nauseam. Another coincidence.

Someone with a nasty, suspicious mind might conclude that there is a well-financed, well-organized program manipulated from a central command post—to pursuade the American people that it is somehow immoral to use their own money to defend their own lives—and on their own soil. But, of course not. It is only coincidence.

By the way, these coincidences are coincidentally highly favorable to anyone who stands to gain by an undefended America.

As far back as March 13, 1969, the courageous lady journalist Sarah McLendon wrote an article which appeared in the Washington, D.C., Examiner raising the question at that time of who was paying for all this hired help to participate in all these coincidences.

For the benefit of those Members who may be interested in surveying these unique coincidences, I include Mrs. McLendon's article followed here by editorials from the Daily World—formerly the Communist Daily Worker—an article from the ADA World, and news stories from local Washington papers:

[From the Washington (D.C.) Examiner, Mar. 13–15, 1969]

ABM: NIXON'S FIRST DECISION

(By Sarah McClendon)

As President Richard Nixon nears his first major decision in office—whether to continue with the deployment of the anti-ballistic-missile system authorized last year by Congress—it becomes clear that one of the most powerful lobbies ever to be created in the US is at work against the ABM.

This lobby is the more powerful because it consists largely of U.S. Senators and their scientist friends and a number in the news media. Who pays for all this? Certainly not the Senators. But certainly these experts are paid.

Who investigates Senators who are engaged in full-scale lobbying? The answer is, of course, no one. But the House Armed Services committee is going to take a look at a 90-minute film commissioned by the Ford Foundation's Public Broadcast Laboratories here in Washington.

At this writing it appears probable that President Nixon, who has already delayed his decision by days and who may delay it further until next week, according to Sen. Everett M. Dirksen, is finding the ABM a most difficult decision. He could hand down a stalling decision. Any delay would be a defeat for ABM.

Because the decision could mean whether or not the US survives in an attack by the Soviet Union, the senatorial lobby's actions become all important.

Did the American public realize when they listened to a bombardment of lobbying last week-end from television and radio and even when they read Senate-inspired polls made by both AP and UPI that they were being the target of a well organized campaign? Probably the future votes in House and Senate this year on further authorizations and appropriations bills for ABM will tell.

But it must be admitted that the rusty-voiced Abe Chayes, ex-counsel of the US State Department, now at Harvard, and the man who for a time was JFK's science advisor, Jerome Wiesner, now at Massachusetts Institute of Technology, did not prove so convincing against the ABM when brought face-to-face with the incisor-like questioning of Peter Lisagor of the Chicago Daily News.

It should be recalled that these two longtime opponents of the ABM had been commissioned along with former Ambassador Arthur Goldberg and others to write "studies" in the fight against ABM.

But surely they are not being given leave from their salaried positions for nothing? And who is picking up the travel expenses

between Boston and Washington for these and the other scientists being brought in to appear regularly before two sub-committees of House and Senate in the foreign policy field who are now inquiring into the safety of US building weaponry while seeking arms curtailment with the Soviets?

It turns out it was not taxpayers' money but tax money the government did not get namely tax-exempt Ford Foundation money, that is behind the anti-ABM film. This is why the House Armed Services committee may yet call before it FF's director, McGeorge Bundy.

The film was a product of Public Broadcasting Laboratories of 1619 Massachusetts Avenue, NW. Entitled "Defense and Domestic Needs, Contents for Tomorrow," it has to do with decision making in the Pentagon. It was produced and directed by Al Levin and was carried over the network of 110 to 140 stations of PBL, according to Edward P. Morgan, broadcast commentator and columnist.

Morgan says that PBL only gets $10 to 12 millions from Ford Foundation. He described that as small amounts. PBL, he elaborates, is not to be confused with the taxpayer-supported Corporation of Public Broadcasting, authorized by law during the Johnson regime.

[From the Daily World, Mar. 14, 1969]

FATEFUL DECISION

At noon today President Nixon is scheduled to announce at a televised news conference his decision on the Sentinel anti-ballistic missile (ABM) project.

A decision to quash proposed expansion of the Pentagon's war plans would represent a significant step for peace.

A decision to approve this escalation of war preparation, on the contrary, would heighten anxieties in the Soviet Union about the White House's intent, and would aggravate the existing tensions.

A decision to press forward along the road of escalation would put in doubt, in the eyes of the world, the trustworthiness of the nation's signature to the nuclear non-proliferation treaty which the Senate will be asked to approve next week.

It would represent a step toward more war in Vietnam; toward greater aggravation in the Mideast.

It would be a decision to sluice $100 billion or more of the nation's wealth to preparations for destruction and disaster, and scorn the urgent and massive needs of our people.

A decision to approve this escalation of war preparation would flout the popular will, cynically and brutally.

The mandate is clear. Our nation, in its great majority, wants no new steps toward war, no aggravation of present tensions, no diversion of more tens of billions to arms, no Sentinel.

The realization of Sentinel's disastrous potential has aroused unprecedented public revulsion, anger, and action.

The depth of this sentiment is evident not only in the Congressional response to the flood of letters and telegrams, but even in the ranks of the President's party.

Whatever Nixon's decision, the popular protest which has arisen can mark the onset of a majority demand for a review of our foreign policy along its entire range, for steps that will take the nation toward peace, and away from the abyss where the Pentagon, the White House, the missile manufacturers and conquest-oriented imperialists have taken it.

[From the Daily World, Mar. 18, 1969]

ABM CAN STILL BE STOPPED

The reported opposition of 57 Senators to the Sentinel program on the eve of Nixon's decision testifies to the majority popular opposition that was aroused. It argues, also, that the Sentinel can be stopped cold even now, in Congress, despite Nixon.

It is urgent, therefore, that every union and other people's organization renew its demands on Congress and the White House that Sentinel be abandoned.

Equally important, for the whole peace effort, is utmost support for the peace actions scheduled for April 4, the anniversary of Dr. Martin Luther King's assassination; April 5, when an East Coast peace parade and rally will be held in New York; and April 6, Easter Sunday, when the theme of peace will resound in countless cities.

[From the Daily World, Mar. 19, 1969]

HERE'S REAL TRUTH ABOUT ABM

(By Tim Wheeler)

President Nixon's decision to deploy the ABM unleashed a flurry of criticism in the Senate, but peace activists warned that the anti-ABM bloc, almost fifty in number, is highly unstable.

CAMPAIGN STEPPED UP

The Women's Strike For Peace, Women's International League for Peace and Freedom, Committee for a Sane Nuclear Policy, and other organizations stepped up their national campaign to keep the Senate in line.

Letters were addressed to several hundred women from states in which the Senators are "leaning toward" opposition to the ABM or are beginning to waver. The letter urges these women to mobilize a campaign to pressure the Senator to take a stand against the ABM appropriation when it comes up in April or early May.

A spot check by the Daily World found the opposition holding firm at this time despite pressure from the Nixon Administration.

[From the Daily World, Mar. 25, 1969]

ABM, ARMS RACE HITS HARLEM—NO MONEY TO HELP THE SICK

(By Ted Bassett)

NEW YORK, March 24.—Harlem Hospital proceeded today with its announced shutdown, forced because of lack of operating funds and critical shortage of personnel.

The action brought into national focus the plight of the institution ministering to the needs of 350,000 residents of the nation's largest black ghetto. It highlighted similar situations in 10 other city hospitals, most of them serving the black and the poor.

Mayor John Lindsay and his Commissioner of Health, Joseph V. Terenzio, passed the buck to Gov. Rockefeller who in turn passed it on to Washington.

ABM GETS MONEY, INSTEAD

Meanwhile in Washington, President Nixon and the Pentagon and the Senate hawks prepared to spend billions on the Sentinel ABM.

As the hospital crisis spread, these developments took place:

Several hundred persons gathered at a noon protest rally in front of Harlem hospital at 138th Street and Lenox Avenue today.

Mayor Lindsay held an emergency meeting of all hospital administrators and medical chairmen at City Hall. He passed the buck to Albany where only yesterday Senate Majority Leader Earl Brydges (R-Niagara) insisted that the city could finance Harlem Hospital by "reallocating" funds within the city budget.

Other hospitals in low-income areas—Morrisania and Lincoln in the Bronx, and Bellevue, the city's second largest—are near joining Harlem in its demonstration.

The city's Hospital Department had asked for $419 million and had been told by the budget director it would receive only $359 million. It is to make up the difference by staff reduction.

A group of state legislators have called for State control of the city hospitals. These include Harlem assemblymen.

Speakers at the noon rally included John Young of HARYOUACT; Eddie Bragg of the newly-formed Black and Puerto Rican Caucus in Local 1199 of the Drug & Hospital Employees Union, and Robert Royal, director of the Harlem Organization for Health Affairs. George Goodman, Harlem community leader, and chairman of the Committee of 100, presided.

Royal scored Mayor Lindsay, Commissioner Terenzio and Gov. Rockefeller for buck-passing. "They're plainly refusing to provide health facilities for the people in the ghetto," he said.

[From ADA World, February 1969]

ADA READIES ASSAULT ON MILITARY COMPLEX

The nation's military-industrial complex and its effect on American life is a high priority concern for ADA, and a special subcommittee on the national board's foreign policy committee has been named to direct ADA action in this area. The subcommittee held its first meeting in Washington Feb. 21.

Leon Shull, national director, has urged chapters to give special priority attention to both the Non-Proliferation Treaty, which must be ratified by the Senate, and the Sentinel Anti-Ballistic Missile System.

"There is ample evidence of substantial support for the Non-Proliferation Treaty and opposition to ABM," Shull said in a Feb. 13 memo addressed to officers, members of the national board, and chapters.

"Our job is to mobilize these sentiments."

NATIONAL DEBATE FORSEEN

ADA will testify before the Senate Armed Services Committee on the ABM, and Shull promised that the national office will continue to lobby vigorously on the bill.

MOUNTING OPPOSITION

"Over a period of many months the national office, with other organizations, has been at work uncovering the facts concerning the ABM. This is the kind of work which has led to the ground swell of opposition. Now the time has come to make this a major national campaign."

Shull urged chapters to assign the campaign to either a special or a standing committee; to establish working relationships with other compatible groups; and to develop the "widest possible communication with Senators and Congressmen."

Edward Lippert, national ADA's foreign affairs staff representative, who is coordinating the campaign, has reported that several chapters are already at work, including chapters in Michigan, New Jersey, and Illinois.

[From the Washington (D.C.) Post, Apr. 1, 1969]

ANTI-ABM CAMPAIGN IS TAKING SHAPE

(By Warren Unna)

A nationwide opposition movement to the Nixon Administration's go-ahead on the Safeguard Anti-Ballistic Missile deployment is developing.

Some of it is centering around Sen. Edward M. Kennedy (D-Mass.); some of it is around bipartisan New York Congressmen; some of it is coming from Harvard-MIT professors. An effort also is being made to capture the grass roots college enthusiasm that last year fastened on the anti-Vietnam protests.

Kennedy has been the most active in this new fight against the ABM. There is strong indication that the movement will not be confined to just defeating this year's Safeguard appropriation requests by the Administration. If it becomes cohesive, the overall priority that military demands should have in competition with domestic needs seems likely to become the group's big issue.

Kennedy's aides insist the opposition is strictly on the ABM issue and nonpartisan.

But it coincides with a decision by the Democratic Party's potential presidential candidate to return to the banquet circuit of cross-country speechmaking beginning this month.

Sen. John Sherman Cooper (R-Ky.), who is as avid as Kennedy in opposing the ABM, warns that if the movement does become partisan and anti-Nixon he is going his own way.

The anti-ABM movement is taking different forms in various locales. The main ones are:

A move by Sens. Kennedy, Cooper, Charles H. Percy (R-Ill.) and Philip A. Hart (D-Mich.) to form what tentatively is being called a "National Committee for Common Sense" led by perhaps 10 authorities from science, business, the ex-military, Negro and women's groups to counter Pentagon arguments.

A document, at last count 400 pages long, requested by Kennedy from 16 scientists, mainly in the Cambridge locale, which is to be completed within the next week or two and made available to a Congress confronted with Pentagon ABM authorization and appropriation requests.

A grass roots movement, led by two associates of the Kennedy family political machine, Richard N. Goodwin and William Vanden Heuvel, which is centered in New York and now beginning to send out mail urging establishment of community anti-ABM protest groups. A special target of this group are young people and followers of Robert F. Kennedy.

A New York coalition movement, led by Rep. Jonathan B. Bingham, a Bronx Democrat who hopes to run for the Senate next year, and Rep. Ogden R. Reid, a Westchester County Republican, which already has a public relations firm engaged in putting out pamphlets, issuing press statements and conducting a telephone campaign.

This "Ad Hoc Committee of New Yorkers Against ABM," organized early last month, includes among its sponsors: Roswel Gilpatric, Deputy Secretary of Defense in the Kennedy Administration; Stephen Smith, a Kennedy brother-in-law, and Paul O'Dwyer, a McCarthy-for-President supporter who last year headed an unsuccessful Democratic ticket for the U.S. Senate.

The 400-page book was requested by Sen. Kennedy before President Nixon's Safeguard go-ahead decision. It has been revised to take into account the Nixon version of the ABM and the growing skepticism about the military's share of the national pie.

Two key men associated with compiling the book, in addition to Sen Kennedy's own aides, are Jerome B. Wiesner, the MIT physicist who served as science adviser to Presidents Kennedy and Johnson, and Abram Chayes, a Harvard law professor who was State Department legal adviser in the Kennedy Administration.

Sen. Kennedy's idea for a "National Committee for Common Sense" began when MIT's board chairman, James R. Killian, a former science adviser to President Eisenhower, proposed before the Senate Disarmament Subcommittee that a high-level group be appointed to study the whole feasibility of an ABM system before the President made his decision.

When President Nixon chose not to adopt Killian's suggestion and announced the Safeguard go-ahead, Kennedy reportedly decided to lend his own backing to such a high-level citizen appraisal of the missile.

Kennedy then requested Sens. Cooper, Percy and Hart to come up with names for the Committee of 10 to lead the group.

Cooper said he offered the names of Killian; Arthur Dean, the late John Foster Dulles' New York law partner who at one time headed U.S. disarmament negotiations in Geneva, and former Eisenhower Administration Deputy Defense Secretary James H. Douglas, Jr. Other names put forward include Gen. Matthew Ridgway, former Army Chief of Staff, and former Ambassador to the United Nations Arthur Goldberg.

Cooper said he told Kennedy the group should be composed of experts, focus at clarifying the issue for the American public and remain strictly nonpartisan.

"I am sure that if it became anti-Nixon Administration it would get more attention in the country," Cooper said yesterday. "But I'm equally sure that we'd then have less chance of doing anything in the Senate. I then wouldn't want to be associated with it."

[From the Washington (D.C.) Evening Star, Apr. 17, 1969]

CITIZENS OPPOSED TO ABM SCHEDULE GRASS-ROOTS DRIVE

(By Robert Walters)

A committee of scientists, educators, businessmen and former government officials today formally announced the formation of a national organization to coordinate grass-roots opposition to deployment of an anti-ballistic missile (ABM) system.

The new group, to be known as the National Citizens Committee Concerned About Deployment of the ABM, said "there is no higher national priority than the safety and security of the United States."

However, its organizers added, "The proposed ABM will not enhance the security of the United States. On the contrary, we believe its deployment will jeopardize that security by intensifying the nuclear arms race and by wasting the resources badly needed to meet our domestic problems."

Formation of the committee was announced at a press conference here by Arthur J. Goldberg, former associate justice of the Supreme Court and U.S. ambassador to the United Nations, and Roswell Gilpatric, deputy secretary of defense during the Kennedy and Johnson administrations.

The committee will seek to "stimulate public education and initiative," particularly in states where one or more senators either support deployment of the ABM or are undecided on the controversial issue, through door-to-door canvasing, public forums, leaflet distribution and other techniques.

In a direct allusion to the name President Nixon has given the ABM system, "Safeguard," the organizing committee said:

"We must safeguard America from the consequences of urban and rural poverty, increasing alienation of our young people, deteriorating cities, fiscal pressures on local government, racial discrimination, pollution of the environment, crime, inflation and rising taxes . . .

"To deny these domestic imperatives is to undermine our security in the most profound sense. It is to erode that which we seek to protect."

In addition to Goldberg and Gilpatric, the organizing committee of the anti-ABM group includes:

Whitney Young Jr., director of the Urban League.

Arjay Miller, vice chairman of Ford Motor Co. and dean-designate of the Stanford University Graduate School of Business Administration.

Averell Harriman, the Johnson administration's chief negotiator at the Vietnam peace talks in Paris.

Mary Bunting, president of Radcliffe College.

Dr. Herbert F. York, Pentagon director of defense research and engineering during the Eisenhower administration and one of the leading witnesses to appear at recent Senate hearings in opposition to the ABM.

D. Donald Hornig, presidential science adviser during the Johnson administration.

Marriner Eccles, former chairman of the Federal Reserve Board, now chairman of the Utah Construction Co.

Reinhold Neihbur, noted theologian and professor emeritus at the Union Theological Seminary.

Gerald Piel, publisher of Scientific American magazine.

The committee describes itself as nonpartisan. While it actively seeks to defer deployment of the ABM pending further study, perhaps conducted by an independent panel, it is not opposed to further research on the feasibility and desirability of antiballistic missile systems, the organizers stressed.

Even before today's formal announcement, the committee had been identified closely with Sen. Edward M. Kennedy, D-Mass., a leading ABM opponent and a potential contender against Nixon in the 1972 presidential race.

Administration strategists seeking congressional approval of the ABM system are planning to use the Kennedy tie in the hope of turning the issue into a Nixon versus Kennedy dispute, and thus pick up the votes of the moderate Republicans who comprise the largest block of senators still undecided on how to vote in the controversy.

But organizers said today the earlier accounts of Kennedy influence in formation of the committee were inaccurate. They pointed to the involvement, both within the organizing committee and on the group's staff, of persons who supported various candidates for the democratic presidential nomination, as well as a number of Republicans.

Another group whose formation was announced here this week also will concentrate first on opposition to the ABM.

It is the Coalition on National Priorities and Military Policy, a group of 17 national peace, religious and political groups formed to oppose what it calls "the militarization of this country's policies and resources."

DISTRICT HEARING ON ABM ASKED

Speakers for a coalition of 37 Washington area organizations opposed to the antiballistic missile system yesterday called on the D.C. City Council to hold hearings on deployment of ABMs here and to eventually give a vote of "no confidence."

The Rev. Channing Phillips, the District's Democratic national committeeman, attacked the proposal as a "gross distortion of national priorities." Phillips said, "We believe that hearings will show that the citizens of this city overwhelmingly oppose the ABM."

The council has the request for hearings under advisement even though it may have no direct say in the matter.

A TEAR FOR THE STEEL MOGULS

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

Mr. PODELL. Mr. Speaker, fairy tales used to always begin as follows: "Once upon a time." In recent years fairy tales have had a few new beginnings. Among them have been: "The Pentagon announced today," and "A State Department announcement this morning took note of." Now we possess still another shiny new fairy tale opening which the Brothers Grimm never conceived. It begins with: "The steel industry, citing low profits and increased costs, today raised prices on the following basic items."

Of such cloth are modern fables woven from. Behold. Giants of steel, our most basic industry, raise prices on semifinished steel and a series of hot-rolled and high-strength products. This at a time when steel prices have been rising faster than those of industrial commodities as a whole.

For years now, this industry has re-

fused to spend money percentagewise on modernization that some foreign countries have been comparably able and willing to invest. Cheaper foreign-made steel has poured into this country, effectively competing with our domestic industry. This was especially true of Japanese and European products. As a result, the steel industry set up a caterwauling heard on Capitol Hill. "Protect us from the big, bad Japanese and Germans. They are competing with us and cutting our profits," they cried.

Always ready to unfairly blame labor for their problems, they paused long enough to slip a price rise between the ribs of President Kennedy.

At long last, the sight of aged steel executives groveling in the dust of Capitol Hill in their custom-made Brooks Brothers suits grew too much for America's conscience. We were deeply moved by their anguished laments on behalf of free enterprise, open competition, fixed prices, more and greater profits. Raising them from the earth with clucks of sympathy, we proceeded to help them back to their limousines and prepare a crusading assault upon this cancer afflicting them.

In mid-January, our State Department negotiated an agreement with Japanese and European steel industries to cut back exports to the United States from 17.5 million tons last year to 1 million tons in 1969. We were immediately assured by the steel industry that the Republic had been saved from financial catastrophe, bloody revolution, another New Deal and trench mouth. Possible needs for protectionist legislation were removed. No dancing in our streets, but the click of champagne glasses in board rooms was quietly audible. We were told how necessary it all was, even though the average steel mogul would not recognize truth if he tripped over it in his bathroom.

Now they have struck. We have removed their foreign competition through Government action. In their usual competitive manner, the industry agrees to raise prices almost simultaneously to their now captive domestic market. We are all trapped and laid by our financial heels. As the inflation spiral continues even faster, America will ask why. When the single most basic industry in a highly developed society raises domestic prices on essential products after hamstringing foreign competition, look no further.

I must confess to my profound disrespect for these gentlemen. They are first in war, first in peace, and first in the pockets of their countrymen.

Mr. Speaker, there is something called common greed obsessing some people. Their eyes glaze. Their better impulses become stultified. Their consciences grow dulled. All that dances before their eyes is a vision of cash—dividends.

In another few months, these same gentlemen from the steel industry will turn to the Nation again with long faces, announcing that their prices must rise again because of high operating costs, demands of labor, and the high humidity on the Equator. We shall be informed that because of an outbreak of bunions, death of their oldest stockholder, and heavy moss growths on trees in Minnesota we must pay yet more for their products.

A tear for their plight. Think of blisters that will be raised on tender hands from clipping coupons. So next time, we shall be able to understand a bit more of what is behind steel price rises and resulting inflation. Truly, the Brothers Grimm would blush with shame at offering their modest talents and meager creations if they could observe how our steel industry had mastered the fairy tale teller's art.

FIRST THE COHO SALMON—THEN MAN

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

Mr. PODELL. Mr. Speaker, the Secretary of Health, Education, and Welfare has named a commission to report in 6 months on specific recommendations regarding the problems posed by DDT and other pesticides. To me, it is already obvious that conditions have already deteriorated beyond the point where we can study them for long periods of time with detachment. Because nature respects no political boundaries, we can only conjecture about the levels of pesticide and other chemical pollution in our metropolitan areas. I would hope that the Government would act swiftly to not only ban DDT, but to delve deeply and swiftly into the mass of already damning evidence on chemical and pesticide pollution. We are playing with our lives, those of our children, and the very basis of our collective existence.

Evidence mounts with damning swiftness that DDT is a major pollutant of our environment, posing an ever-increasing danger to all of us. A bill is already written and has been introduced in this House that would effectively curb its use.

Last week the House showed a growing awareness of the pollution problem by passing a strict water pollution control measure. We have barely begun our work.

Everywhere the technology of man is pouring forth streams of new products, all involving ever more intricate combinations of basic elements. We do not know what the end result of use of many of these products will be. Yet all over America pesticides containing deadly chemical ingredients are merrily utilized in growing quantity.

Daily evidence piles up that we are altering our environment and endangering ourselves and our posterity through chemical pollution. Already signs point to a possible link between some forms of cancer and chemical pollutants.

Coho salmon taken from the Great Lakes contain DDT residues which make them unfit for consumption. Such residues are now to be found in all of us. We know of the damage caused to some species of wildlife by DDT. Sweden has recently banned its use.

Already DDT is outlawed or being restricted in three States. Yet we are not coming to grips with the entire problem, which still has not even been defined. Our increasing use of chemical domestically for peaceful uses and overseas in Vietnam is a growing menace that must be contained, defined, understood, and dealt with forthrightly and forcefully.

A measure has been introduced to create a National Commission with subpena powers which would report back to the President within a stated time on what effects this growing use of chemicals is having upon our environment and ourselves. I do not feel we can afford to dawdle for even a short time over this question. It is to be hoped that America's chemical industry will cooperate in this mutually beneficial endeavor. I fervently hope we shall see some formal recognition of this situation. There is a school of thought which holds that man only learns through suffering and disaster. If they are right and we hear or heed none of this evidence, then our penalty will be high, indeed. All of us and our posterity will have to pay it.

FOR RELIEF OF AIR TRAFFIC CONGESTION

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

Mr. PODELL. Mr. Speaker, we are on the verge of chaos in terms of air traffic congestion. While some press for more, faster, and larger aircraft, the air over our cities is crammed with traffic. Our major airports are becoming madhouses of traffic, baggage, and people. Bedlam often reigns. There is a crying need for better safety procedures, relief of congestion, better baggage handling, adequate parking and ground transportation, improved flight scheduling, and enough feeder airports for smaller communities. With this in mind I am introducing the Air Traffic Congestion Relief Act of 1969.

It would establish an airport development trust fund to be raised by new user taxes in order to develop new airports where needed. Taxes would be leveled on commercial aviation fuel and passenger tax would go up from 5 to 7 percent.

It provides for establishment of a State agency in each State for public airport planning.

It would authorize the FAA to direct a State either to establish a plan to meet the public need for airport construction or lose Federal funds project by project until priority airport construction is provided for.

It would permit the CAB to control airline schedules as a means of controlling congestion. It would give the CAB the ultimate right of scheduling to stimulate carriers to arrive at a reasonable system voluntarily.

I cannot help but comment that billions are being spent for military aircraft, many of which are useless. More billions are committed or asked for for technological innovation aimed at further profit to air carriers and convenience to a few. But little or nothing is being done to meet the onrushing daily problems facing cities all over the country because of the growth of air traffic.

COMPREHENSIVE TRUTH-IN-WARRANTY LAW

(Mr. MOSS asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, I have been working with my distinguished colleague from Michigan (Mr. O'HARA) on a comprehensive truth-in-warrranty law.

As chairman of the Subcommittee on Commerce and Finance of the Interstate and Foreign Commerce Committee I have been concerned over the not insignificant number of consumers who have difficulty with the warranties offered by manufacturers.

Within the next few days, the Representative from Michigan and I plan to introduce the Full Consumer Warranty Protection Act.

This legislation would require manufacturers to repair or replace faulty merchandise promptly, at no cost to the buyer.

Recently, the Representative from Michigan discussed his ideas about this legislation with a reporter from the Christian Science Monitor, and an article "What Guarantee? Legislation Proposed on Warranty Agreements That Protect Manufacturer More Than Consumer."

I include this article in the RECORD, and recommend it to my colleagues:

WHAT GUARANTEE?—LEGISLATION PROPOSED ON WARRANTY AGREEMENTS THAT PROTECT MANUFACTURER MORE THAN CONSUMER

(By Lyn Shepard)

WASHINGTON.—Ever since his college days, Rep. James G. O'Hara (D) of Michigan has distrusted those fancy "guarantee certificate" forms known to every American appliance buyer.

Now the suburban Detroit congressman is finally ready to put their fine print to the test with a tough "truth-in-warranty" bill.

The O'Hara proposal, inspired by passage in recent years of "truth" laws covering packaging and lending practices, would cover warranties on motor vehicles and machines as well as appliances and other products.

Actually Mr. O'Hara is trying to adapt the Uniform Commercial Code, the Fair Trade Practices Act, and the common law to curb a wide range of abuses inflicted on American consumers.

Many of the arguments for the O'Hara "consumer full warranty protection act" are based on findings contained in a blue-covered report issued Jan. 8 by the Task Force on Appliance Warranties and Service.

The report—prepared by the Federal Trade Commission, the Departments of Commerce, and Labor, and the President's special assistant for consumer affairs—studied more than 200 warranties used by 50 major appliance manufacturers.

The impressive-looking "guarantee certificate," the task force observed, is "all too frequently a fog-shrouded halo which effectively camouflages a lengthy list of disclaimers and limitations upon the seller's obligations. . . ."

Former White House consumer aide Betty Furness put the problem in laymen's terms when she testified recently before a Senate inquiry.

"Everyone tries to read the warranty at least once and then they give up," the one-time refrigerator saleswoman said. "You feel like a fool. You can't understand it.

"I must tell you that until very late in my job here I thought that a warranty was a plus. I was here a long time before I learned that a warranty on a product can very well be a minus to the product. It doesn't tell you what the manufacturer or the retailer will do. It tells you what they won't do."

POPULAR ISSUE SEIZED

Ordinarily the buyer of a "lemon" will write to the company in protest, but seldom to his congressman. Still Mr. O'Hara hears from enough outraged consumers to know he has seized a popular issue.

The task force examined more than 1,000 such complaints from the FTC and White House files. Here are a few of the horror stories cited:

A housewife complained that her oven would not maintain the temperature at which the thermostat was set. The woman, an experienced cook, was told by the company that oven temperatures normally vary from 30 to 50 degrees, that women often needed six months to get used to cooking with that oven, and that any calls to adjust the thermostat would be at her expense.

One "orphaned" buyer was given the option of shipping her refrigerator 150 miles to the nearest authorized service center at her own expense or of paying the repairs herself.

A freezer was delivered with a broken drain hose that caused water to flood the interior. It remained that way for six weeks. Then the door fell off. The dealer said he would have to order hinges from the factory. Four months later the hinges hadn't arrived. Fortunately the owner was able to reattach the door with bolts.

A dishwasher was so designed that the motor became water soaked and burned out every six months. Two motors were replaced during the guarantee period. Thereafter, replacement was to be at the owner's expense.

TIMING PLANNED?

When a refrigerator dealer switched lines, he referred a consumer with a defective model to a competing dealer. The competitor treated the consumer with contempt and rudeness, refusing to provide the requested service. The factory agent, located in a major city some miles away, referred the buyer to still another dealer. This dealer tried to repair the appliance and charged the owner $9 for labor and $36 for cartage. Almost immediately the refrigerator stopped running. Before it was finally repaired after another appeal to the company, the owner had spent $82, not counting long-distance phone calls. This occurred even though his model was covered by a warranty.

Though the average life expectancy of major household appliances ranged in 1957 from nine years for washing machines to 15 years for refrigerators, the length of warranties seems to have been carefully planned. The task force concluded that "they lapse just before malfunctions may be expected to appear." Many television sets, for instance, carry warranties of only 90 days. Mr. O'Hara would require a one-year minimum warranty.

FTC Chairman Paul Rand Dixon noted in the task force report that the home-appliance industrialists "have not shown too much initiative or willingness to come to grips with (these problems)."

Even so, Mr. Dixon urged the task force to let another year pass before proposing federal legislation. In the meantime, he suggested that manufacturers voluntarily rewrite their warranties in clear, simple language without unneeded exclusions and disclaimers.

Should the industry lag in doing this, the O'Hara bill may build a strong base of support in Congress. Another bill sponsored by Sen. Warren G. Magnuson (D) of Washington, chairman of the Senate Commerce Committee, could also be revived in public hearings.

INTEREST RECALLED

"Most Americans just aren't aware of what's being perpetrated on them," Mr. O'Hara insists. "And it's not just the purchasing public that's unaware. It's the sellers, too. Other than the law profession, there are very few who know what your rights are.

"I first got interested in this as a second-year law student when I took a course in sales," the congressman recalled. "I was newly married and took a look at the warranties and found they were limiting the companies' obligations under the common law.

"That was a rather staggering discovery. In most cases, they ask you to sign the warranty form and mail to the company for protection. They were really only getting you to accept the lesser guarantee.

SUPPORT SOUGHT

"Thus it's not so much a matter of a warranty not doing what it purports to. It's a problem of your warranty being practically worthless."

In time, Mr. O'Hara hopes industry's leaders will support his stringent "truth-in-warranty" proposal. In the long run, he thinks it will serve their interests.

"I think this bill will drive out shoddy workmanship and fly-by-night operators," the congressman says. "But those that produce a quality product should prosper. They are now in a price squeeze with some competing producers who cut corners and sacrifice quality."

Opposition to the bill, Mr. O'Hara believes, will come mostly from those lobbyists who resisted "truth-in-lending," except that this time the financial institutions won't be involved.

INVESTMENT TAX CREDIT

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

Mr. HALL. Mr. Speaker, recently I received a copy of a telegram sent to President Nixon from C. William Verity, Jr., president and chief executive officer of the Armco Steel Corp.

In his statement, Mr. Verity takes issue with the administration regarding the repeal of the 7-percent investment tax credit, and points out harmful effects that could occur.

Mr. Verity's telegram is timely, and should be read by all. I ask unanimous consent that it be made a part of the RECORD.

MIDDLETOWN, OHIO,
April 20, 1969.

Hon. DURWARD G. HALL,
U.S. Representative,
Washington, D.C.:

We have just sent the following telegram to President Nixon.

We are in complete accord with your concern and that of Congress regarding this Nation's inflationary spiral, and we have expressed our views on this subject to Congress. We believe the steps you have already taken, and some now under consideration, will have a positive effect on the economy by the third quarter of 1969. Capital expenditures for 1969 are at a high level but in our case such expenditures have peaked and the trend is now down. Armco capital expenditures in 1970 will be down 25 per cent from 1969.

We understand that consideration is now being given to immediate repeal of the investment tax credit. Any such precipitous action would drastically disrupt major business plans already underway which cannot be disassociated from other factors that are vital to the economic health and the quality of our environment. The effect which such actions would have on the business community, rather than slowing inflation, would radically disrupt the entire economy.

In the case of ARMCO, and many other companies, the investment tax credit is crucial to our efforts to control air and water pollution and stimulate long range modernization programs which make industry competitive. Such investment has been our most

successful thrust in making American business more competitive in world markets and thus is helping solve the balance of payments problem. Repeal of the investment tax credit would invalidate all existing long range plans for the business sector. It would be a serious over correct that would stagger the overall economy. While other steps are necessary, we hope you will urge Congress to consider these vital factors in reviewing the investment tax credit.

Economic indicators are now beginning to reflect the leveling of the economy. I most strongly urge that you and your colleagues give careful consideration to the factors cited in this telegram in your deliberations on the investment tax credit.

C. WILLIAM VERITY,
President and Chief Executive Officer, Armco Steel Corp.

IRISH DEMAND FOR FREEDOM

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include therein a very inspiring article from this morning's New York Times entitled "Irish Girl Casts a Spell in Commons."

Only 21 years of age at the time of her first appearance in the Commons, Miss Bernadette Devlin by her eloquence and wit, swept the Commons off its feet and drew loud bursts of applause from the packed historic chamber where the "mother of parliaments" convenes.

This young Irish girl declared that she was there for the oppressed people of northern Ireland, Catholic, and Protestants alike, and she assailed the politicians responsible for the present religious agitation affecting her constituency in Ulster.

Miss Devlin's speech, which was characterized as a speech for human freedom, illuminated by poetry, captured the hearts of her listeners and won widespread, enthusiastic approval and delighted laughter.

Most of the free world will rejoice that this lovely, courageous Irish girl stood up boldly in the ancient legislative chamber of Britain to sound the cry against religious persecution and bigotry in this enlightened age, which has cast such dark shadows over the hopes and aspirations of all people seeking that freedom of worship shall be guaranteed, protected, and assured in every free community.

Miss Devlin has a great career before her, and it is hoped by all truly freedom-loving people that her primary mission of securing freedom and liberation from persecution for her constituency will soon be fully realized.

This Nation, born in bitter struggle for personal liberty and other great freedoms, is irrevocably committed to the cause of the oppressed and sufferers from religious and racial persecution and will join the cry of Britain's newest and youngest member of its House of Commons for total justice for the Irish people.

And this Government cannot long remain unmoved, silent and inert while the proud, courageous Irish people are denied their basic human rights. Let us urge that this incredible situation be rectified forthwith.

IRISH GIRL CASTS A SPELL IN COMMONS
(By Anthony Lewis)

LONDON, April 22.—A 21-year-old Irish girl held the House of Commons spellbound today with a maiden speech of quiet eloquence and powerful emotion.

Bernadette Devlin, barely 5 feet tall, wearing a new blue dress, looked like a shy schoolgirl as she stood in the crowded Labor back benches. But there was no shyness as she spoke.

The record books show no other case in which a member made a speech on the day of swearing-in. She also broke tradition by speaking on a controversial subject. Miss Devlin said she felt she had to do those things because of "the situation of my people."

She was there, she said, for "the oppressed people" of Northern Ireland—Roman Catholic and Protestant. She bitterly attacked the Unionist (conservative) politicians who have controlled Ulster for 50 years as men who encouraged religious hatred to preserve their own privileges.

Civil rights demonstrators in Ulster are demanding electoral reforms to establish the principle of one man, one vote for local elections, now subject to property qualifications and districting that insure Protestant control.

In Belfast today, Prime Minister Terence O'Neill demanded that members of the ruling Unionist party support his proposals to carry out the reforms, threatening to resign if they did not.

No single sentence Miss Devlin spoke in the House today is likely to be picked out and preserved among great political utterances. What mattered, in her passion and her courage, was that London was at last hearing a voice not of the Irish Establishment but of the tormented ordinary people of Ulster.

"Electrifying," was the description of one Tory member, Norman St. John-Stevas. He said it was the greatest maiden speech since the celebrated effort of F. E. Smith, later the Earl of Birkenhead, in 1906.

A hardened British Broadcasting Corporation commentator, Conrad Vossbark, called it "a speech for human freedom, illuminated by poetry." The Commons itself, hushed for long moments and then bursting out in delighted laughter at her sallies, seemed to agree.

Miss Devlin, who won a by-election in mid-Ulster last week as an independent, drew a packed house with many curious peers and other visitors in the gallery for her swearing in.

The Speaker whispered with her held her hand and then broke up the Commons when he said loudly: "It is out of order for the House to be jealous."

The setting was dramatic because the Commons was holding an emergency debate on the crisis in Northern Ireland. It was the more dramatic because one of the first speakers was a representative of the Unionist aristocracy that Miss Devlin opposes, Robert Chichester-Clark.

In an upper-class English accent, he told how he had toured Londonderry after the riot last Saturday night and found "stark misery" of fear among the people. He blamed the Irish Republican Army for the weekend bombings.

Miss Devlin was called next by the Speaker. Beginning "Mr. Speaker, sir," in a small Irish voice, she talked for 22 minutes with only a glance or two at some notes in her hand.

The policy of the Unionists, she said, is to keep Protestant working people agitated against the Roman Catholics so they will not rebel against the general poverty of Ulster.

She agreed with Mr. Chichester-Clark in his phrase "stark human misery" for Londonderry. But, she said, "I saw it not in one night of broken glass but in 50 years of stark human misery.

"There is no place for us, the ordinary peasant, in Northern Ireland. It is a society of the landlords, who by ancient charter of Charles II still hold the rights of ordinary people in Northern Ireland over such things as fishing and paying ridiculous and exorbitant ground rents."

She drew laughter and Labor cheers when she dismissed Mr. Chichester-Clark's I.R.A. charge as "tripe," and again when she called Captain O'Neill "the white liberal of Northern Ireland."

She charged Captain O'Neill with failing to carry out promised reforms to give more housing to Catholics, and more civil rights.

Then she spoke again of the rioting last Saturday night in Bogside, the Catholic section of Londonderry, and again scoffed at Mr. Chichester-Clark by inference.

"I was not strutting around with my hands behind my back," she said, "touring the area and examining the damage and tut-tutting every time a policeman had his head slightly scratched.

"I was building barricades to keep the police out of Bogside because I knew it was not safe for them to come in.

I saw that night on the "Bogside, with my own eyes, 1,000 policemen come in a military formation to that economically and socially depressed area, six then 12 abreast, like wild Indians screaming their heads off, to terrorize the inhabitants so they could beat them off the streets into their houses."

While denouncing the Unionists, she also had hard words for Labor, saying "any Socialist government worth its guts would have got rid of them long ago." Prime Minister Wilson, who was listening intently, joined in the laughter.

After the jabs and the ironies, Miss Devlin came to a bitter conclusion, fatalistic and very Irish. She said this whole debate was coming "much too late for the people of Ireland."

What could the British Government do? she asked. It could have troops take over altogether in Northern Ireland. "But the one common point among all Ulstermen," she said, "is that they don't like Englishmen telling them what to do."

The same objection applied to the idea of Britain's suspending the Northern Ireland Government and ruling directly. Nor would economic pressure on the ruling Unionists work.

COMPLAINT OF MEMBERS OF CONGRESS AND AIR TRANSPORTATION USERS WITH REQUEST FOR TARIFF SUSPENSION AND A GENERAL RATE INVESTIGATION

(Mr. BURTON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous material.)

Mr. BURTON of California. Mr. Speaker, yesterday 19 Congressmen, including myself, joined with Congressman JOHN MOSS in filing a complaint with the Civil Aeronautics Board regarding various fare changes which, if adopted, would have resulted in giving official status to a ratemaking formula without the benefit of a public hearing.

Congressman Moss is to be commended for his outstanding leadership in the effort to protect the public interest.

The full text of the complaint follows:

BEFORE THE CIVIL AERONAUTICS BOARD, WASHINGTON, D.C., APRIL 21, 1969, IN THE MATTER OF THE TW TARIFF FILED MARCH 18, 1969, AND THE UA AND BN TARIFFS FILED ON APRIL 4, 1969: COMPLAINT OF MEMBERS OF CONGRESS AND AIR TRANSPORTATION USERS WITH REQUEST FOR TARIFF SUSPENSION AND A GENERAL RATE INVESTIGATION

LEGAL PRINCIPLES

Ratemaking is but one species of price-fixing.[1] The Supreme Court has repeatedly stated that the Constitution does not bind rate-making bodies such as the Civil Aeronautics Board to the service of any single formula or combination of formulae in determining the reasonableness of rates. The Board, to whom Congress has delegated this legislative power, is free, *within the ambit of its statutory authority*, to make the "pragmatic adjustments" which may be called for by particular circumstances.[2]

The Civil Aeronautics Board is empowered by the Federal Aviation Act of 1958 to institute an investigation, upon complaint, *or upon its own initiative*, into any matter or thing within its jurisdiction, and whenever, after notice and hearing, the Board shall be of the opinion that any individual or joint rate, fare or charge demanded, charged, collected or received by any air carrier for interstate air transportation, or any classification, rule, regulation or practice affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly prejudicial, the Board shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received, or the lawful classification, rule, regulation or practice thereafter to be made effective.

In the exercise and performance of its powers and duties under this Act with respect to the determination of rates for the carriage of persons and property, the Board is specifically enjoined by Sec. 102 to consider, among other things, the *encouragement* and *development* of an air transportation system *properly adapted* to the *present* and *future needs* of the foreign and domestic commerce of the United States which *promotes adequate, economical* and *efficient* service without *undue* preference and advantage, and is regulated in such a manner as to *recognize* and *preserve* the *inherent* advantages of air transportation, *foster sound economic conditions* in such transportation, and *coordinate* transportation by air carriers, limiting *competition to the extent necessary*. The pertinent parts of Sec. 102 require the Board to also take into consideration the *effect* of air carrier rates upon the *movement of traffic* and *need in the public interest* of adequate and efficient air carrier service at the *lowest cost* in the sense of the lowest fare, as well as the *need of each air carrier* for *revenues* sufficient to enable it to provide such adequate and efficient service.

Additionally, the Congress has authorized the Board, at its discretion, to take into consideration such other things as profit element, rate base, depreciation, taxes, operating expense and load factor standards, cost-oriented formulae, etc. *But these are not required to be considered by law, and therefore cannot take precedent over the statutory standards.* Under the statutory standards of "just and reasonable" it is the results reached not the method employed which is controlling. It is not the theory but the impact of the rate order which counts.[3]

It is the contention of the complainants that the proposed fares do not take into consideration any of the statutory standards of the Act and that the total effect of the rate proposal viewed in its entirety is unjust and unreasonable.

Trans World Airlines, Inc. (Trans World), United Air Lines (United), and Braniff Airways, Inc. (Braniff) make no reference at all to any of these statutory tests. Indeed, all three carriers do not even dignify the propriety of their proposal by claiming that these specific fare changes are needed for revenue sufficient to enable them, under honest, economical, and efficient management, to provide adequate and efficient air carrier service.

Instead, except for a passing reference to a relatively poor overall earnings position, TW's sole justification for the propriety of its proposed fare change rests on the elimination of certain alleged inequities in the fare structure which exist by reason of undue deviation of some fares from the "Industry Jet Coach Regression Line" in order to achieve a more equitable relationship between existing fares.

Thus, the lawfulness of the applicants' proposal rises or falls primarily upon the lawfulness of the Industry Jet Coach Regression Line (i.e., whether that Regression Line or formula complies with the statutory requirements of the Act), and then on its own merits.

Industry jet coach regression line

The Industry Jet Coach Regression Line, Attachment I to TW's letter of March 18, 1969, was constructed on the basis of March 1, 1968 fare levels and the Board staff's formula transmitted to TW by letter of the Director, Bureau of Economics, dated July 8, 1968, updated to reflect the recently approved (February 20, 1969) fare increases of two dollars ($2.00) in markets up to 500 miles and one dollar ($1.00) from 500–1800 miles.

A. Fares

Since the Regression Line is based on March 1, 1968 fares, adjusted for the change of February 20, 1969, as indicated above, it is necessary to first trace the development of it's numerical input to see if it meets the standards set forth above.

Like the rates and charges for property, air passenger fares in the United States were not subject to regulation by the Federal government prior to 1938. Unlike the rates and charges for property, the air passenger fare structure has never been subjected to a general investigation in the thirty-one (31) years of regulatory control under the CAB. The remarkable thing about the regulation of air passenger fares in the United States, therefore, is how little of it there has been. Historically, the Board has been concerned with only the control of air carrier profit levels and not the rates or overall fare structure. Both the public sense of fairness and the economic theory of competitive equilibrium led to the conclusion that appropriate prices could be achieved by insuring a normal rate of return.[4] As long as all the air carriers received some form of government subsidy, the Board could effectively control the profit level by varying the subsidy element. This left the fare levels by and large to the air carrier's discretion. Until World War II, the Board showed little concern with commercial air fares. In fact, there was only one formal proceeding which resulted in a written opinion, and it involved an investigation to determine whether the discounts given to air travel card holders and government employees, were unduly discriminatory.[5] The mail rate cases of this period do contain miscellaneous statements on the need of reasonable rates, but no air carrier air fares were specifically disapproved. Consequently, no standards of reasonableness were implied.

Basically, air passenger fares, like the charges for some other transportation services, have been the product of a base rate per mile multiplied by a selected mileage figure applicable to the points being served. Generally, air carrier tariffs have reflected three policies with regard to the base rate:

1. A variable or indefinite base rate;
2. A uniform flat base rate; and
3. A uniformly tapered base rate.

Three types of mileage-bases have also generally been applied:

1. Direct point-to-point;
2. Nonstop or skip-stop; and
3. Competitive.

These mileage bases have been computed either on the basis of "actual" course-flown or airport-to-airport great circle.

Prior to 1943, the variable base rates were almost uniformly used among the domestic air carriers. Construction of air fares upon this basis means that the rate per mile used in many city pairs, served by the same air carrier, differs from the base rate in use generally on its system. Such a base rate gave the tariffs a decided lack of uniformity, and obscured the air carrier's respective overall fare policy. This fact was cited in the Board's 1943, show-cause order.

During the period prior to 1943, little attention was paid to actual costs in the construction of air fares. The air carriers set fares which they thought would attract business, and go as far as possible to cover costs; i.e., the value-of-service basis. Since commercial revenues at that time did not come any where close to covering costs, the Federal government tacitly approved the prevailing levels as fair and reasonable, by providing a subsidy in the mail payments to make-up the difference between cost and commercial revenues. Some of the more important influences which caused the air carriers to use a variable rate base, may be summarized as:

1. The desire to build-up traffic over weak routes by expanding the markets through the medium of lower prices;
2. Competition from other air carriers or surface carriers, especially over short-haul segments; and
3. Conversely, where competition did not exist, a higher base rate per mile could be charged than was applied to the balance of the air carrier's system.

Thus, initially, air passenger fares were constructed upon a variable or *indefinite passenger-mile basis.*

The outbreak of World War II changed the situation dramatically. Much of the equipment on-hand DC–3s, and on-order, DC4s, had to necessarily be transferred to the military establishment. At the same time, the demand for commercial air transportation multiplied enormously. Because one of the inherent economic characteristics of air carriers is their high leverage, the resulting extremely high utilization of available capacity produced an almost immediate positive effect upon the industry's net earnings, causing the Board to become seriously concerned for the first time with the possibility of excessive air carrier profits. Aggravating the situation was the fact that the air carriers and necessarily removed all of the pre-war discounts on July 1, 1942. As early as March, 1942, Chairman Pouge is reported to have said that the Board might have to examine air carrier fares in the not too distant future.[6]

Initially, the Board attempted to control the rising profits by reducing the mail payments through a series of cases that finally placed the mail rates upon a weight-mileage basis.[7] At the same time the Board made several informal suggestions to the air carriers throughout 1942 that commercial air rates and fares should be decreased. Finally, on February 27, 1943, noting the very high air carrier profits of 1941 and 1942, the Board ordered 11 of the 16 domestic trunklines to show cause why air passenger fares should not be reduced ten percent (10%) and in the same order instituted an investigation into all air carrier rates and fares.[8]

Footnotes at end of article.

The Board based its order on the fact that the reported net earnings of the eleven air carriers during the five months ended November 30, 1942, had been 'excessive'.

Although some air carriers subsequently reduced various fares, there was no blanket reduction of fares such as evisioned by the Board in its show-cause order. The reductions which were put into effect were for the most part compromises which the individual air carriers worked out and which the Board accepted.[9] The major compromise was to iron out some of the disparities in the existing air fares through the adoption by five air carriers of a system-wide *uniform base rate* which did much to bring about greater uniformity in the tariff structure.

The adoption of a base rate to be applied by the air carriers to all city pairs, regardless of their distance apart, was a natural outgrowth of the use by railroads of this type of base rate, especially since the airlines were in competition primarily with the railroads.[10]

This, therefore, was the first step toward a more rational fare structure replacing what had heretofore been largely a jumble of *ad hoc* prices, having only a casual, if any, relation to mileage, costs, or other factors than historical change or surface fares. Henceforth, air passenger fares were to be primarily constructed upon a *uniform flat passenger-mileage basis.*

With the filing of these tariffs, further investigations were dropped,[11] but not without the dissent of Member Harllee Branch. Branch argued that passenger fares were so intertwined with the mail rates, which at that time still included a subsidy element, that the general investigation should be continued to establish standard procedures for handling both questions.[12]

Thus, the original impetus behind the Board's showcause order, 'excessive' net earnings, was fulfilled (in part) by a change in the fare structure, rather than a reduction in the fare level. Simultaneously, the Board backed away from its first real encounter with the possibility of fully examining air rates, fares and charges.

Again, almost two years later, having seen air carrier profits mount steadily through the war years of 1943 and 1944, the Board adopted investigatory orders[13] on December 22, 1944, requiring the four largest domestic trunk-lines to show cause why their mail rate should not be reduced from 60 cents per ton-mile to 32 cents per ton-mile. Rates to be charged shippers for express and air freight were also to be investigated.[14]

Following a series of informal negotiations between the air carriers and the Board, one of the major trunklines proposed a compromise; to reduce both mail rates and air passenger fares to a common level; i.e., a *semi-cost-of-service basis.* The larger air carriers genuinely felt that a reduction in air passenger fares was necessary in order for them to be able to develop the mass air transportation market they envisioned in the immediate post-war period. On the other hand, the smaller air carriers objected vigorously to the proposed reductions. These air carriers felt that it was a serious mistake at that particular point in time to reduce air passenger fares, because they anticipated a drop in the demand for their services. Nevertheless, the larger air carriers prevailed, and between January 25, and May 1, 1945, there was a general reduction in the level of fares, and a partial restoration of some of the pre-war discounts. The Board accepted this compromise, and therefore less than eight months after the adoption of the initial show-cause orders, it issued (on August 7, 1945) revised show-cause orders to the Big Four trunklines increasing the proposed new mail rate from 32 cents a ton-mile to the agreed 45 cents a ton-mile.[15] The August 1945 show-cause orders differed from those issued in December 1944, in that no mention was made of an investigation into the rates to be charged shippers for express and air freight.[16] On August 20, 1945, the air carriers made a second blanket reduction in the general level of air passenger fares within one year.[17] It is interesting to note that while the Board did not mention the level of air passenger fares in either the December 1944 or the August 1945 show-cause orders, it was during this eight month period that domestic trunklines themselves reduced passenger rates drastically, and went from primarily a value-of-service basis to generally a cost-of-service concept. The resulting level of air passenger fares was the lowest ever attained in the United States.[18]

The significance of the Board action and the carrier counter-action should be clearly understood. As an answer to a threatened Board reduction of mail rates, the carriers agreed to some reduction in those rates, *but the carriers themselves suggested reducing passenger rates.* For the second time, then, the Board agreed to a compromise solution drastically affecting passenger fares, without the Board insisting on the development of a factual record in public hearing upon which to base a far-reaching decision. The upshot of this failure or refusal of the Board to perform its duty under the Act in promoting reasonable charges for airline passenger service was a fare level in 1946 and early 1947 which the carriers have pointed to consistently since then as the primary cause of the airline depression of 1947 and 1948.[19]

Another important change made by the Board in 1945, was the computation of the fare-making mileage. The Board changed from a 'course-flown' basis, to an 'airport-to-airport great circle' mileage basis. On the basis of this conversion, the yield per passenger-mile tended to be slightly increased, since the airport-to-airport mileage was no more than, and usually lower than, the course-flown mileage.[20] When the air fares are constructed upon a mileage basis, the fare-making mileage is the other element in the formula that determines the air fare between two points. The fare-making *route* is the path over which a particular fare is constructed. Unlike railroad and highway mileage, there is a wide flexibility in the mileage which an air carrier can select. The majority of air fares have been constructed by using the airport-to-airport mileage, by way of all the intermediate points designated upon the air carrier's certificate; provided that there are no competitive or other factors to be taken into consideration.[21] On other occasions the use of nonstop, or skip-stop, mileage is found desirable. In such cases, the route by way of the intermediate points is either so substantially greater than the linear (or nonstop) mileage that the fare should be computed by skipping some or all of the intermediate stops, or certain intermediate points were added to the air carrier's certificate after the air fare structure had already been established.[22] A third classification of mileage, competitive mileage, comes into being when there are two or more routings available between the same two points operated by different air carriers. In these situations, the mileage of the shortest route certificated is usually the one that determines the air fare to be charged by the competing air carriers. This action is similar to the so-called short-line mileage principle of the railroads.[23]

The air carriers went into the immediate post-war period with optimism and enthusiasm. Initially the traffic carried by the Big Four air carriers continued to increase after that of the other air carriers started a downward trend in the latter part of 1946, as they had correctly forecasted. However, during the winter of 1946–47, it became apparent that the pre-war seasonal characteristic of air carrier traffic once again confronted all the air carriers. Further, it was now clearly apparent that the sharp upward projection of passenger business, forecast by the larger air carriers, would not be realized in the immediate future.[24] Adding to these difficulties were a series of ghastly accidents. Certain of these accidents eventually forced some of the major air carriers to voluntarily ground and modify entire fleets of new aircraft types. As a result, total revenues failed to respond to the low rates introduced by the air carriers in 1945. These facts, coupled with the sharp increase in the general price level then being experienced, induced the air carriers to (1) seek higher air passenger fares, and (2) inundate the Board with pleas for higher mail rates. Since the rising mail subsidy payments were bringing the Board under heavy political pressure, the Board was not only sympathetic with the air carriers' petitions for air passenger fare increases, but even took an active part in soliciting cooperation among the air carriers in agreeing on what changes should be made. The outcome was three, quick, successive, ten percent (10%), across-the-board increases in April and December 1947, and September 1948. The last increase followed a conference called by the Board of August 19, 1948, to be attended by the Board, its staff, and the heads of the trunkline air carriers, "for the purpose of discussing various problems relative to passenger fares and airline costs."[25] While these air passenger fare cases established no general standards for the handling of rate decisions, nor a precise rate-of-return criterion,[26] the Board did enunciate, on April 21, 1948, certain basic rate-making principles in the *Air Freight Rate Investigation,* which it subsequently applied to air passenger fare cases. The Board set forth its rate-making principles under the section titled "Relation of Rates to Costs" as follows:

Importance of costs to sound rate-making policy:— It is a commonly accepted principle in all transportation rate making, and a requirement to insure the continued existence of any transportation service, that the rate levels have a reasonable relationship to attainable cost levels.

We are of the opinion that economic considerations do not demand that at all times the rate for any class of traffic or type of service must cover the fully allocated cost of carrying that traffic or providing that service rather that *rates must at all times be reasonably related to costs.* The test of reasonableness must include recognition of variations in the ability of traffic to carry a full share of costs at different stages in the development of that traffic, the effect of low rates in generating new traffic, and the resultant effect of increased volume of reductions in unit costs.

But belief in the justifiableness of promotional rates does not lead to endorsement of rates which are uneconomical in character and depart from all regard to cost. Promotional rates, to be sound, must be fixed not only with due regard to the traffic they are expected to generate, but with sufficient regard for attainable costs to assure that the rates will not have to be raised when the expected volume is realized.

While the portion of present full cost which a reasonable rate may cover can properly vary with the stage of development of the service and be adjusted to promote a sound economic growth of such service, this sound economic growth will not be promoted unless such rates are at all times reasonable related to an expected future level of costs at a fuller stage of development. Any different rate pattern would be disruptive to the industry and commerce, produce wide variations in traffic volume and thus hamper the orderly development of the industry. Moreover, uneconomically low rates place undue burdens upon other types of traffic without any promise of compensating benefits in the form of sustained unit-cost reductions and ultimate profitable operation as increased volume develops.[27]

The gist of this 1948 opinion was that in the future the Board's primary test of "just and reasonableness" for air rates, fares, and charges, would be "that rates must at all times be reasonably related to costs;" i.e., *the*

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cost test. Nevertheless, it appears that the air passenger fare cases during this period were actually decided with very little knowledge of the relation of revenues to costs, or the probable effect of such increases on either the movement of traffic or the need of the air carriers for revenue.[28]

The impact of the third ten percent increase in the level of air passenger fares was off-set somewhat by changes made in the fare structure and the institution of various 'promotional' tariffs. First, at the insistence of American Airlines the surcharge on the DC–6 and Constellation aircraft was removed. Domestic air fares on these two aircraft types had historically been established on a value-of-service basis. Consequently, the removal of the surcharge meant in effect that the domestic air fares for these two aircraft would henceforth be fixed on a cost-of-service basis, and there would be no increase in the air fares applicable to these two aircraft.[29] Since these two equipment types were at that time primarily assigned to the long-haul routes, this action practically eliminated the ten percent increase as far as long-haul traffic was concerned. As a result, almost the entire burden of the third ten percent increase was thrown upon the short-haul market.

Second, over the open and active objection of some major air carriers, the Board permitted the air carriers, without elaborate consideration, to reinstitute the five percent (5%) discount on round-trip tickets. This discount had been abandoned at the start of World War II. Following this, the Board next proceeded to overrule its own staff, on three separate occasions, within one year.

1. It allowed the air carriers to initiate the family-fare plan; i.e., discounts for wives and children.

2. It permitted Western Airlines' "no-meal" tariff to go into effect without a hearing; this tariff provided a five percent (5%) reduction in air passenger fares as compensation for providing no-meal service.

3. The Board approved Capital Airlines' proposal to inaugurate the first domestic air coach service between New York-Pittsburgh-Chicago, on November 4, 1948.

The importance of the Board's regulating activities, in regard to air passenger fares during this period, however, should not be overemphasized.

Rather than being the primary moving force in either the 10% fare increase or the introduction of various types of promotional tariffs, the Board served simply as a review and catalytic agent. For the carriers themselves were the ones who took the principal initiative in the fare field.[30]

A substantial recovery developed in 1949 and 1950. Volume reached an all-time peak during the 12 months ended June, 1950. The outbreak of the Korean hostilities in June 1950 resulted in sudden sharp upsurge in all classes of traffic. Consequently, the calendar year 1950 proved to be one of the best years in the history of the domestic air transportation industry from the standpoint of traffic growth, as well as reported earnings.

Introduction of air coach service.—The air carriers' and Board's approach to the introduction of air coach service during this period provides an excellent example of how their policies have tended, historically, to vacillate with the industry's economic conditions. When Capital initially filed its night-air coach tariff, the Board still had the third ten percent increase under consideration. Consequently, the Board was entirely preoccupied with the raising of the air carriers' overall net revenues. Nevertheless, contrary to its staff's opinion, the tariff was approved. The new service proved to be an immediate success. The Board's immediate concern, therefore, as they saw it, became the diversion of first-class traffic to coach; the coach passenger producing a lower yield per mile per passenger. Anticipating the expiration of many coach tariffs on September 30, 1949, the Board sought to clarify its position regarding air coach service and issued an important policy statement on Septmber 7, 1949.[31] This statement defined coach-type fares as typically being at a level of four cents (4¢) per mile or about two-thirds of the prevailing regular fares.

Since the Board felt that the night-air coach services amounted to really implicit price cutting, and it wanted to raise the air carriers' revenues and profits, the Board continued to resist the expansion of air coach service throughout 1950. When the air coach tariffs came up again for renewal in the fall of that year, the Board and its staff were still concerned that such service would adversely affect the profits of the air carriers. Therefore, the Board renewed the tariffs upon the condition precedent that the air carriers raise the level of the coach fares from 4 to 4.5 cents per mile.

As noted, the Korean War caused another quick shift in the industry's financial position, by again dramatically increasing the percentage utilization of the available capacity provided. The growing prosperity of the air carriers, plus the growing pressure on the part of the noncertificated air carriers for certification, began to bring about a change in the Board's policy from one of attempting to conserve the revenue and net profits, to one of development of the air coach service. The first positive indication of this change was the approval of a daylight DC–6 aircraft, air coach service, between New York and Miami, in July 1951. Then on December 6, 1951, the Board issued another coach policy statement, which read in part:

It is the Board's considered opinion that coach operations to date have conclusively demonstrated their economic soundness and that the certificated domestic carriers should promptly and substantially expand their coach services using aircraft with high passenger-carrying capacity (high-density coach.).[32]

The Board also indicated its belief that high-density coach operations could be just as profitable as the first-class services. The statement further suggested the air carriers offer "off-peak" coach services, as an alternative to high-density seating, with air fares no higher than four cents (4¢) per mile. On February 27, 1952, the Board confirmed its policy by summarily suspending the tariffs of certain air carriers for failing to comply with its suggestions.[33]

Thus, in a little more than four years, the Board had completely reversed itself—from almost total apprehension of low coach services, to forced expansion of such services. To a certain extent, the air carriers had changed their position, too. Of course, it should also be noted that during this same period, the air carriers' over-all financial condition, and net earnings position, had also completely changed—from a net deficit to a net profit. *Introduction of a 'taper' into the fare structures*—In terms of operating profits, 1951 proved to be an unusually favorable year for the air carriers. The financial results of the fourth quarter of 1951, and the first quarter of 1952, however, were disappointing. The air carriers, consequently, began to feel that a combination of factors posed a threat to their profit margins; i.e., stabilized traffic demand, rising capacity due to new equipment, and rising costs. Some upward revision in air passenger fare appeared necessary to the carriers. A number favored another across-the-board increase. However, even though the air passenger fare structure still had never been fully investigated, it was a generally accepted proposition that the air carriers were making money on their long-haul services, and failing to meet expenses on the short-haul routes.[34]

To rectify this situation, the domestic trunklines filed tariff revisions in March 1952, proposing to increase each one way domestic passenger ticket by one dollar ($1.00), and to eliminate the five percent (5%) discount for round trips. The Board permitted the $1 increase, which represented a kind of terminal service charge, to go into effect by a not too certain three-to-two vote.

Member Joseph P. Adams concurring and dissenting said:

"I concur in the action of the majority suspending the carriers' tariffs which would eliminate round trip discounts and instituting an investigation of the overall fare level."[35]

* * * * *

". . . there *is* no relationship (and there should not be) between prices paid by air passenger, on the one hand, and prices paid by other consumers for such items as food, clothing, railroad transportation, etc. No carrier has seen fit to include in his presentation an explanation of why an air passenger *should* pay more in 1950 or 1951 for an airline seat than he did in 1940 or 1941. No such presentation was attempted, of course, since *the cost to the airlines of providing the passenger with that seat was actually less in 1950 or 1951* than it was ten years before.[36]

* * * * *

The Board's staff, against this factual background, has recommended that the Board suspend and investigate both the one dollar fare increase and the proposal to eliminate round trip discounts. The staff has clearly and forcefully demonstrated to this Board that the actual correlation which the airlines have sought to establish between rising costs in recent months and lower earnings has not been proved. It has shown that in recent months, the lower total earnings figures have been almost entirely accounted for by increases in total capacity operated and other factors, rather than increases in unit cost of material, labor, etc.[37]

* * * * *

A legitimate inquiry is, of course, what useful purpose could be served by conducting such an investigation? To that query, I would suggest several answers. Overall, a factual basis for a very important decision. As already indicated, the Board has now no such basis for its decision here.[38]

* * * * *

Furthermore, from such an investigation, the Board would be in a better position than it can possibly be now to know specifically how the one dollar fare will be shared by the carriers; whether it will be charged and collected by the originating carrier, whether it should be charged the passenger each time he changes airlines, whether it should be prorated, etc. To the best of my knowledge, even the carriers themselves are in no respect uniform on these very practical matters and until at least the carriers are, the Board should not decide the question. *By doing so, despite its lack of knowledge, the Board cannot possibly know whether in fact the one dollar fare increase will necessarily help to solve the short-haul carrier problem which, I take it, is one of the most reasonable arguments justifying the one dollar increase.*[39]

* * * * *

This particular fare increase was unique in that it caused the rate of the increase per mile to decrease as the length of the trip increased. More important, this increase *permanently* changed the United States domestic fare structure to a tapered fare structure.

A tapered fare structure is one wherein there is a regular gradual diminution in the rate per mile as the length of the haul increases. Hence, from 1952 to 1969 air passenger fares in the U.S. were constructed upon a *uniform tapered passenger-mileage basis.*

The first general passenger-fare investigation.—When the Board approved the $1 increase on April 9, 1952, it simultaneously instituted an investigation of these changes

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and of the general level and structure of fares, and suspended the changes which proposed to eliminate the round-trip discount.[40] Thereafter, the carriers canceled the portion of the proposal that would have eliminated the round-trip discount. As a result of several prehearing conferences, the issues of the investigations were considerably limited so that many of the issues dealing with the fare structure and the relation of fares were eliminated, leaving as the principal issue the general level of trunkline passenger fares.[41]

The air carriers' 1952 annual earnings were better than had been anticipated, which proved to be embarrassing to some of the air carriers in their handling of the investigation. It appeared that the conclusion of the investigation not only would rescind the dollar-per-ticket increase, but might also occasion further reductions. Consequently, in March and April of 1953, all of the air carriers that were party to the proceeding filed petitions requesting dismissal.

The pleas of the air carriers to dismiss the investigation fell on relatively indifferent ears so far as the Board's staff was concerned. The Board itself, however, was a different matter, and as a result, by a crucial 3 to 2 vote, the proceeding was dismissed.[42]

In dismissing the first *General Passenger-Fare Investigation*, the majority instructed the C.A.B.'s staff to conduct and prepare an informal study of the air passenger fare structure and fare level. At the same time the majority held that the reasonableness of fares depends upon the long-term economic need of the air carriers, stating their belief . . . that it is neither possible nor desirable to regulate this industry by attempting to relate fares to returns in the short run. To do so would require lowering fares in times of prosperity and raising them when traffic conditions were poor. This would not make business sense and it is, therefore, our belief that both the industry and the public will be better served by a level of fares which reflects the cyclical needs rather than the needs of any particular year.

With this philosophy in mind, it is our intent to examine any future fare or mail-rate proposals, not only in the light of conditions prevailing at the time they are advanced but with full consideration of abnormal earnings of prior years and the excess earnings which may be expected in the future, as indicated by such experience. In short, should earnings fall markedly in the future the carriers will be expected to absorb such losses without resort to fare or mail-rate adjustments unless it can be demonstrated that such earnings are below the level necessary to provide a fair return over a reasonably extended period which includes the good years as well as the bad.[43]

In defense of its position in dismissing the investigation, the Board's majority stated:

We attach no special significance to the fact that in the 14 years of the Board's existence there has been no general fare investigation. Any inference that the Board is therefore uninformed with respect to the relationship of fares and other significant economic aspects of the industry is a gross *non sequitur*.

The Board is constantly faced with day-to-day decisions upon requested fare changes, and has considered hundreds of such proposals during its history. In passing upon them it must of necessity have in mind the overall aspects of airline economics, proper tariff principles, and the relationship of fares to other operating factors in the industry. The numerous mail-rate cases which have been processed have required detailed determinations of reasonable costs, efficiency, and proper rates of return for individual carriers and groups of carriers.[44]

Members Lee and Adams filed vigorous dissents to the dismissal order. Member Josh Lee was very careful to point out that he favored continuation of the investigation, not because he felt that rates and fares were necessarily too high, but rather, since the Board had never conducted an investigation into air passenger fares, he believed that it was time that it do so.[45]

Member Joseph P. Adams was scathing in his dissent. He objected particularly to an approach to the problem by staff studies. He felt that any facts developed by such studies would have to be tested in a formal hearing. He stressed particularly the shirking of the Board's statutory obligation to develop a sound rate air passenger fare policy. As already noted, he was critical of the 1948 fare conference called by the Board, and what he described as the confused state of the air carrier fares following that conference.[46]

The investigation was meant to adduce facts, upon which the Board would evolve a sound, well reasoned, passenger-fare policy; such a policy as this Board has never had, and won't have until a true investigation has been held. . . .

* * * * *

Only through an investigation of the kind which this Board unanimously ordered just a year ago into the airline-fare structure can the Civil Aeronautics Board properly develop and regulate airline industry prices in the public interest. *During the entire period since its creation by the Civil Aeronautics Act of 1938 this Board has never yet carried through an investigation of the prices charged the traveling public of this country by the airlines.*

* * * * *

In other words, for 14 years, although many thousands of individual fare changes have been filed by our air carriers, and although at various times basic methods of constructing air fares by them have been drastically altered, this Board has never investigated the overall fare structure of the air transportation industry to determine whether the charges made for passenger services by the air carriers are in fact reasonable. The effect of the majority decision here is to perpetuate this obvious vacuum in the work of the Civil Aeronautics Board and I refuse to be a party to such continued neglect of our statutory duty.

Twice before, in 1943, and again in early 1945, the Board attempted an investigation into the rate structure of the domestic airline industry. Each time the Board's efforts were successfully thwarted. There was no investigation, no hearing, or other orderly method evolved for the development of a factual basis upon which to predicate sound principles and policy relative to our passenger fare-structure.[47]

The second general passenger-fare investigation.—With the new 'taper' firmly established in the fare structure, the Board issued its fourth 'Coach Policy Statement' on October 5, 1953, announcing that the Board had indefinitely extended the existing coach services.[48] At the same time, the Board eliminated the previous fixed cents per mile limit, which it had been using to evaluate the reasonableness of air coach fares. In its place, the Board substituted a policy that such fare should not exceed seventy-five percent (75%) of the corresponding first-class fare. The Board indicated that it believed the twenty-five percent differential would (1) adequately reflect the differences in costs, (2) maintain the distinction between the fares, and (3) still provide an incentive to generate additional traffic.

A situation, similar to that which had led up to the first General Passenger-Fare Investigation in 1952, occurred again in early 1954. A minor general economic recession diminished the air carriers earnings. This time, however, the Board indicated it would not be stampeded into action, as it had been in 1952. On May 18, 1954, Mr. Earl Johnson, the newly elected president of the Air Transport Association of America (A.T.A.), appeared before the Board and made an informal presentation of the problems confronting the industry.[49] The gist of the presentation was that due to the reduction in load factors following the cessation of the Korean War and a gradual increase in costs, airline earnings had deteriorated, and were going to deteriorate further unless fares were increased.

However, in contrast to having the sharply deteriorated earnings forecast, the airlines began in the latter part of 1954 to demonstrate a great deal of strength in terms of revenue and traffic growth. This increasing demand continued until well into 1956 causing the Board and its staff to again become concerned that the airlines were beginning to enjoy excessive earnings. For this or other reasons, the Board decided to institute a new inquiry into the general level of fares so it would be in a legal position to make an overall "across-the-board" percentage adjustment if the level of earnings continued to grow.[50]

The initial order, however, revealed a wide difference of opinion between the carriers as to the proper scope of the proceedings. Some felt the general level approach or some modification thereof was sound. Others contended that only a full-scale investigation into all aspects of carrier earnings, as well as the fare structure, would do justice to the industry in the present circumstances.

At the oral argument, the basic question raised was whether an overall percentage adjustment in the level of fares would be economically feasible. Certain air carriers argued that the economics of the industry would preclude any such general remedy, because the percentage changes that might be sound for one carrier would induce (by way of competition) changes in the fares of the other air carriers, which might leave one of the latter with an unreasonably low general fare level. The smaller air carriers, with relatively short average traffic hauls, maintained that if any substantial percentage adjustment was made in the fares of the long-haul air carriers, they would be forced to meet such reductions regardless of the costs. The short-haul air carriers suggested that air passenger fares were not related to costs, one of the ratemaking principles enunciated by the Board in the *Air Freight Rate Investigation*,[51] and that any over-all percentage reduction would result in an even greater discrepancy than already existed between air fares and costs. The remedy these carriers suggested, in the event that an overall reduction in air fares should be found necessary, was the creation of a fare structure which properly reflected the difference in unit costs of short-haul operations, as opposed to long-haul trips. Conceivably, this might have resulted in some increases in short-haul fares, while the general level of fares was being reduced.

As real as the problems of fare structure are, and as material as the concern is that we conceivably might not be able to employ the general remedy our initiating order contemplates, we are not persuaded on the basis of information presently available that we must sacrifice the course of action originally contemplated to permit the time-consuming study of fare structure that has been suggested. In view of the fact that the basic structure of airline fares has long prevailed in spite of percentage changes, upward and downward, in the general fare level, it would not seem that such a change now would necessarily be economically unfeasible. Also, despite the undeniable differential in unit costs between long-haul and short-haul services, the simple fact is that airline fares are not, and have not been directly responsive to costs. It is entirely possible that "value of service" considerations would preclude the kind of "cost" fare structure that would protect the short-haul carriers in the way they have suggested. At any rate we are not prepared, at this juncture, to abandon the overall percentage remedy on the basis of the conjecture about this remedy when the

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suggested alternative is no less speculative and is certainly more complex.

As we view the case, moreover, the question is not *whether* we shall explore the structural problems raised, but *when*. Our present view is that we will first examine the general revenue situation, order appropriate percentage adjustments in fares, if necessary, and then turn to the structural problems that may remain. In limiting the scope of the proceedings at the outset, we do not surrender our discretion to investigate fare structures. If at the conclusion of the general revenue phase of the investigation, or even earlier, we should decide that further investigation is necessary, we can reopen the record to take necessary evidence.[52]

After 'extensive' consideration of the problems and information brought to the Board's attention, the Board concluded that it must reject the proposals for expanding the scope of the proceeding to embrace a study of all conceivable aspects of the fare situation. There was no dissent. Owing to various procedural delays, the second General Passenger-Fare Investigation was not set for hearings until May, 1957.

Before these hearings could get underway, the Board halted the proceedings temporarily, in order to hear the pleas of seven domestic trunkline air carriers seeking an 'emergency' increase of approximately six percent (6%) in air passenger fares, to be effective April 1, 1957.[53] At the time the nation was beginning to experience an economic recession. The reported earnings of a number of air carriers had turned markedly downward, and were considerably below the level of earnings then considered necessary; i.e., eight percent (8%) on investment. In other words, on a short-term basis, it was clear that the air carriers were suffering from depressed earnings. Further, if such earnings would be expected to continue for an extended period of time, the air carriers would have a proper predicate, based upon the rule set-forth in the original *General Passenger-Fare Investigation,* for an adjustment in air passenger fares.

In the Suspended *Passenger-Fare Investigation,* the air carriers conceded that in the past higher costs had been off-set by greater traffic volume, technological improvements, increased productivity and operating economies. However, the air carriers claimed that they had reached the stage in their development where further technological improvements and operating efficiencies could no longer be expected to absorb rising costs, and, therefore, the depressed earning would become worse because the factors causing them were permanent.

The argument that costs are rising faster than revenues and cannot be absorbed by new efficiencies is not novel. It was advanced before us in 1952 when the carriers were advocating elimination of discounts on round-trip tickets. In spite of the carriers' fears, however, 1952 and the succeeding years were highly profitable. This argument was again advanced in 1954 when the Air Transport Association made an informal presentation to the Board forecasting sharply deteriorated 1954 operating results for the domestic trunkline industry, but the lowest level of earnings for any of the carriers party to this proceeding turned out to be the 8.88-percent return on investment reported by United in that year, with the 12 domestic trunkline carriers reporting an average return of 11.01-percent for the year.[54]

The main argument advanced by the air carriers in support of their position that cost increases could no longer be absorbed was that the new turbo-compound aircraft, DC–7 and advanced Constellations, instead of being more economical, were actually more costly than their predecessors. But, in spite of such contentions, no air carrier, other than United Air Lines, offered underlying evidence to support this proposition.[55] As a result, the Board found the air carriers' evidence in support of an emergency fare increase both sparce and vague.[56]

To the extent that the record shows rising cost of any kind, it also shows that the traditional factors that have enabled the industry to absorb higher costs are still operative and are likely to offset recent cost increases. The principal factors in this evaluation are volume and density of traffic and lengths of passenger haul and aircraft hop.[57]

The Board considered these four factors highly significant because they measured the relative cost of the product which the air carriers offer for sale, and reflected a substantial period of operating history and the experience gained therefrom. Consequently, on the basis of the record before it, the Board concluded, 4 to 1,[58] that the decline in earnings was properly attributable to unit cost increases stemming in large part from factors of a nonrecurring nature, and that the traditional factors which had enabled the industry to absorb rising costs in the past should continue to be operative in restoring earnings to a more favorable level.

Inherent in this analysis of the situation was the anticipation that volume of air traffic *would continue* to grow *as it had in the past,* and permit the economies necessary to offset cost increases. (Emphasis added) [59]

In denying the proposed six percent increase, the Board took cognizance of the depressed earnings of the air carriers, and announced its intention to maintain a continued surveillance of the fare situation. As part of this program, the Board took steps to 'expedite' further proceedings in the second General Passenger-Fare Investigation, with particular emphasis on the rate-of-return issue. The Board again directed that trial of this issue be given first priority in the hearings. The importance of the rate-of-return issue had been highlighted, in the Board's opinion, by the fact that all of the air carriers had urged in the *Suspended Passenger Fare Investigation* that a higher level of earnings was required for the continued development of the industry. However, the air carriers had produced no evidence whatsoever to show that the then customary eight percent (8%) rate of return on investment would be inadequate. On the other hand, if the air carriers were entitled to a rate-of-return greater than 8%, this fact would accentuate the disparity between the earnings they were actually realizing, and the earnings they might be entitled to. The rate-of-return, and not the fare structure, therefore, continued to be the Board's main concern.

On January 15, 1958, Continental Air Lines filed a tariff change reflecting a fifteen percent (15%) increase in air passenger fares, to be effective February 15. Trans-World Airlines then filed a new tariff, to be effective March 15, directed primarily at modifying the existing fare structure but which also provided for an increase in the average fare level. The Board suspended the tariffs because, in addition to depressed traffic conditions, the Board also had new information available on the 'appropriate' rate-of-return for air carriers.[60]

Using the new rates-of-return as a yardstick in measuring the reasonableness of the air carriers reported earnings, and taking into account the recent adverse traffic developments and general business outlook at the time, a bare majority of the Board concluded that an interim fare increase of four percent (4%) plus one-dollar per ticket ($1) was warranted. The majority's determination that part of the increase should be implemented through a flat increase in price per ticket was made to give recognition "to the minimum cost inherent in providing each passenger transportation regardless of distance he will travel." [61] It was designed to assist the smaller, short-haul air carrier, who were considered to be at a disadvantage in this area as compared to the long-haul air carriers. This increase, of course, further strengthened the change in the United States fare structure; a change which still had not been fully examined by the Board.

The two dissenting members were Members Guerney and Minetti. Vice Chairman Chan Gurney wanted the Board to approve an increase of ten percent plus one dollar per one-way ticket (10% plus $1). Member G. Joseph Minetti, however, found no change in traffic and cost conditions of sufficient import to have been presented. In defense of his position, Member Minetti pointed out that rates must be related to costs.[62]

The air carriers promptly accepted the Board's offer by filing the appropriate air tariffs. In the latter part of the year, the air carriers were permitted further increases in their air passenger fares through the expedient process of removing certain discounts and promotional features. Both the round trip-discount and the free stopover and related privileges were eliminated.[63] The family-plan discount was reduced from one-half (50%) to one-third (33.3%).[64] In addition, a surcharge was imposed upon new jet services. This surcharge was apparently based upon the value-of-service concept, as opposed to costs, since it was primarily designed to make air travel on the slower propeller aircraft more financially attractive.[65]

Four years after it had instituted the second *General Passenger-Fare Investigation,* the Board arrived at its conclusions.[66] As noted previously, the original objective of the proceeding was "(1) to develop appropriate and well-defined standards as to the earnings which are required by the 12 domestic trunkline carriers for the proper development consistent with public interest; and (2) based on such standards to require or permit such overall decreases or increases in domestic fares as circumstances may warrant." [67]

While the Board found the record was inadequate to permit the fixing of the fare levels, it nevertheless concluded the same record was adequate enough to formulate standards for the regulation of air passenger fares in four basic areas. These standards are to be used (1) for assessing future rate proposals of the air carriers, and (2) to assist the Board in evaluating the reported results of the air carriers, so that the Board might determine when it should take action on its own initiative.[68]

Each of the four standards is meticulously detailed. The four areas involved (1) profit element, (2) rate base, (3) depreciation, and (4) taxes. With regard to the *profit element,* the Board decided the industry's profit element should be regulated by the conventional test of rate-of-return on investment; as opposed to the air carriers' proposed operating-ratio, or its complement, the return margin.[69] The fair and reasonable cost-of-capital, or rate-of-return, was found to be 10.25 percent for the Big Four air carriers (based on a cost of 4.5% for debt, 16% for equity, and a 50:50 debt: equity ratio), and 11.125 percent for the intermediate eight air carriers (5.5% cost for debt, 18% for equity, with a 55:45 debt:equity ratio.) [70] The *rate-base* recognized for air passenger fare regulation consists of (1) net working capital; (2) net operating property and equipment, after deductions for depreciation and overhead reserves; and (3) other used and useful assets, including equipment purchase deposits. Rules for *depreciation* charges are just as precise. Equipment life is specified as 10 years for jet and jet-prop aircraft airframes; 7 years for piston-powered aircraft airframes and engines; and 5 years for jet and jet-prop aircraft engines. In all cases, the residual value is 15 percent, subject to 5 percent of the airframes cost being included as a built-in overhaul allowance. Finally, the recognized income *tax* expense is to be based upon straight-line depreciation, rather than actual payments. The standards, therefore, are not only elaborate and particular, but very explicit; i.e., mathematically, the profit element

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is calculated down to one-hundred-thousands of one.

Considering the method of employing these standards, the Board found that major problems fell into two categories: (1) the degree or extent to which the air passenger fare level should be based upon the return to be anticipated over an extended period of time; and (2) the degree to which air passenger fares should be regulated on an industry-wide basis as opposed to the need of 'each' air carrier.

With regard to the length of the period to be taken into account in determining the reasonableness of fares, the Board reaffirmed its decision in the dismissal order of the original *General Passenger-Fare Investigation* that the reasonableness of the air passenger fare level depends upon the long-term economic needs of the air carrier.[71] That is, the level of fares should reflect the cyclical need rather than the needs of a particular year. The degree by which short-term factors would be influential in affecting the extended-period fare level was found to be dependent upon (a) the length of time such factors are expected to remain operative, and (b) the magnitude of such short-term factors impact upon the bulk of the industry's operating results.[72]

With regard to the 'need' of each air carrier, the Board found, all other things being equal, that air passenger fare adjustments should normally be predicated upon the return for the industry as a whole. That is, in determining air passenger fare adjustments, the Board decided that consideration would be given to the degree by which the fare level meets costs, by classes of carriers; i.e., the weighted average of the relationship of yield per passenger-mile to cost per passenger-mile (including the cost of capital, or rate of return on investment).[73] The Board felt that the industry average, although not controlling, is entitled to great weight because it should indicate the extent of any general fare adjustment needed to produce a reasonable return for the industry as a whole. The Board acknowledged that under such a system of industry-wide regulation some air carriers might fail to attain the standard rate-of-return, or cost-of-capital. However, the Board felt that as far as the problem of accommodating the requirements of the weak and strong air carriers was concerned, there were other more appropriate tools available to resolve these problems than adjustments in the general level of fares.

Clearly, general fare increases cannot be regarded as the panacea capable of solving the problem. There are other tools which are more appropriate for use in dealing with the less profitable carriers. First, *an over-all examination of the general passenger fare structure, an issue excluded from this proceeding, might well result in bringing the costs and revenues of individual carriers into closer alignment.* Second, as the Examiner pointed out, carriers whose needs are not met by general fare level adjustments can seek higher fares, although competitive aspects would preclude them from charging such fares except on some few noncompetitive segments (assuming, of course, that such fares are otherwise lawful). *A third tool is that of route realignments* designed to produce a more balanced competitive structure. Finally, we are authorized by Section 406 of the Act to grant subsidy payments where we find that such compensation is required in the interests of commerce, the Postal service, and national defense.[74]

With regard to the other half of the fare level formula, costs and traffic, the Board found that in the absence of reliable forecasts of future operating expenses and revenues, it was impossible for the Board to determine the proper fare level.[75] However, the Board went on to state that:

If fair standards could be ascertained for representative periods which can be reasonably defined, it is clear that the Board would be able to deal with the problems of determining appropriate fare levels much more effectively. But it appears that development of such standards must await a time when the industry has reached a more stable period. Then, more work in this area by Bureau Counsel and the carriers may be productive of standards of real utility in fare regulation.[76]

Finally, the Board spoke of the requirements of the *law itself*, noting that the general policy with regard to fares and rates for the transportation of persons and property by aircraft is established in the Act of 1958.

On the one hand, it is clearly not the function of the Board to assume the role of management and substitute its judgement for that of carrier management with respect to matters which are the prerogative of management. And clearly the *AOA* case, as well as other cases cited in the Initial Decision, forecloses the Board from regulating fares on the basis of policies divorced from factual findings which the statutory provisions require. On the other hand, the Board is under statutory injunction in determining rates to consider such factors as: (1) the need in the public interest of adequate and efficient transportation of persons and property by air carrier at the lowest cost consistent with the furnishing of such service; (2) the promotion of adequate, economical, and efficient service by air carriers at reasonable charges; and (3) the need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air carrier service.[77]

While concurring with the majority of the Board on most determinations, Member Minetti dissented on three basic issues—the amount of the rate-of-return; the computation of the investment base; and the calculation of taxes. Member Minetti went on to state that informed regulation requires that the Board explore current cost levels, in light of actual experience, in order to learn the extent to which the then considered high level was due to expensing of aircraft integration and other non-recurring causes, and secondly, in order to ascertain representative cost levels for the forseeable future.

Effect of fares on the movement of traffic.—We have deferred decision on this issue, along with our deferral of decision on cost and load factor standards, because of the interrelation of the topics. Obviously, the effect of fares on traffic cannot be ascertained until the cost and load factor decisions, on which fares are primarily based, have been made.[78]

Thus, twenty-two years, three months, and seven days, after the Civil Aeronautics Act of 1938, had become effective, the Board established precise and detailed standards for half of the formula normally utilized in measuring the just and reasonableness of air rates, fares, and charges.

The preliminary details of the decision in the second *General Passenger-Fare Investigation* were contained in a press release issued on April 29, 1960.[79] The rate-of-return contained therein indicated that the domestic air carriers' net earnings during the previous three year period had been significantly below the announced standards. Seven air carriers, therefore, promptly filed tariff increases ranging from four percent plus one-dollar per one-way ticket (4% plus $1) to ten percent (10%). In reviewing these tariff proposals, the Board employed its new regulatory standards, as announced. Upon consideration of these matters, the Board observed that each of the tariff proposals called for an increase greater than appeared warranted; but that upon the basis of these same considerations, it had determined that it would permit a general increase of two and a half percent (2.5%) plus one dollar per one-way ticket ($1) to become effective July 1, 1960.[80] This represented the seventh consecutive increase in the general air passenger-fare level in fifteen years, and the third consecutive change in the tapered fare structure in eight years. And as of then, there still had not been a full examination into the air carriers' air passenger-fare structure, as Member Minetti noted in his concurring opinion.

We have been unable to isolate, with any degree of certainty, the factors which are influencing the present cost increases, nor do we know whether the cost trend is temporary or permanent.[81]

* * * * *

In view of the foregoing, I will now assume, for the purpose of this fare decision, that costs are more than temporarily inflated and that load factors are in no degree controllable and will not be further depressed by the fare increase granted herein. In doing so, I state my belief that resumed hearings in the GPFI, for the purpose of a full exploration and analysis of the economics of operation in the turbine era, are essential. Only with such information can we intelligently regulate rates and fares. We cannot, in the interest of the industry and the public, continue to proceed half-blind in this critical area.[82]

The resumed hearings which Member Minetti referred to as 'essential', which Member Branch had considered 'imperative' in 1942, and which Member Lee had called 'important' and Member Adams viewed as an 'expressed mandate' in 1953, never came to pass, for when the Board issued its opinion containing its findings, conclusions, and decisions, on November 25, 1960, it also terminated the second *General Passenger-Fare Investigation.*[83]

Miscellaneous changes considered in the fare structure subsequent to the general passenger fare investigation.—A second important development in 1961, was the introduction by Eastern Air Lines, on April 30, of its 'Air-Shuttle' service between Boston-New York-Washington. Every passenger is guaranteed a seat on this service, even though there is no reservation service. Meals and beverages are not served, and passengers carry their baggage to the boarding gate. Air fares were initially substantially lower than coach fares, or in other words in the category of economy fares. Subsequently, however, Air-Shuttle fares were raised to a point where they exceed all propeller coach fares, as well as many propeller first-class and jet coach fares.

Despite the introduction of jet aircraft three years previously (in 1958), and the implementation of numerous promotional fares the air carriers continued to have their cronic financial problems. The air carriers themselves attributed much of their financial distress to a shift of passengers from first-class service to coach services. The air carriers contend this shift resulted in a loss of revenues without a commensurate cost savings.

To correct this situation, United Air Lines filed a new tariff on November 1, 1961, to become effective January 1, 1962. The changes proposed included the following increases: (1) jet first-class, add one dollar per one-way ticket; (2) jet and propeller coach: *day*—add five percent plus one dollar per one-way ticket, *night*—cancel; (3) propeller first-class, add approximately six percent plus one dollar per one-way ticket. In other words, United wanted to again change the fare structure by increasing the taper and varying the proportion of the increase by class of service.

Six other air carriers also notified the Board of their intention to file new air passenger tariffs. Their proposals varied considerably, at least in detail. Certain air carriers wanted to cancel various discounts and promotional fares. Nevertheless, all the air carriers appeared unanimous in their proposal to change the fare structure by decreasing the spread between first-class and coach fares. Generally, the air carriers favored increasing air coach fares approximately five

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percent; that is, to a level of 83 or 85 percent of first-class fares, as opposed to the prevailing 75 percentum.[84] American Airlines, a long-haul carrier, however, wanted an even greater change in the fare structure. First, it wanted to reduce first-class fares, over 1,200 miles, by five percent; second, American would have increased the corresponding coach fares by five percent.

Nevertheless, because of the deteriorating financial situation of the domestic trunkline air carriers, a bare 3–2 majority of the Board indicated their willingness to permit the industry to effect an interim blanket across-the-board increase of not more than three percent (3%) for a period of six months; subsequently, on August 1, 1962, this eighth increase in air passenger fares was extended indefinitely.

Vice Chairman Robert T. Murphy and Member Minetti were the dissenting members. They dissented on the grounds that a general increase in air passenger fares might discourage, rather than encourage, improvements in the decline in percentage utilization of available capacity then being experienced. They wanted to focus more attention on reducing what they considered to be needless over-head expenses. They felt such reduction could produce significantly lower operating costs.

By the middle of 1962, the greatly improved, and steadily increasing efficiency of the jet aircraft was beginning to be realized. Simultaneously, some of the air carriers were beginning to become aware of their need for a tremendously larger air-travel market. The net result was that the impact of competitive forces (never before believed to be effective in the regulated air carrier industry) started forcing the domestic air passenger fares *down*.

Most of the air carriers were not particularly happy with the turn of events. These carriers decried the price cuts; they felt they had lots of 'lean' years to make up for, plus some staggering future obligations for which sound financial preparations had to be made. Most of the financial problems associated with the introduction of jets can be traced to just such lack of financial preparation by the air carriers.[85]

Continental Air Lines initiated the new competitive era by introducing a new three-class service on August 24, 1962. Subsequent to November 4, 1948, the domestic air carriers had generally provided only two classes of service; i.e., first-class and coach.[86] Continental retained the first-class service, but eliminated the coach service and introduced two new classes of service—'business-class' and 'economy coach'.

Business-class.—The new business-class was actually similar to an economy-first-class service. The passengers were seated five-abreast on jet aircraft, versus four-abreast for first-class, and such passengers received meals of a quality similar to those then being provided in the coach section. The business-class fares were 12 to 15 percent below the prevailing first-class fares and about five percent (5%) above the coach fares then in effect.

Economy-coach.—In the new economy-coach section meals were not served and the six-abreast seat spacing was tighter than on the existing coach classes. The economy-coach fares however were about twenty percent (20%) below the prevailing coach fares.

Continental was attempting to persuade the expense account traveler to up-grade his purchase of air transportation from coach to business-class. At the same time it was also trying to get the non-business traveler to go by air. The other domestic air carriers openly disagreed that this could be done terming the planned fare structure "a long step towards disaster for the industry."[87] Nevertheless these air carriers did ask the Board to approve their "defensive" air passenger fares.[88]

Introduction of middle-class service.—Unhappy with the rapidly expanding multiplicity of services United Air Lines decided to attempt to get the air carriers to return to a "one-class" system. The proposal initially drew increasing support from those air carriers critical of the complex of coach and discount and promotional fares. These carriers felt these fares were diluting the industry's first-class revenues.[89]

Basically, United proposed a five percent (5%) more costly coach service with five-abreast seating, and service accommodations that essentially were comparable to Continental's business-class service and its own previous propeller custom coach service. Significantly, United did not offer the new service on the highly competitive Chicago-Los Angeles route, where its own business-class was substantially identical. In addition, the new one-class service would then have had to compete with the lower priced economy-coach of it and its combined competitors. The fares were permitted to become effective without a hearing.

Change in first-class fare structure.—American Airlines, on the other hand, felt that there was a strong public need for two classes of air service. Apparently American had the majorities' support, since no other domestic air carrier ever joined United in its one-class experiment. In a move to counter United's one-class service, American first tried increasing the first-class family-plan discount from 33.3 percent to 50 percent of a full fare. All the other air carriers, including United who still had first-class service, were forced by competitive necessity to match this liberalized discount.[90]

However, with this discount, first-class travel became cheaper than coach or one-class service, for a couple traveling under the family-plan. This naturally had a major impact of first-class traffic. Whereas first-class payloads had been declining for years, as coach payloads increased, first-class traffic now surged,[91] and it did so without appearing to drain traffic away from the coach section.[92] The first assumption from such evidence would normally be that the family-plan experiment demonstrated that lower air fares will attract new customers; but the air carriers apparently felt otherwise. In September 1963, most of the air carriers filed new tariffs designed to rectify the situation by reducing the family-plan discount from 50 percent to 40 percent.[93] Such a change would have eliminated the undesirable feature of granting first-class passage to a couple at a price lower than that for coach or one-class service.

United, however, filed a tariff that not only continued the 50 percent discount on first-class, but extended the family-plan to the one-class and coach services as well. While the Board was apparently tempted to adopt United's proposal, it finally voted 3–2 to suspend all the new air tariffs, and thereby retain the status quo. At the same time, the Board authorized its staff to meet once more with industry representatives in an attempt to resolve the situation. The subsequent meeting on November 14, 1963, set the stage for another major revision of the U.S. domestic fare structure without an evidentiary hearing.

American Airlines continued to be deeply disturbed by the gap between its first-class fares and United's one-class fares, since apparently, like the coach services, this new service was diverting first-class traffic to a lower class of service. It wanted a "proper relationship" between the three fare levels—first-class, one-class, and coach.[94] American contended that one-class service was midway between coach and first-class service as to seating arrangements. American's eventual answer, to what had been a general air carrier complaint for the previous two years—dilution of earnings resulting from a shift of passenger traffic to a lower class of service, was a two pronged attack: (1) a radical change in the fare structure by cutting long-haul first-class fares, and (2) application of the family-plan discount (reduced to 25 percent) to all classes of service.

First-class fares were reduced on all trips over 700 miles in length on January 15, 1964, so that the gap between first-class and one-class would be identical to the differential between one-class fare and the coach fare.[95] This new formula evidently meant that for trips under 700 miles in length, the first-class fares would continue to be constructed by the usual mileage method; but for trips in excess of 700 miles, the first-class fares would be determined by a ratio of the one-class and coach fares.

The second part of American's "fare package", reduced the family-plan discount to twenty-five percent (25%) of the fare and extended the plan to both the one-class and coach services. Competing air carriers, compelled to file for similar reductions in the first-class fares in competitive markets, objected to the new fare structure.

Nevertheless, the new fare structure was permitted to go into effect on January 15, 1964, without an evidentiary hearing.

Introduction of thrift-class service.—Although the Board instituted a number of major passenger fare investigations during the period immediately following the completing of the *General Passenger-Fare Investigation*,[96] as a result of various changes in the fare structure, the Board more or less remained primarily on the sidelines letting the air carriers fight among themselves. The industry battle, afterall, was driving the fare level in the direction the Board wanted it to go—*down*.[97] Stung by criticism during the hard years of the original jet transition, the Board was determined to let the air carriers chart their own course during the initial stages of the profit surge.

This situation represented a complete reversal again from that prevailing two years previously. At that time the air carriers were united in a struggle to raise air passenger fares, and the Board used its strong arm of regulation to prevent any increases. When the Board eventually, but reluctantly, approved the three percent (3%) increase, the air carriers complained that it was too little too late. Two years later, these same air carriers were moving in the opposite direction, but without that same unanimity. Three members of the Board even expressed concern that some of the air passenger fares might be dropping to an uneconomical level.[98]

Air passenger fares were now beginning to be used as competitive tools. Some air carriers were forced to adopt fares they bitterly opposed. As a result, a feeling began to develop that the new tariffs were without uniformity; that they were degenerating into a complex fare structure; and that this was turning what should be a simple task of preparing a ticket into a complicated mathematical problem. American Airlines' new tariff revision alone involved 35 pages, and included more than 300 separate provisions and restrictions affecting new rates.[99] But, underneath these differences concerning the fare structure, there still remained the basis issue.

The current fare squabble again raises an old question that has never been properly answered: will lower fares open up enough new markets to offset a drop in revenue yield per passenger. Some feel that this is a basic weakness in airline management—lack of a pricing technique, a major factor in the conduct of any business. The present tariff structure is so involved that it is virtually impossible to unravel the intertwining rates to determine exactly what yield any given seat-mile, the basic airline product, is producing.[100]

The success of American's new fare structure eventually made it necessary for United Air Lines to substantially modify their 'noble' one-class service experiment. United began substituting a new three class serv-

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ice plan on August 9, 1964. The three classes were: first-class, standard-class, and coach. United's three class plan should not be confused with Continental's three class services, since United's lowest class (coach) is equivalent to Continental's reinstated in between class.

The new "standard-class" or middle-class service with five-abreast seating arrangement, was substantially similar to United's out-going one-class service, propeller custom coach service, and Continental's previous business-class service.[101] Consequently, standard-class fares were generally identical to the one-class fares; the exceptions, amounting to less than two percent (2%), were confined to those long-haul markets in which the first-class fares were reduced on January 15, 1964. These specific reductions were "designed to restore the standard services fare to a more realistic and equitable relationship with first-class and coach fares in the relevant markets.

The adjustments in fares that are now proposed by UAL he said "are designed to place them at 33⅓ percent level between coach and first class fares, i.e., 33⅓ percent of the difference between first class and coach fares is to be added to the coach fares to produce the standard fare.

Subsequently, following their surprisingly successful low fare experiment to Hawaii, United launched on September 27, 1964, (without a C.A.B. hearing or investigation) a new high-frequency, high-density, low-priced, thrift-class, "no-frill", jet commuter service in the highly competitive California market. United had initially been forced into charging the fifth-class fares after a long and bitter battle with Pan American World Airways. United had strongly objected to the thrift plan advanced by Pan American because the sharply-reduced fares and high-density seating arrangements were contrary to United's traditional operating principles.[102]

Thus, by the end of 1964, the basic pattern of the present five classes of domestic air passenger service had been firmly established. These five classes of service consist generally of (1) first-class or regular service; (2) standard-class, a middle-class of service similar to business or one-class service; (3) coach service; (4) economy-class; and (5) thrift-class, which might be considered as including jet-commuter, air-bus, and similar services. All five of these services, with the exception of coach service have been established and maintained without any completed Board investigation as to the just and reasonableness of either their horizontal fare structure, or their relationship to each other (i.e., their vertical fare structure).

Eastern fare structure.—The most recent attempt by a domestic trunkline air carrier to revise the fare structure to more equitably and reasonably relate rates at all times to costs or expenses, and thereby provide an equal opportunity for both long-haul and short-haul air carriers to earn a reasonable profit, was proffered by Eastern Air Lines. On November 10, 1964, Eastern filed a tariff revision marked to become effective on January 15, 1965. Eastern proposed a general revision of all domestic first-class and coach fares under a formula whereby each existing fare would be adjusted so as to reflect the combination of (1) a five percent (5%) *decrease*, and (2) a flat $2.50 *increase*.

Eastern's proposed change in the fare structure was "not a temporary 'general fare increase' nor a stop-gap effort to obtain more revenue." Eastern's proposal was purportedly part of a studied program to revise the basic passenger fare structure. In support of its proposal, Eastern indicated to the Board that the objective of its revised passenger fare structure was to more equitably relate fares to expenses. Eastern had concluded from its studies that its average fare yield was insufficient to cover average costs, primarily because of its extensive short-haul obligations.

Eastern asserts that the existing fare structure favors the long-haul carriers and the short-haul passengers; that both long-haul and short-haul carriers should have equal earning opportunities; and that Eastern's proposal is designed to do so.[103]

National Airlines filed a complaint with the Board requesting suspension and investigation. Mohawk Airlines filed a letter supporting the proposal. American Airlines and Trans World Airlines filed letters to point out (1) they did not endorse the proposal; (2) that such a proposal was not a mandate to the industry to make similar fare adjustments and (3) that if Eastern desired to increase its short-haul fares, *it could do so without upsetting the fare structure of the other air carriers;* i.e., reducing long-haul fares.[104] The Board decided, by a 3 to 2 vote, to dismiss the complaint filed by National because it did not state facts which warranted investigation. As a consequence, the Board again permitted a major change in the air passenger fare structure to become effective without investigation.

Vice Chairman T. Murphy and Member Minetti voted to suspend and investigate the entire proposal. Their dissent indicates they considered the economic growth situation of the air carriers in early 1965 to be favorable enough to warrant the Board adopting a new "hold-the-line" policy against any fare increases.[105]

C.A.B. Order No. E–21637 is a remarkable document because (1) the dissent of Members R. T. Murphy and Minetti clearly reveals the Board's developing concern with the possibility of excess air carrier profits as well as its future course of action six months hence (i.e., a "hold-the-line" fare policy); while (2) the order dismissing the complaint clearly indicates the Board was still not prepared to permit a time-consuming study of the passenger fare structure and would therefore probably continue to avoid any action that could lead to an investigation of the air passenger fare structure.

Although Eastern had originally depended upon industry-wide acceptance of its proposal to both increase short-haul fares and decrease long-haul fares, the other air carriers chose only to match the long-haul reduction. Eastern nevertheless finally chose to go it alone and stick to its increase in short-haul fares. At present, Eastern's short-haul fares are still higher than those of its competitors in many markets.

Fare structure changed by the board.—The abrupt surge in traffic that began in about May 1963 changed the air carriers' financial situation dramatically. The demand for commercial air transportation services multiplied enormously during the next two and a half years. Because one of the inherent economic characteristics of air carriers is their high leverage, the mushrooming traffic produced an almost immediate positive effect upon the industry's net earnings, causing the Board to become seriously concerned for the second time with the possibility of excessive air carrier profits. As the earnings position of the air carriers continued to improve throughout the latter half of 1963, 1964, and 1965, the Board began to take a series of actions in 1965 to tighten the reins on the air carriers' revenues. Domestic mail rates for example, were reduced for the first time since the inception of the present formula in 1955. The historical practice of the Post Office Department in making immediate payments to the air carriers for foreign government air mail charges was terminated.[106] A study of the air carriers' rates for Military Airlift Command traffic was scheduled by the Board looking toward a possible downward revision of such rates on July 1, 1966.[107]

In addition, the Board proposed a rule to change the rate-base recognized for air passenger fare regulation. It wanted to drop the equipment purchase deposit from the air carriers' rate-base. The equipment purchase deposit was initially recognized as an element in the rate-base by the Board's decision in the *General Passenger-Fare Investigation*, supra, 32. The proposed change came, however, at a time when the domestic air carriers were embarking on a second round of major jet aircraft orders. The effect of the change was considered to be more theoretical than actual because the order was supposed to have no direct effect on over-all fare levels until or unless there was a general ratemaking proceeding. Nevertheless, the air carriers generally still became increasingly sensitive to the Board's reaction to the abrupt surge in the profits.

In response, the Board expressed an opinion that the favorable earnings provided an opportunity to reduce fares; asserted that it would allow time for a clear patern to form before it would consider any action that would affect fares; and maintained that the initiative for such changes should originate with the air carriers.

In view of the increasingly strong financial position of the air carriers, the Board believed it was difficult to find any justification for any kind of fare increase, and expressed its feelings in the *Increased first-class, and baggage allowance and charge case* that the present favorable earnings position of the air carriers offered an excellent opportunity for the air carriers themselves to consider various reductions in fares or alternatively, improvements in service without fare increases.[108] The Board then went on to recommend five specific areas, among others, to which it believed the air carriers should direct some consideration.

1. Development of low-cost transportation service on short-haul segments;

2. Improve the adequacy of existing coach service by:

a. Extending such service to more communities;

b. Increasing the proportion of coach seats to first-class seats in dual configuration aircraft;

3. Provide better service to smaller cities;

4. Experiment with additional economy service in high traffic density markets;

5. Re-establish the free stopover privilege abolished in 1958.[109]

Changes in the first-class and standard-fare structure.—In connection with the general package proposal to revise the baggage allowance, United Air Lines also filed a number of other traffic revisions marketed to become effective on August 1, 1965.

1. Increased first-class jet and propeller fares for distances over 700 miles by fifty cents ($0.50);

2. All first-class jet and propeller first-class fares for distances over 700 miles, which had not been reduced in January 1964, were to be *reduced* to reflect the combinations of (a) a decrease comparable to that in January 1964, plus (b) the fifty cent fare increase related to the change in baggage rules (This action by the way, also amounted to the last-step in United's complete reversal of its fare policy.);

3. All first-class fares for distances under 700 miles, were to be *increased* by fifty cents; and finally,

4. All standard-class fares for distances over 700 miles that had initially been established identical to one-class fares in August, 1964, were to be *reduced* to a level equal to the existing coach fare plus approximately one-third of the difference between the proposed jet first-class fare and the existing coach fare.[110]

No complaints were filed to any of the above proposals.

Having already rejected in the first part of its opinion that portion of the proposed change associated with the industry-wide revision of the baggage allowance (i.e., the adding of fifty cents to each first-class fare), the Board turned to United's additional proposal to expand the previously approved

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change in the fare structure for distances over 700 miles. Although the Board found that from the facts available there was no way to know for sure what the proposal would produce, it could see no basis for denying the reduction to other markets.[111]

Finally, in addition to the foregoing proposals, United had also routinely filed in the same tariff revision jet first-class fares in several markets for the *first time*. Approximately half of the new jet first-class fares were applicable to markets of less than 700 miles. These increases, averaging only about three percent (3%), reflected both the addition of the usual jet surcharge and the general fare increase of fifty cents per one-way ticket in connection with the baggage rule change.

The Board decided to reject these higher fares, not only with regard to the general fifty cent increase, but more importantly, as regards the addition of the jet surcharge to new jet fares at levels above existing propeller fares. The Board's decision in effect summarily established a new "hold-the-line" policy. Henceforth, higher air fares for jet aircraft would no longer be automatically approved when such aircraft were substituted for propeller aircraft on a new route segment. In other words, by suspending United's tariff, the Board itself was changing a portion of the national fare structure from a semi-value-of-service concept to a semi-cost-of-service basis. The Board justified its decision and enunciated its new fare policy in the following language:

We note from data reported to the Board that United's earnings have been increasing steadily in recent periods, even though its return is somewhat lower than that for the industry. In the absence of an adequate economic justification regarding these fare increases, which United has failed to supply, and in light of our previous discussion we conclude that these fares, to the extent that they are higher than existing first-class propeller fares may be unjust and unreasonable. We are accordingly suspending and will investigate the increases proposed by United and other carriers on jet or propeller equipment above the current propeller fares as these proposals constitute fare increases above the existing level of fares in the applicable markets.

Thus:

(1) The Board referred with apparent approval to the 10.5% weighted average rate of return standard established in the earlier second *General Passenger Fare Investigation* 1960 opinion:

(2) The Board again expressly recognized that fare levels must be regulated to produce a reasonable rate of return "over an extended period of time" (first and second General Passenger Fare Investigation);

(3) The Board emphasized the desirability of tariff changes of a promotional nature that would build additional traffic;

(4) The Board indicated a preference for reductions in fares and service improvements initiated by the air carriers themselves; but

(5) The Board itself initiated a major change in a portion of the national fare structure by eliminating the surcharge for new jet services.

It is unfortunate that the Board decided to merge its five major decisions into one opinion, because the Board evidently failed to communicate its new "hold-the-line" fare policy to the air carriers.[112] As a result, United almost immediately refiled the tariff on August 13, 1965, without the fifty cent increase. About the same time (August 2 and 4, 1965), United filed another routine tariff revision marked to become effective September 1 and 3, 1965, proposing to add seven new one-way jet coach fares in the California and Nevada markets. In support of its tariff proposals, United stated, among other things, that basically the new jet fares were established in accordance with the generally accepted formula used by the trunkline carriers, that its proposed jet fares were no different than other jet fares permitted by the Board until April 25, 1965;[113] that a reversal of the Board's long-established policy permitting higher fares for jet service than propeller service was not desirable at that time; and that *the establishment of new principles pertaining to jet fares should be adopted pursuant to an industry-wide proceeding exploring all problems connected therewith.*[114]

The majority of the Board, however, reaffirmed their previous decision to change the national fare structure by eliminating the surcharge on new jet services; that is, to change from a value-of-service concept to a semi-cost-of-service basis. They vindicated their position by finding that the economic conditions no longer warranted such fares in excess of propeller fares. Member Gillilland dissented and subsequently set-forth his views in C.A.B. Order No. E–22816.

To the air carriers and the public, the Board's new position represented a surprising reversal of a fare structure practice dating back not only to the introduction of jet aircraft in the winter, but also the introduction of the Stratoliners, DC–6s, Constellations, and similar aircraft in the 1940's and early fifties. The jet surcharge had become by 1965 an accepted standard feature of the domestic fare structure. Air carriers included the jet differential in their revenue projections, so that it affected both the purchase and allocation of equipment. And although the Board did state there was no longer any valid economic justifications for imposing jet surcharge on *new* jet services, the Board made no mention as to the fare differentials already in effect in many other markets, nor the disruptive effect the new fare policy would have upon the existing fare structure.

Air passenger fares are not established independently they have an interwoven relationship to each other that is not only more complex than a spider's web, but frequently much more fragile. As a result, it was to be reasonably anticipated that a major change in only one part of the national fare structure was bound to be more than slightly disruptive.

Third general passenger fare investigation discussed.—On August 13, 1965, United Air Lines filed a letter with the Board in support of its refiling of the jet fares which had been previously suspended by the Board on July 27, 1965. Four times previously, in 1943, early 1945, the winter of 1952–53, and again in 1956, the Board or the air carriers had attempted to institute an investigation into the fare structure of the domestic air carrier industry. Each time their efforts were successfully thwarted. There was no investigation, no hearing or other orderly method evolved for the development of a factual basis upon which to predicate sound principles and policy relative to the national passenger fare structure. In other words, for twenty-seven years, although many thousands of individual fare changes had been filed by the air carriers, and although at various times basic methods of constructing air fares by them had been drastically altered, the Board had never investigated the overall fare structure of the air transportation industry to determine whether the charges made for passenger services by the air carriers were in fact just and reasonable.

The President of United Airlines, George E. Keck, proffered two reasons that implied the need for such a fare proceeding in 1965-66—the haphazard fare structure itself, and the realignment of routes being caused by higher performance aircraft.

Two weeks later, in an off-the-cuff speech to the Aviation/Space Writers Association, William A. Patterson, Chairman of the Board of United Air Lines, called on the Board to stop "guessing" and institute a general passenger fare investigation.

"The greatest thing that can happen in this industry is a General Passenger Fare Investigation . . . Let's actually get into the record for the benefit of both sides some of the fundamental and basic factors in economics and marketing so that everyone can learn from them.

"Of course, the CAB might have different views, but this should not be a hearing that was designed either offensively or defensively against someone else's ideas. You will get far better decisions when there is honest conflict of thought, and I don't doubt for a minute that you can have two theories, both of them completely honest. I don't question the honesty of anyone who may be making speeches today on some of these economic questions. I say, let's have an objective hearing, and I am sure we will come up with something that may be revised from my thinking, also from the other fellow's thinking, but I think we would both gain an education from a hearing of this kind." [116]

Mr. Patterson subsequently reiterated his view in an interview with the staff members of *U.S. News & World Report*.

"Today we have a rate structure full of discounts, layers of service and other lures to attract passengers. Unfortunately, only a few of the discounts the airlines are offering are doing anything to increase air travel.

"I think the time has come for the Civil Aeronautics Board and the industry to work together on a general investigation of fares, so that we can reach agreement on the fundamental factors that go into transportation policy and good management." [117]

In rejecting the proposal of the air carriers in 1956 to expand the scope of the second *General Passenger Fare Investigation* to embrace a study of all conceivable aspects of the fare situation, the Board stated:

"As we view the case, moreover, the question is not *whether* we shall explore the structural problems raised, but *when*. Our present view is that we will first examine the general revenue situation, order appropriate percentage adjustments in fares, if necessary, and then turn to the structural problems that may remain." [118]

Thus, theoretically, the Board had committed itself on the record to holding such an investigation. Nevertheless, the Board had concluded that investigation without ever taking up the problems associated with the fare structure. As a consequence, the Board had still never investigated the overall fare structure of the air carriers to determine whether the charges being made for the carriage of persons are in fact just and reasonable.

Although the Chairman of the Board was quoted in September as having stated,

"If we reject something they want, and they want it discussed more fully in an official hearing, we will try to give it every consideration." [119]

It nevertheless subsequently became apparent that neither the Chairman, nor apparently the Board, favored a General Passenger Fare Investigation.

Nor is there any indication the Board wants a general fare investigation as called for by William A. Patterson of United Air Lines.[120]

Murphy also stressed that he favors keeping whatever action the Board takes on an "informal basis." This indicates that Murphy wants to leave the issue open to airline comment and evaluation, an atmosphere that would be difficult should the Board come out with an official order or new policy.[121]

Murphy said he did not think the current fare situation called for a general passenger fare investigation similar to the one concluded in 1960. He added that "I haven't heard any suggestion around the Board for a general fare investigation." [122]

We would like to help the industry find sensible and constructive solutions to its problems. I will be pleased if we can do much of this by informal discussions—and by agreement or mutual consent.

Footnotes at end of article.

Perhaps it would be too much to expect to achieve "regulation by consensus." But for my part, I will be glad for us to get as large a part of our job done by consensus as we can.

No one can properly be expected to yield on vital principles. But on the other hand, the air transport industry is too important, and full of too many needs and opportunities for progress, for us to waste our time and energies on useless arguments and long drawn-out regulatory battles that we do not need to have.

I'm sure we can accomplish more by working *with* each other than by working *against* each other. And I hope that is the path we follow.[123]

The Chairman has let it be known that he does not favor long, involved hearings on every issue that arises. Such a legalistic approach, he feels generally takes more time than is necessary or justified by the results.[124]

The situation now developing also will be the first real test of the new philosophy brought to the Board by its Chairman Charles S. Murphy, regarding industry-CAB relations. Murphy's clear preference is to settle key issues around the conference table rather than through the time-consuming formality of public hearings.

"You've got to admire Murphy's guts in approaching a thing this big by means other than the traditional public hearings", one trunkline executive said. "Whether his technique is valid depends solely on whether we can come to agreement." [125]

Apparently the majority was still not impressed by the complexity or importance of the problems which were being dismissed without consideration, because the only reference made to these issues when the ban on surcharges for new jet services was lifted, was contained in a press release which stated, among other things, "The CAB expects that the ensuing study will delve into all these matters and will provide the basis for long-range improvements in the fare structure." [126]

Re-establishment of surcharges for new jet services.—Just as it had done on similar occasions, the Civil Aeronautics Board again called on air carrier officials to meet with its staff; i.e., the Bureau of Economics. Two meetings were held, the first on October 5, 1965; the second on November 18 and 19, 1965. On the basis of the facts proffered at these two meetings and subsequent revision of the figures to include consideration of the "interlocking" effect, the survey of the domestic trunkline carriers showed the total loss in revenue attributable to the Board's new fare policy would be approximately $146,453,000.00 annually.[127] As a result, by the beginning of 1966 all the indications were that some of the air carriers were ready for a showdown with the Board. Eastern Airlines refiled a tariff which it had previously withdrawn. The tariff (scheduled to become effective on January 20, 1966) contained surcharges for its new jet services. Whereas Eastern and various other air carriers had previously withdrawn their tariffs once the Board had rejected their proposal, Eastern was prepared on this occasion to leave the tariff filed with the Board in suspension, thereby forcing the Board to either hold a hearing on the suspension within six months in accordance with subsection 1002(g) of the Act of 1958, or being forced by that subsection to let the tariff become effective.[128] However, by this time there was also a general feeling among the air carriers that the Board wanted to clear up the confusion in a manner that would enable it to maintain a fare ceiling, and possibly affect some formula for the gradual, orderly reduction of air fares which could be absorbed by the traffic.[129] The Board appeared, among other things, prepared to accept a tradeoff in an amount equivalent to the amount the air carriers would receive from application of the surcharge to new jet services, but the Board was leaving it to the air carriers how to arrange the fare adjustment.[130]

Just as the majority of the Board had advocated in 1948 and 1953, the Board again had directed its staff to prepare a study.[131] This two stage study, and the facts which it presented, was to provide (like the previous reports) a basis for formulating corrective action.[132]

The first stage of the study sought an immediate solution to the inequities arising from the surcharge ban. This report, which was presented to air carrier executives at a meeting between the Board and eleven domestic trunkline carriers on January 24, 1966, contained a recommended formula for reducing fares in an amount equal to potential surcharge revenues.[133] This report included a basic premise that while a ceiling on fare increases was justified, holding all future jet fares to the level of propeller fares was not a practical means of obtaining that objective.[134] The second stage of the study was to be a more detailed analysis of the over-all fare structure and the means by which it might be simplified along more definitive lines. Generally speaking, the staff anticipated that this study would involve (1) an analysis of the existing domestic fare structure, (2) an analysis of cost patterns bearing on key aspects of the basic fare structure, and (3) identification of possible fare structure improvements from the standpoint of a sound national air transportation system and the interest of the travelling public. The Bureau of Economics expected to examine: (1) the mileage taper question; (2) the relationships among the fares for the different basic classes of service; (3) geographical and other fare disparities; (4) fare construction policies and practices including fare-making mileages; (5) possible fare structure criteria; as well as (6) other related matters.[135]

After the January 24th conference, which lasted less than two hours and was attended by nine presidents and high-level representatives of two other trunklines, had been concluded with only one definitive proposal from the air carriers, the fare picture continued to be a highly confused state. The Board had only three alternative courses of action available:

1. The Board could approve the new reduced excursion fare proposal made by United Air Lines at the January 24th meeting, and permit the air carrier to reinstitute the policy of charging a moderate surcharge differential for new jet services: Provided, United and the other air carriers filed with the C.A.B. tariffs to implement such excursion fares;

2. The Board could enter upon a hearing concerning the lawfulness of the fares and provisions proposed by Eastern Airlines which had been subsequently suspended by the Board on January 19, 1966 (C.A.B. Order No. E–23131); but this would be somewhat tantamount to instituting another General Passenger Fare Investigation, and no one but United had much stomach for that course of action; or

3. The Board could do nothing by merely extending the period of suspension of the fares and provisions proposed by Eastern Airlines to July 19, 1966 (the one hundred and eighth day beyond the time when the tariff would have otherwise gone into effect) at which time the tariff would go into effect automatically by statute.

The Board chose the first alternative. As a consequence, the Board announced that if United filed with the C.A.B. a tariff to implement its excursion fare proposal, as it was understood by the Board, the Board would be disposed to approve such a tariff (subject to consideration of complaints) and also to approve tariffs filed to institute new jet surcharges in line with the prior pattern for a period having the same expiration date as the excursion fare, but not later than April 23, 1967.[136] Similar tariffs filed by other air carriers also would be approved. The air carriers promptly accepted the Board's offer by filing the appropriate air tariffs.[137] As a result, on March 27, 1966, all jet services in the United States were again established on a semi-value-of-service concept, as opposed to some services being on a semi-cost-of-service basis, and some on a semi-value-of-service basis.

The significance of the Board's action and the air carriers' counteraction should be clearly understood. As an answer to a Board reduction of their passenger revenues, the air carriers agreed to some reductions in those revenues, but the air carriers themselves had to suggest and file the tariffs reducing passenger rates. For the eleventh time, the Board agreed to a compromise solution affecting passenger fares, without insisting on the development of a factual record in public hearings upon which to base a far-reaching decision.

In the absence of a formal proceeding, the Board could not direct appropriate action to correct the inequities in the fare structure. The 1966 conference, as its predecessors, again without an evidentiary hearing or investigation in any sense, was completely ineffectual. For the eleventh time in twenty-seven years, air fare changes were made without adequate consideration and review by the Civil Aeronautics Board of the United States of America.

In January 1968, the Board's staff issued a "draft" of its long awaited second stage of the study for the stated purpose of obtaining comments and criticism from interested parties. The key element of the study turned out to be industry average regression lines indicating the relationship between existing fares and non-stop, great-circle mileages. Unit costs were also studied on a mileage basis, but as a basis for determining the direction in which the current fare structure should be adjusted, rather than as a test of reasonableness.[138]

In general, the staff found that improvements were warranted and it therefore suggested that various actions be taken to correct existing anomalies and disparities and make improvements in the existing fare structure without a general revision. Specifically, the staff recommended that (1) extreme variations (described as 8% or more) should be modified so as to achieve a greater degree of internal consistency; (2) new fares should be established within the patterns of the existing structure; (3) carriers should publish single factor through fares in each of the own on-line markets and (4) single factor joint fares in all markets in which two or more carriers offer connecting service; (5) stopovers should be permitted at a reasonable charge; and (6) routing rules should be liberalized and restrictions generally removed. In addition, the staff felt the industry and Board should undertake further study of the fare taper and the relationship of first class and coach fares, as well as the establishment of fare structure criteria.

No attempt was made to establish whether present fares were or were not "just and reasonable", or whether these fares, jointly or severally, complied with the statutory standards of the Act of 1958. In point of fact, neither the Act or any of its standards were even mentioned in the study. Nor was any consideration apparently given to any other ratemaking basis than mileage, although such a basis had been suggested initially by one of the carriers.

In addition, the title page contained the following notice:

"This is a staff draft which has not been approved by the Board and is not expected to be submitted by the staff to the Board for action until comments of industry and other interested persons have been submitted."

As requested, some of the airlines did forward to the staff their views, and during the interim (while awaiting further developments) continued to file their tariffs accord-

Footnotes at end of article.

ing to the customary formula. Then suddenly, without any warning or evidentiary hearing—public or private—the Board announced on July 30, 1968 that fares proposed above the industry average (rounded) should not be permitted to go into effect without an investigation. Member John G. Adams dissented.

A majority of the Board would suspend and investigate because the proposed fares are said to be above the "industry average", by which apparently is meant the so-called "norm" computed in the Fare Structure Study. Thus the majority appears to be enunciating a new policy that fares above the "norm" are unacceptable.

The "norm" is not a standard which the Board has made clear to the industry, let alone a ceiling above which no new fare is to be permitted. Any "norm" is no more than a line drawn through a series of dots representing fares above and below the line, in the preliminary Fare Structure Study.[139]

Fare structure changed.—In terms of operating earnings the financial results of 1968 were disappointing. The air carriers consequently again began to feel that the same old combination of factors again posed a threat to their profit margins; i.e., stabilized revenues, rising costs. Some upward revision in air passenger fares appeared necessary to the carriers. In light of the staff's fare structure, the generally accepted proposition that air carriers were making money on their long-haul service, and failing to meet expenses on short-haul routes had gained new credence. Therefore, to rectify this situation several air carriers filed revised tariffs during the latter part of 1968 and early 1969 using different methodologies. After analysis, the Chairman announced on January 13, 1969, at a meeting with the Chairman, President or other representative of 11 trunklines and 2 other carriers that the Board had concluded that none of the proposals could be approved *in toto* and that all should be suspended.

Following a general exchange of comments on various alternatives suggested by the Board and carriers at this meeting and another on January 16th, the Chairman informed the carriers that a majority of the Board would probably approve an across-the-board increase in first-class fares of $3.00 (with additional increases of $1.00 to $7.00 on certain east-west routes of 800 miles or more); plus an increase in coach fares by $2.00 under 500 miles and $1.00 in markets between 500 to 1,800 miles, etc.[140]

Once again the carriers accepted the Board's offer by filing the appropriate air tariffs, and on February 19, 1969, without the benefit of public hearings and an evidentiary record the Board dismissed the complaints of the National Air Carrier Association and Department of Defense.[141] Thus, for the twelfth time a major change in air fares had been made without the establishment of an evidentiary record. Since February 20, 1969, air passenger fares in the U.S. have been constructed upon a *variable tapered passenger-mileage basis.*

The preceding factual analysis of air carrier rate cases has clearly set forth sufficient facts to establish the complete absence of the development of any factual record as to the lawfulness of present rates, fares and charges for transportation of persons by air carriers. To paraphrase former Member Joseph P. Adams, although many thousands of individual fare changes have been filed by the air carriers during the past 31 years, and although at various times the basic method of constructing air fares by them has been drastically altered, the Board has never investigated the overall fare structure of the air transportation industry to determine whether the charges made for passenger service by the air carriers, including the applicant, are in fact "just and reasonable."

In view of the record, complainants are willing to stipulate that the rates in effect on March 1, 1968, and thereafter are related to mileage, do contain a flat amount of approximately $3.00, $4.00 or $5.00 per published fare, and are legal, but not that said fares are lawful in the complete absence of any factual record developed through public hearings to warrant such a finding.

Therefore, it is complainants' contention that no foundation has been laid by applicants on the basis of existing fares themselves to substantiate any conclusion that the Industry Jet Coach Regression Line proffered complies with the statutory standards of the Act of 1958 and the *Air Freight Rate Investigation*, and that those present and proposed rates which do not meet these tests are unlawful.

B. Mileage

Second, the mileage used by applicants in their formula are great-circle intercity distances from *city center-to-city center.*

However, according to Part 247 of Title 14 of the Code of Federal Regulation, direct *airport-to-airport* mileage is the official mileage record of the Board which "shall be used in all instances where it shall be necessary to determine direct airport-to-airport mileage pursuant to provisions of Title IV and X of the Federal Aviation Act of 1958. . . ." Titles IV and X incorporate Sec. 404 "Rates for carriage of persons and property" and Sec. 1002.

It is complainants' contention, therefore, that the Industry Jet Coach Regression Line proffered by applicants does not comply with the Economic Regulations of the Civil Aeronautic Board, and that a rate constructed solely on this basis is unlawful.

C. Formula

Turning to the other part of the Industry Jet Coach Regression Line, the mathematical formula used to construct the regression line, it is often desirable from a statistical viewpoint to observe and measure the association which occurs between two or more statistical series.

When two associated series are plotted graphically with one variable on the X or horizontal axis (such as distance) and the other on the Y or verticle axis (say the fare); the result is known as the "scatter diagram." If there is a definite association resulting from the plotting of the variables on the chart, the points will follow a definite line of movement or path or "trend." This resulting line or curve is known as the "line of regression."

When the relationship is perfect, it is obvious that for every given value on the X axis there would always be indicated a certain value on the Y axis. If the series are imperfectly associated, a definite value of Y will still result when a given value of X is selected; however, in accordance with the more or less imperfect association, the variation will cause the points to depart from the indicated line or curve creating a scatter. If there is a high degree of association, the scatter will be confined to a narrow path.

Finally, if the trend of the data is linear, the resulting equation will be of the type: $Y=a+bX$, which is a correlation technique for a straight line trend, commonly known as the "least-squares method." (See: A Study of Domestic Passenger Air Fare Structure, p. 15).

The principle of least squares aids in determining the line that best describes the trend of the data. The Principle states that a line of best fit to a series of values is a line the sum of the squares of the deviations (the differences between the line and the actual values) about which will be a minimum. There can be only one having this qualification.

The least-squares lines for a given series may be obtained by use of a set of two of the above type equations derived mathematically. The equations may be solved simultaneously by obtaining equal values for the coefficient of one unknown, either the estimated slope *b* or the estimated intercept *a*. Once one unknown is established, the other is easy to compute by substitution. Having obtained the values for the intercept *a* and slope *b*, the formula for the line of the trend can be written.

In interpreting the equation it is necessary to state the point of origin and the units used in the enumeration of the original values. For example, the equation as finally stated for airline fares might read:

Trend of Industry Jet Day Coach Fares in the United States, March 1, 1968: $Y=\$7.21+5.67¢X$; Origin: 0 miles; Unit: dollars per fare.

The least-squares method is used extensively in economic computations for estimating secular trends (any general tendency of values in a statistical series to increase or decrease over the X axis), and for calculating the association between two or more variables for comparative purposes. It was adapted in *A Study of Domestic Passenger Air Fare Structure* "as a means of describing the relationship, on the average, between such fares and the related nonstop distance", and "to describe in a general way the fare patterns inherent in the existing domestic fare structure". (P. 11)

As noted in the previous section, domestic airline fares in the United States have, broadly speaking, been computed on uniform tapered rate per mile since April, 1952. Consequently, it is not surprising that "Use of a straight line formula, to indicate the fare-distance relationship, conforms to the general usage in the industry;" and that the Board "tested the degree of fit of a straight line to jet day coach fares and found that the straight line with a coefficient of correlation of .997 is the best fit" (p. 22). In essence, the formula is merely a mirror reflecting itself.

It should be noted, however, that the values of the intercept *a* and slope *b* in the Board's staff's study and TWA application do not agree with each other or the values generally used to compute fares. There are three general reasons:

1. A change in mileage utilized for computing the X axis from between "airport-to-airport" by way of the certificated route, to between "city center-to-city center" via the non-stop great circle route;

2. Changes in fares to round dollar amounts; and

3. Miscellaneous factors such as subjective adjustments made in fares by ratemaking personnel, mathematical problems associated with differences in the size of the statistical population, etc.

The least-squares method used to construct the Industry Jet Coach Regression Line is therefore a widely used purely mathematical procedure for computing the average between two variables or determination of a trend. According to Dr. Herbert Arkins and Dr. Raymond R. Colton in their book *Statistical Methods*, the advantages and disadvantages of the least-squares method are as follows:

Advantages

1. The method expresses trend in the form of a mathematical formula which may be easily interpreted.

2. Results obtained under the method are definite and independent of any subjective estimate on the part of the statistician.

3. The resulting equation is in convenient form of extrapolation (extension into future or past).

Disadvantages

1. The technique used is mathematical.

2. The method is based on the assumption that the data follows a trend that can be expressed by a mathematical equation.

Given these advantages and disadvantages, it is again not surprising to find that the Board's staff cautioned in its report of January 1968:

Footnotes at end of article.

"It should be stressed, however, that the computed fares are not necessarily the 'correct' or 'ideal' fares for any city pair but merely represent a kind of average fare derived from existing fare patterns. (p. 11)

"Although it is mathematically possible to compute a fare from such a formula for any particular distance, it does not follow that such a computed fare should, in fact, be the published fare. (p. 21–22)

"Similarly, differences between the computed and published fares should not be interpreted as conclusive evidence that published fares are either too high or too low." (p. 22)

As previously observed, under the statutory standards of "just and reasonable" it is the results reached not the method employed which is controlling. Consequently, application of this method to ratemaking has to be based in part upon an assumption that the statutory tests will at all times follow a straight line trend which can be expressed by a mathematical equation. Evidence to support such a contention has not been proffered by the applicant.

On the contrary, as just noted, the results obtained under the method used are independent of any other factors including any subjective estimates on the part of the ratemaking airline. The method employed, not the result reached, is in point of fact controlling. As a consequence, the impact of formula upon the determination of rates cannot at all times be said to be just and reasonable.[142]

The point simply is a formula of the type $Y=a+bX$ is merely a convenient method of expressing or indicating the average relationship between two variables or determination of a trend—not a method for establishing those relationships and trends.

The 4-percent test

In their letter of March 18, 1969, TW proffers, as justification for their proposed fare changes, an alleged recommendation of the Board's staff.

"As already indicated to the Board's staff during a recent meeting with them, our proposal *is consistent* with the first recommendation of the staff study of January 1968 that inconsistencies in the present fare structure be removed prior to further study leading to the development of a new structure." (Emphasis added).

The summary of cited recommendation reads as follows:

"1. The extreme variations of existing fares should be modified so as to achieve a greater degree of internal consistency within the existing structure."

The detail of the Board's staff's recommendation is set forth in the study on pages 62 through 68 under the subheading "Modification of Extreme Variations in Existing Fares", and states in part on page 66–67:

"For a start, those jet coach fares would be identified which vary by more than 8 percent from the average in either direction. These fares, 22 percent of the total, involving 186 markets, represent the more extreme variations or anomalies in the structure. . . .

"Those markets with jet coach fares more than 8 percent above the average would be selected on a coordinated basis and fare reductions sufficient to reduce the fare to within 4 percent of the norm would be proposed. Offsetting fare increases would be permitted, but not required in markets with jet coach fares varying more than 8 percent below the average, giving consideration to the effect of the fare adjustments, both up and down, on the revenue and earnings position of the carriers serving the markets involved. Recognizing that there are more competitive markets and more passengers in markets which are 8 percent or more below the average than there are in markets with fares 8 percent or more above the average, when this phase has been concluded, a number of fares will remain more than 8 percent below the average."

In other words, the first recommendation of the staff study of January 1968 used a variance of 4 percent above or below the jet coach regression line to define the zone within which fares that vary *by more than 8 percent* from the average in either direction should be brought. The Board's staff's test of extreme variation is 8 percent, not 4 percent. To this extent, therefore, applicants' proposal is not consistent with the cited recommendation.

Recommendations

In accordance with Subpart E, paragraph 302.505 of the Board's Rules of Practice in Economic Proceedings, the complainants suggest that the foregoing facts warrant:

1. (a) The Board's suspending and investigating the Trans World tariff filed March 18, 1969, and the United and Braniff tariffs filed April 4, 1969, and in addition all other pending tariff revisions, to determine whether they are unjust or unreasonable, and

(b) If the Board shall be of the opinion that such fares are unjust or unreasonable, that the Board determine and prescribe, in accordance with subsection 1002(d) of the Act of 1958, the lawful rate, fare, or charge thereafter to be demanded, charged, collected or received by applicant;

2. (a) Institution of a general rate proceeding to investigate the structure and construction of air passenger fares to achieve a sound foundation for determining whether such fare, should, or should not, be related to revenue-miles or revenue-hours traveled, or revenue-miles or revenue hours traveled plus an arbitrary charge or charges, or some other factor, in order that such rates will at all times be reasonably related to the statutory standards of the Act of 1958, and rules of ratemaking established by the Board, and

(b) As a part of that investigation, to determine and prescribe the national policy regarding the duty of air carriers to establish, observe, and enforce just and reasonable individual and joint through single factor rates, fares, and charges, and just and reasonable rules, regulations, and practices relating to such rates, fares, and charges, in all markets in which service by a single carrier is authorized, or in which connecting service is needed to avoid competition in excess of that necessary to assure the sound development of an air transportation system; (143) and

3. Undertake a rulemaking procedure to amend Part 241 of Title 14 of the Code of Federal Regulation and applicable Schedules and Definitions for Purpose of this System of Accounts and Reports to require submission of revenue-hour information (e.g., available seat-hours, available ton-hours, passenger-hours flown, ton-hours flown, etc.) in order that such data will be readily available for a comprehensive and objective investigation of the fare structure.

In the absence of a comprehensive, full-scale investigation of the general air passenger fare structure, the air carriers have in effect been the actual creators of not only their own ratemaking policy, but more importantly, of the national policy. As a consequence, today we have a national air passenger fare structure adapted to the vested interests, expansion plans and ambitions of the individual air carriers, rather than the vital interests of the present and future needs of the foreign and domestic commerce of the United States for an adequate and efficient air carrier system. This price policy not only does not comply with the Act of 1958, but it has led to the establishment of many unjust or unreasonable, or unduly preferential, or unduly prejudicial rates, fares, and charges.

In support of the complainants' suggestion that the Board undertakes a comprehensive rate investigation which includes consideration of a revenue-hour basis, complainants note that it has historically been the Board's stated position that "rates must at all times be reasonably related to costs." *A fortiori*, it logically follows that the basis upon which fares are constructed should be related to the basis or bases upon which costs are *incurred*.

In this regard, complainants have on file a detailed break-out of air carrier operating costs which disclosed, first, that air carriers incur operating expenses in a normal business fashion; i.e., by contract wages, salaries, hourly pay, piecework (mileage pay), rents, interest, and the purchase or rental of equipment and materials.

Second, the study reveals that the industry's traditional break-out of expenses on the basis of (a) direct aircraft operating expenses, and (b) ground and indirect operating expenses, is not identical to the generally accepted economic and accounting definitions of "fixed" and "variable" costs.

Third, that by utilizing an allocation of expenses adopted by the Board in two mail-rate cases,[144] a logical approach can be nevertheless made to identify (1) the basis upon which individual costs are incurred, and (2) the cost unit to which such expenses are best oriented.

On an unadjusted basis, the study discloses (a) that the 10 classifications of operating expenses historically used by the C.A.B. have been allocated by the Board in the cited mail-rate cases on 11 different cost basis, and that (b) the similarities between a number of these expense categories permits them to be arbitrarily reduced to four major classes as follows:

1. *Aircraft-hours flown by type of equipment*, includes aircraft-hours, total-hours, stewardesses'-hours, passenger-hours, and a ratio to the total of all other costs (i.e., general and administrative costs);

2. *Weighted aircraft departures*, including a ratio to the total of all other costs;

3. *Tons enplaned*, including numbers of passengers, and a ratio of the total of all other costs; and

4. *Revenue—nonmail*, including revenue passenger-miles, and a ratio to the total of all other costs.

Using the domestic operations of U.S. domestic trunklines carriers as the basis for distributing air carrier operating expenses, the following two distributions were derived.

First, on the basis of the Board's *allocation* of operating expenses, seventy-one percent (71%) of all air carrier costs were found to be related to the number of aircraft-hours flown by type of equipment. The remaining twenty-nine percent (29%) were distributed between weighted aircraft departures and tons enplaned (17%), and revenue-nonmail (12%).

Second, thirty-nine percent (39%) of the over-all experses were found to be *incurred* by aircraft-hours flown by type of equipment, thirteen percent (13%) by one-time purchases, and forty-eight (48%) were primarily assumed on a periodic calendar basis.

On the basis of this evidence, it can be reasonably concluded that an air carriers' costs are primarily *incurred* upon either a periodic calendar or aircraft-hour flown basis (87%). More specifically, it can be reasonably asserted that the major portion of a U.S. domestic trunkline carrier's overall operating expenses—somewhere between 39% and 71%—probably are actually *incurred* by the number of aircraft-hours flown by type of equipment.

The validity of the preceding distribution has been verified by data of four other cost studies.[145] Further, *A Study of the Domestic Passenger Air Fare Structure* also indicates a major portion of the operating costs of the airlines studied are incurred on an hourly basis.

Upon the basis of such evidence it can be reasonably concluded that to make certain air carrier charges strictly comply with the Board's ratemaking principle enunciated in the *Air Freight Rate Investigation*, such rates, fares, or charges, should be related seventy-one percent to aircraft hours flown by type of equipment, and twenty-nine percent to

Footnotes at end of article.

aircraft departure, tons enplaned, and revenue or sales—nonmail.

Fortunately, however, further investigation has revealed there is a much simpler method for relating revenues to costs. A significant amount of statistical data indicates there has always been a very high degree of mathematical correlation between overall operating expenses and those costs incurred solely on an hourly basis. That aircraft-hours flown is the cost unit to which airline operating expenses are best oriented.

If these are the facts, as the evidence set forth hereinbefore suggest, then it would appear to be prudent and equitable to establish rates, fares, and charges for air transportation in such a manner that total revenue yield per aircraft hour flown exceeds the overall operating expenses per aircraft hour flown. Hence, complainants' suggestion by way of substitution that there are sufficient facts to warrant consideration of construction of air carrier rates on revenue-hour basis.

Air transportation revenues come primarily from income produced by the sale of various air carrier service. The charges for these various services can be constructed in a number of ways. Nevertheless, regardless of how such air fares are put together, once the rate for a given service is published, it becomes a fixed amount which is normally not affected by any subsequent changes in the actual operating situation.

As a result, it is the operational factor or factors which mathematically fixes the number of air services that can be produced and the yield per individual trip, and not the method employed in constructing the fare which is the controlling factor in determining the amount of revenue an air carrier can earn. It is not the theory of ratemaking, but the operational factor or factors which regulates the yield and number of air services that counts.

Complainants have on file as part of the cost study outlined above, a revenue study which indicates, among other things, that once air carrier rates, fares, and charges are established, the operational factor which ultimately determines the yield and number of air transport service which can be produced is the elapsed block-time. Hence, regardless of the method employed to construct such fares, the basic revenue unit of air transportation is the revenue-hour.

This finding of the study has now been substantiated in part by the practical experience of the local transit lines of the United States. For approximately the last 20 years, the national association of these companies, the American Transit Association, has rendered a monthly periodic report to its members reporting therein the average "revenue per vehicle hour". Equally important, the Association has not been reporting the revenue per vehicle mile even though such statistical data is and was available.

Such evidence as this when tied together with that regarding air carrier costs seems to indicate that the fundamental cost, revenue and need units of air transportation are all related to an identical basis—and that therefore a pragmatic adjustment to the revenue-hour is required by the Act of 1958, as well as the rules of ratemaking previously adopted by the Board.

With regard to the formula set forth in Attachment I, it should be noted that an equation of this type is primarily designed for ratemaking in capacity cost industries, such as air transportation. Since the equation is a ratemaking formula, it does not ignore the judgement of the marketplace. In point of fact, as a cost-*value* oriented formula, it specifically requires the ratemaker to make such estimations.

In essence, this formula puts the air carrier's need for sufficient revenues to provide adequate and efficient air carrier service above the line, and all the other statutory factors below. In addition, because it is a ratemaking formula which incorporates subjective judgements on part of the ratemaker, it is not designed to be used with mathematical precision, but only as a guideline in evaluating fare proposals. The judgement of the air carrier's tariff department and the Board is an integral part of the formula.

Furthermore, it should be also noted that such an equation can be used on a revenue-hour or revenue-mile basis. The author of the formula merely used revenue-hours because he felt there were sufficient facts to warrant adoption of this revenue unit to insure compliance at all times with the Board's rule of ratemaking enunciated in the *Air Freight Rate Investigation*, and to achieve a greater degree of internal consistency within the fare structure itself.

One of the key factors which has historically been recognized in determining the future earning potential, unit cost-of-service, and "just and reasonableness" of a rate is load factor. The relationship between cost, price and load factor underlies the whole area of airline profitability.

The Board's staff recognized this relationship in its recent staff study:

"The foregoing data suggest that there is a critical relationship among fares, cost, volume of service, and load factor in that each factor, at once, affects and is affected by the others. It is obvious that volume of service affects load factor which in turn affects cost and fare level. It seems equally clear, however, *that the fare level affects the volume of service offered* by the several carriers in the market and that *a fare set well above cost, based on a reasonable load factor, may contribute to the operation of excessive capacity and resulting inefficient use of resources.* The data developed in this study suggest that long haul jet coach fares are quite high in relation to cost of service even at the relatively low load factors prevailing in the transcontinental markets. The latter suggest that excess capacity is being provided in these areas. *It is a reasonable inference that the high level of long haul jet coach fares at least tends to support such over-scheduling which in turn creates a need for a higher fare level than would otherwise be necessary.*" [146]

TW's passenger load factor between San Francisco and New York during the calendar year 1966 was 43%, and 46% in 1967. During this period, TW had approximately a third share of the market, carrying 180,395 passengers in 1966, and 234,141 passengers during 1967.[147]

As previously noted, air carrier fares are primarily based, or should be based, on cost and load factor decisions.[148] Consequently, complainants' request that in determining the just and reasonable rates requested hereinbefore, the Board take into consideration, among other things, load factor.

Finally, because (1) the Bureau of Economics has in connection with "A Study of the Domestic Passenger Air Fare Structure":

(a) noted "fares should be related to distance or time traveled . . .;"

(b) demonstrated that direct cost per block hour is constant; and

(c) did receive a letter from M. Lamar Muse, President, Central Airlines, dated April 26, 1966, in connection with that study suggesting "the feasibility of substituting for the present mileage criteria of fare construction and measurement a standard time criteria based on jet aircraft speeds;"

(d) but subsequently conducted all of its research other than the initial acquisition of operational data, on only a mileage basis; and

(2) in view of:

(a) Mr. Charles C. Tillinghast, Jr., President of Trans World Airlines, statement before the Board on March 17, 1969:

"It (the cost-oriented formula for fares) is moving ahead vigorously. As I said before, our people are available to your staff, and indeed they have had a number of discussions, and I even understand by fortunate coincidence that the formula that we have worked out and the formula that you have developed have a lot more similarities than they have differences. I suspect that if the only people involved here were the Board and the TWA we might come to a conclusion with considerable dispatch"; and,

(b) the intimation in TWA's letter of March 18, 1969, of many discussions between the air carrier and Board's staff relevant to applicant's filing of March 18, 1969,

There appears to be sufficient facts to warrant, for the purposes of this proceeding and subsequent hearing, the Board's staff being disqualified as an attorney for the public, or in the alternative, being classified as a hostile witness with a vested interest in support of applicant's petition.

REQUEST

In summation, it is complainants' contention that the proposed fare changes are unlawful because the formula used and the values used in the formula do not, jointly or severally, comply with the Act of 1958, the Economic Regulations of the C.A.B., and/or the rules of ratemaking previously enunciated by the Board. It is therefore complainants' request that the Board:

(1) suspend and investigate the Trans World tariff filed March 18, 1969, and the United and Braniff tariffs filed on April 4, 1969, and all other pending tariff revisions, and where it is of the opinion that the proposed or present rate is unjust or determine and prescribe the lawful rate or rates;

(2) institute a general rate proceeding to investigate the fare structure of the air carriers to determine, among other things, whether air carrier fares should be related to revenue-miles, revenue-hour, an arbitrary charge, or a combination thereof, or some other factor, and to prescribe a broad national policy with regard to the establishment of individual and joint air carrier fares; and

(3) undertake a rulemaking procedure to amend Part 241 of Title 14 of the Code of Federal Regulations and applicable Schedules, and Definitions to require submission of revenue-hour traffic data in addition to revenue-hour operations data.

FOOTNOTES

[1] Munn v. Illinois, 94 U.S. 113, 134 (1877); Federal Power Commission et al. v. Hope Natural Gas Co., 320 U.S. 593, 601 (1944).

[2] Federal Power Commission v. Natural Gas Pipeline Co. et al, 315 U.S. 575, 586 (1942).

[3] Federal Power Commission v. Hope Natural Gas Co., *Op. Cit.*, 602 and cited cases.

[4] Caves, Richard E., Air Transport and Its Regulators, Harvard University Press, Cambridge, Massachusetts (1962) p. 143.

[5] Air Passenger Tariff Discount Investigation, 3 C.A.B. 242 (1942).

[6] Cherington, Paul W., Airline Price Policy: A Study of Domestic Airline Passenger Fares, the Plimpton Press, Norwood, Mass., (1958, pp. 79–80.

[7] Moore, Armory O., Department Editor, "Allocation of Air Transportation Cost in Determining Domestic Mail, Passenger and Cargo Rates," Judicial and Regulatory Decisions, 15 J. Air L. & Com., 343 (summer 1948).

[8] Order No. 2164, dated February 27, 1943.

[9] General Passenger-Fare Investigation, 17 C.A.B. 230, 243 (1953).

[10] Gill, Frederick W. and Bates, Gilbert L., Airline Competition, Harvard University Press, Cambridge, Mass. (1949) p. 398. Dr. Bates is at present Chief, Planning, Programming & Research Division, Bureau of Economics, C.A.B.

[11] C.A.B. Orders Nos. 2302, dated June 10, 1943; 2344 dated July 7, 1943; and 5102 dated August 21, 1946.

[12] C.A.B. Order No. 2302, dated June 10, 1943.

[13] C.A.B. Orders Nos. 3350, 3351, 3352, and 3353.

[14] General Passenger-Fare Investigation, *Op. Cit.*, 243.

[15] C.A.B. Orders Nos. 3950, 3951, 3952, and 3953.

[16] General Passenger-Fare Investigation, *Op. Cit.*, 243.

[17] In addition to these fare reductions, a number of the middle and smaller sized air carriers that had not previously adopted the uniform base rate in 1943, took advantage of the wide spread tariff changes in 1945 to also construct their fares upon a uniform flat passenger-mileage basis.

[18] General Passenger-Fare Investigation, *Op. Cit.*, 243.

[19] *Ibid.*, 243–244.

[20] Gill and Bates, *Op. Cit.*, p. 398.

[21] *Ibid.*, p. 400; Hawaiian Common Fares Case, 37 C.A.B. 269, 271–272 (1962).

[22] *Ibid.*, p. 401.

[23] *Ibid.*, pp. 401–402.

[24] American Air. et al., Mail Rates 14 C.A.B. 558, 561 (1951).

[25] C.A.B. Press Release 48–64, dated August 10, 1948. General Passenger-Fare Investigation, *Op. Cit.*, p. 244.

[26] Caves, Richard E., *Op. Cit.*, p. 144.

[27] Air Freight Rate Investigation, 9 C.A.B. 340, 344–345 (1948); emphasis added.

[28] Cherington, Paul W., *Op. Cit.*, p. 89.

[29] *Ibid.*

[30] *Ibid.*, p. 91.

[31] C.A.B. Press Release 49–77, September 7, 1949.

[32] C.A.B. Press Release 51–95, December 6, 1951.

[33] Cherington, Paul W., *Op. Cit.*, 97.

[34] "It is almost axiomatic in air transportation that the earnings carriers derive from long-haul high density operations serve to support their marginal short-haul low density operations." Trans World Air Siesta Sleeper-Seat Service, 27 C.A.B. 788, 792 (1958). See also Capital Air., et al. Mail Rates, 18 C.A.B. 457, 467 (1953); Capital Airlines, et al., Mail Rates, 20 C.A.B. 712 (1955).

[35] C.A.B. Order Serial No. E–6305, dated April 9, 1952, 3.

[36] *Ibid.*, 4–5.

[37] *Ibid.*, 6–7.

[38] *Ibid.*, 8–9.

[39] *Ibid.*, 10.

[40] *Ibid.*, 1–2.

[41] General Passenger-Fare Investigation, *Op. Cit.*, 230.

[42] Cherington, Paul W., *Op. Cit.*, 104–105.

[43] General Passenger-Fare Investigation, *Op. Cit.*, 234–235. See also C.A.B. Economic Regulation 399.31 Rate Policy applicable to non subsidized carriers.

[44] *Ibid.*, 232. (*non sequitur*: Lat., It does not follow).

[45] *Ibid.*, 235–239.

[46] Cherington, Paul W., *Op. Cit.*, 106.

[47] General Passenger-Fare Investigation, *Op. Cit.*, 242–243.

[48] C.A.B. *Coach Policy for the Certified Domestic Carriers*, statement of October 5, 1953. See also, Frederick, John H., Commercial Air Transportation, Fourth Edition, Richard D. Irwin Inc., Homewood, Illinois (1955) 282.

[49] Cherington, Paul W., *Op. Cit.*, 107.

[50] C.A.B. Order Serial No. E–10279, dated May 10, 1956.

[51] Supra.

[52] General Passenger-Fare Investigation, 23 C.A.B. 803, 804–805 (1956).

[53] C.A.B. Order Serial No. E–11135, adopted March 15, 1957.

[54] Suspended Passenger-Fare Investigation, 25 C.A.B. 511 (1957), 522.

[55] *Ibid.*, 522.

[56] *Ibid.*, 538

[57] *Ibid.*, 523.

[58] Member Gurney dissenting.

[59] Trans World Air., Interim Fare Increases, 26 C.A.B. 387, 288 (1958).

[60] *Ibid.*, 390.

[61] *Ibid.*, 392.

[62] *Ibid.*, 407.

[63] C.A.B. Order Serial No. 13066, October 27, 1958. See Rule 28—Stopover, Section III Fares and Routings—General, Local and Joint Passenger Rules Tariff No. PR–4, A.T.B. No. 19, C.A.B. No. 43, Airline Tariff Publishers, Inc., Agent, Washington, D.C.

[64] C.A.B. Order Serial No. 13066, October 27, 1958.

[65] The handling of the introduction of the surcharge for new jet services was initially subject to uncertainty.

In December 1958, National Airlines inaugurated the first domestic jet service (New York, New York to Miami, Florida) using Boeing 707 aircraft leased for the winter season from Pan American World Airways. National's original tariff provided for (1) *first-class:* a ten dollar ($10.00) surcharge on propeller first-class fares (i.e., jet $90.80, propeller $80.80); (2) *coach:* the propeller first-class fare was charged (i.e., jet $80.80, propeller $53.55). The Board subsequently suspended the jet coach fare, but not until the introductory season was past. (The proceeding was eventually dismissed without prejudice because National indicated that it did not intend to use this fare structure in the future.)

In January 1959, jet service was introduced into the transcontinental market. American Airlines apparently initially filed tariffs to implement an identical dollar amount surcharge differential on both jet coach and jet first-class. The Board approved the surcharge on new jet first-class service, but rejected the surcharge on new jet coach services. The Board's rejection was based upon a "seating-density standard"; i.e., the seating in the jet coach was substantially comparable in density to that in propeller aircraft. American, supported by several other air carriers, petitioned the Board for reconsideration. The air carriers threatened to not file tariffs containing a surcharge for new jet first-class services unless they were permitted to employ a similar surcharge for new jet coach services as well. The Board gave in, arguing that the jet coach services had a higher quality in speed and comfort that warranted a higher price; i.e., a semi-value-of-service concept.

Somewhere in the ensuing process the surcharge differential on new jet coach services was evidently increased, because according to the figures published by the C.A.B. Bureau of Economics in "Analysis of Domestic Current Fare Structure and Historical Fare Data" (1966), the surcharge on new jet coach services between New York-Chicago-Pacific Coast cities in January 1959 was equal to the surcharge differential on first-class fares *plus* $1.50.

	1st class			
	Chart	Prop	Jet	Differential
New York-Los Angeles	13	$166.25	$176.25	$10.00
Chicago-San Francisco	15	120.35	127.35	7.00
Chicago-New York	21	47.95	50.95	3.00
	Coach			
New York-Los Angeles	13	$104.00	$115.50	$11.50
Chicago-San Francisco	15	80.05	88.55	8.50
Chicago-New York	21	35.35	39.85	4.50

The use of absolute dollar amount surcharge differential for both services naturally reduced the differential between the services percentagewise. The additional $1.50 aggravated the situation. Both methods changed the national fare structure.

See: C.A.B. Order No. E–13232, December 4, 1959; C.A.B. Order No. E–13395, January 16, 1959; C.A.B. Order No. E–13417, January 22, 1959; because none of these orders are published in C.A.B. Reports, see Caves, Richard E., *Op. Cit.*, 166–167.

[66] Our own experience in the previous investigation of fares, as well as the advice of the respondents and bureau counsel, make it abundantly clear that to satisfy our primary aim is, of itself, a major undertaking that will require at least a year to accomplish. General Passenger-Fare Investigation, 23 C.A.B. 803, 804.

[67] General Passenger-Fare Investigation, 32 C.A.B. 291, 294 (1960).

[68] *Ibid.*

[69] One reason given was that, "because a substantial portion of expenses is directly responsive to the volume of capacity offered and traffic carried, airlines are markedly able to blunt the effects of a slackening of revenue growth upon return margins by a substantial contraction of expenses. *Ibid.*, 296.

[70] For the local-service air carriers, the Board had previously found a cost of capital of 5.5% for debt, 21.35% for equity, applied to the actual debt:equity ratio, subject to a minimum floor of 9% and a maximum of 12.75%; where the investment is less than 25 cents per plane-mile, a floor of 3 cents per plane-mile is used. Rate of Return, Local-Service Investigation, 31 C.A.B. 685 (1960).

[71] 17 C.A.B. 230, 234–235 (1953); *Supra.*

[72] General Passenger-Far Investigation, *Op. Cit.*, 328.

[73] As a second test of reasonableness, the resulting fare level should also be measured against the revenue needs of the individual air carrier and/or group of air carriers (Big Four, Middle Eight, etc.), thereby giving consideration to (1) the extent by which the fare level meets the costs of the group; (2) the relative number of passenger-miles accounted for by various groups; (3) the extent by which an air carrier deviates from the norm; (4) the effect of such deviation on the group and industry average; etc. *Ibid.*, 330.

[74] *Ibid.*, 331; emphasis added.

[75] *Ibid.*, 294, 320.

[76] *Ibid.*, 320–321.

[77] *Ibid.*, 321.

[78] *Ibid.*, 339–340.

[79] C.A.B. Press Release 60–10, dated April 29, 1960.

[80] C.A.B. Press Release 60–13, June 17, 1960. Note: in G.P.F.I., "The scope of possible orders to be issued was limited to flat percentage changes in the fares of particular carriers or groups of carriers. General Passenger Fare Investigation, *Op. Cit.*, 293.

[81] Domestic Trunkline Passenger-Fare Increase, 31 C.A.B. 984, 985 (1960).

[82] *Ibid.*, 986.

[83] C.A.B. Order Serial No. E–16068, adopted November 25, 1960.

[84] On October 7, 1960, the Board had permitted the domestic trunkline air carriers to raise jet coach fares to 75 percent of the first-class jet level since the carriers had asserted a need for additional revenue and as a means to check the substantial diversion from first-class to developing on two-class jet flights. (Order No. E–15894, dated October 7, 1960.) This percentile differentiation corresponded exactly with the minimum vertical fare structure differentiation established in the Board's fourth 'Coach Policy Statement' on October 5, 1953; supra, —. See also C.A.B. Economic Regulation 399.33(d) Domestic coach policy, *fare differentials.*

[85] Henzey, William, "The Fare Muddle", *Airlift*, Vol. 27, No. 8 (January 1964) 53.

[86] In 1957 United Air Lines had offered a propeller custom coach service (its first "middle-class" service) at fares approximately three percent (3%) higher than ordinary propeller coach fares. United's proposed "DC–7 Custom Coach" is a new class of service, different from its regular coach service and materially different from its first-class service. The net effect of the proposal would be that United will offer the public

three classes of service as against two at the present time. Initial Decision of the Examiner, United Custom Coach, Suspension and Investigation, 26 C.A.B. 23, 36 (1957).

[87] Ashlock, James R., "Three Competitor File Protests Over Continental Coach Fare Cuts", *Aviation Week and Space Technology*, Vol. 77, No. 7 (August 13, 1962) p. 37.

[88] The Board permitted the tariff to become effective for a limited period, initially to January 1, 1963; later extended to February 28, 1963. At the same time, the Board instituted an investigation of such fares; Order No. E–18706, dated August 15, 1962. Also see Order No. E–18759, dated August 31, 1962, denying reconsideration. Subsequently, by Order No. E–19313, dated February 21, 1963, pending final conclusion of the investigation already ordered, the Board concluded that "these fares appear reasonably related to the cost and value of the service and thus meet the principal test of just and reasonableness."

[89] "First-Class Revenue Drop Spur Support for Single Class Service", *Aviation Week and Space Technology*, Vol. 78, No. 7 (February 18, 1963) p. 44.

[90] Henzey, William V., *Op. Cit.*, p. 55.

[91] *Ibid.*

[92] Doty, L. L., "CAB Seeks to End Domestic Fare Chaos", *Aviation Week and Space Technology*, Vol. 80, No. 2 (January 13, 1964) p. 34.

[93] *Ibid.*

[94] Henzey, William V., *Op. Cit.*, 55.

[95] American Airlines had previously, in 1961, wanted to reduce first-class fares over 1,200 miles by five percent; *Supra*, 38. Later American noted that "almost two-thirds of total airline trips are less than 700 miles; *Infra*, footnote 104.

[96] Continental Air Lines' Economy-coach fares, Family-Plan Discount, Hawaii-mainland Thrift-fares, American Airlines' First-class tariff.

[97] Doty, L. L., "CAB Seeks to End Domestic Fare Chaos"; *Op. Cit.*, 34.

[98] *Ibid.*

[99] *Ibid.*

[100] *Ibid.*

[101] Continental Air Lines eliminated business-class service on January 27, 1964, substituting coach service in its place.

[102] Doty, L. L., "CAB Seeks to End Domestic Fare Chaos", *Op. Cit.*, 35.

[103] Passenger fares proposed by Eastern Air Lines, Inc., et. al., Docket 15713, C.A.B. Order No. E–21637 (January 4, 1965) 2.

[104] "Eastern's Proposal to Revise U.S. Fare Structure Stirs Variety of Reactions", *Air Travel, Official Airline Guide*, Chicago, Illinois (January 1965) 38.

[105] Passenger fares proposed by Eastern Air Lines, et. al., *Op. Cit.*, dissent, pages 1–2.

[106] United States air carriers bill the Post Office Department, and the Department in turn bills the Postal Service of the foreign nation.

[107] Gregory, William H., "Government Tightens Reins on Revenues", *Aviation Week & Space Technology*, Vol. 83, No. 8 (August 23, 1965) 38. See "MAC Contract Rate Revision to Be Set", *Aviation Week & Space Technology*, Vol. 84, No. 5 (January 31, 1966) 34.

[108] Increased first-class fares, and baggage allowance and charges, proposed by the Domestic Trunkline Carriers, Docket 16363, Order No. E–22483, dated July 27, 1965, 7.

[109] *Ibid.*, 7–8.

[110] *Ibid.*, 3–4.

[111] *Ibid.*, 8.

[112] Ashlock, James R. "United Jet Fare Rejection Shakes Industry", *Aviation Week & Space Technology*, Vol. 83, No. 10 (September 6, 1965).

[113] Note: The Board considered the practice had continued until July 27, 1965, when it suspended several jet first-class fares proposed by United.

[114] Surcharge for new jet service, proposed by United Airlines, Inc., Docket 16457, C.A.B. Order No. E–22587, dated August 27, 1965, 1–2.

[115] *Supra.*

[116] "Mr. Patterson Sounds Off—and How!", *Air Travel, Official Airline Guide*, Chicago, Illinois (February, 1964) 22, 23.

[117] "All in One Lifetime—From 'Crates' to Super Jetliners", *U.S. News & World Report*, Vol. 60, No. 6 (February 7, 1966) 62, 64.

[118] General Passenger Fare Investigation, 23 C.A.B. 803, 805, (1956); *Supra* 26.

[119] Ashlock, James R., "CAB Chairman Pledges Firm Fare Limits", *Aviation Week & Space Technology*, New York, Vol. 83, No. 11 (September 13, 1965) 37.

[120] Ashlock, James R., "CAB Seeks Surcharge Dilemma Solution", *Aviation Week & Space Technology*, New York, Vol. 84, No. 1 (January 3, 1966) 28.

[121] "Murphy Forecasts Revised Fare Policy", *Aviation Week & Space Technology*, New York, Vol. 84, No. 2 (January 10, 1966) 37.

[122] *Ibid.*, 38.

[123] Murphy, Charles S., "Trends in Transport Regulation", address at the National Transportation Institute of the Transportation Association of America, New York City (January 12, 1966) 9–10.

[124] Ashlock, James R., "Board to Offer Option to Surcharge Ban", *Aviation Week & Space Technology*, New York, Vol. 84, No. 4 (January 24, 1966) 39.

[125] Ashlock, James R., "Threat of 1967 Fare Investigation Looms", *Aviation Week & Space Technology*, New York, Vol. 84, No. 20 (May 16, 1966) 36.

[126] C.A.B. Press Release 66–19, dated February 9, 1966, 3; *Infra; Supra.*

[127] "Carriers' Estimate of Jet Surcharge Loss", *Aviation Week & Space Technology*, New York, Vol. 84, No. 1 (January 3, 1966) 28.

[128] Fares for first-class and coach jet service proposed by Eastern Airlines, Inc., Docket 16879, C.A.B. Order No. E–23131, January 19, 1966; C.A.B. Order No. E–23461, dated April 1, 1966.

[129] Ashlock, James R., "CAB Seeks Surcharge Dilemma Solution", *Op. Cit.*, 29.

[130] Ashlock, James R., "Board to Offer Option to Surcharge Ban", *Op. Cit.*, 39.

[131] The 1953 staff study was never pursued. In 1956, the Board's Chairman (a new member) did not even know that the dismissal order for the first *General Passenger Fare Investigation* called for a staff investigation. See Caves, Richard E., *Op. Cit.*, 148.

[132] C.A.B. Press Release 66–19, dated February 9, 1966, 3.

[133] Ashlock, James R., "Board to Offer Option to Surcharge Ban", *Op. Cit.*, 40.

[134] Ashlock, James R., "CAB Seeks Surcharge Dilemma Solution", *Op. Cit.*, 28. Note also: " A difference of opinion on the issue has existed between the Board and the Bureau of Economics ever since the surcharge ban was imposed last summer. The Bureau, for example, proposed then that if the Board chose this policy, it should exempt those routes on which jet service was already established. . . . The Board rejected this suggestion."

[135] Roth, Irving, form letter, dated April 21, 1966.

[136] C.A.B. Press Release 66–19, dated February 9, 1966, 3.

[137] On February 10, 1966, United Air lines filed a new tariff under the Title of "Discover America Excursion Fare." Basically, the principal features of United's proposed package fare are (1) a round-trip fare at 25 percent discount of a jet coach fare; (2) regular reservation; (3) one free stopover on either the going or return portion of the trip; (4) no restrictions as to age, organization, family status, etc.; (5) return trip may not commence in the same calendar week, but must be commenced within 30 days; and (6) not available during certain peak travel periods; i.e., hours, days, weeks, and months. The chairman said he was particularly interested in the expansion of packaged tours in domestic markets and greater provision of stopover privileges. (Ashlock, James R., "CAB Chairman Pledges Firm Fare Limits", *Op. Cit.*,)

[138] Rates Division, Bureau of Economics, A Study of the Domestic Passenger Air Fare Structure, Civil Aeronautics Board, Washington, D.C. (January 1968) 5.

[139] Fare Addition proposed by United Air Lines, Inc., Docket 20062, C.A.B. Order Serial No. 68–7–149 (July 30, 1968), Member Adams dissenting.

[140] Report on Meetings Between the Civil Aeronautics Board and the Domestic Trunkline Carriers on Domestic Passenger Fares, Civil Aeronautics Board, Washington, D.C. (no date).

[141] Fare increase proposed by the domestic trunkline carriers, Docket 20696, 20719, D.A.B. Order Serial No. 69–2–68 (February 19, 1969); Vice Chairman Murphy and Member Minetti filed a joint statement.

[142] Even conceding *arguendo* that the total effect of such a rate order could not be said to be unjust and unreasonable, it is doubtful the airlines' managements and the Board are prepared at this time to surrender the exercise of all their powers and duties with respect to the determination of rates to any mechanical formula.

[143] Sec. 102(d), Federal Aviation Act of 1958; Bureau of Economics, A Study of the Domestic Passenger Air Fare Structure, *Op. Cit.*, 72; *Supra.*

[144] American Airlines, Inc., et al., Mail Rates, Docket No. 2849 et al., 14 C.A.B. 558, 595–599 (1951); American Airlines, Inc., et al., Domestic Trunklines, Service Mail Rates, Docket No. 6599 et al. 21 C.A.B. 8, 54–58 (1955).

[145] Air Transport Association, Exhibit 100, General Passenger Fare Investigation, C.A.B. Docket No. 8008 (1961) 11. (See also, Miller, Ronald E., Distribution of Total Operating Expenses by CAB Functional Class: Domestic Trunklines, 1956; *"Domestic Airline Efficiency,"* The M.I.T. Press, Cambridge, Massachusetts (1963) 11; Treatment of Revenues and Expenses, General, "Report of Ernst & Ernst on Survey of Separation of Compensatory Mail Pay from Total Mail Payments to Domestic Airlines"; 18 J. Air L. & Com. 206, 216; Wheatcroft, Stephen, "Economics of European Air Transport," Table 14, *The Economics of European Air Transport*, Manchester University Press, Manchester, England (1956) 82; Speas, R. Dixon, "Operating-Cost Summary, Major United States Airlines, Calendar Year in Early Fifties", Table 16–4, *Technical Aspects of Air Transport Management*, McGraw-Hill Book Company, New York, (1955) p. 300.

[146] Bureau of Economics, A Study of the Domestic Passenger Air Fare Structure, *Op. Cit.*, 70; emphasis added.

[147] TWA's share of the market was 32.4% in 1966, 33.7% in 1967.

[148] *Supra.*

APPENDIX 1

ONE TYPE OF RATEMAKING FORMULA [1]

[Direct operating cost+indirect operating cost+profit element (available capacity) × (load factor) × (value adjustment) =uniform base rate (per passenger, ton or cube by class of service or equipment]

Value of service as percent of uniform base rate (net yield) (1)	Market demand as percent of traffic flow (2)	Value adjustment to uniform base rate (Col. 1 multiplied by col. 2)
106	5	5.3
100	55	55.0
75	10	7.5
66⅔	15	10.0
50	15	7.5
Value adjustment needed in base rate		85.3

Example: $\frac{\$530+\$430+\$240}{110 \text{ seats} \times 60 \text{ percent} \times 0.85}$ =$21.50 per passenger-hour

[1] Suggested by way of substitution pursuant to subpt. E, par. 302.505 of the CAB's Rule of Practice in Economic Proceedings.

Source: Hon. John E. Moss, "The CAB Staff Study of Air Fares," Congressional Record (May 9, 1968) E4016, E4021.

WARSAW GHETTO DAY: IN COMMEMORATION

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, I wish to honor today the memory of Jews of the Warsaw ghetto who rose against the Nazi SS in April 1943. It is particularly relevant that we recall their struggle, in view of the recent upsurge of anti-Semitism in Poland. The current Polish anti-Semitic campaign has purged thousands of Jews—from the most prominent to the obscure—from positions in universities, political, and cultural life. We must condemn this recurrence of prejudice in Poland as an affront to the memory of thousands of Jews who were annihilated in the Warsaw ghetto uprising of 1943.

Before the Nazi invasion, Warsaw was the most Jewish of European cities. There were some 433,000 Jews in the city when, in early 1940, German occupation authorities began to concentrate Jews in special districts in each town and locality in Poland. A period of mass deportations began, accompanied by confiscations, arrests, and terror. Jews were the victims of unbridled violence of the SS, including looting, murder and starvation. This persecution was designed to deprive Jews of all material goods, and, through physical and mental oppression, to prepare a suitable atmosphere for genocide.

On October 16, 1940, the Germans began to corral Warsaw's Jews into the 100 square city blocks between the major railway station, the Saxon Gardens, and the Danzig Railroad Terminal. The proximity of transportation facilities was probably a determining factor in locating the Jewish ghetto, whose residents the Nazi regime planned to evacuate with maximum efficiency. One-third of the population of Warsaw was crammed, eight to a room, into one-twentieth the area of the city. A brick wall and barbed wire encaged the Jewish Poles. The Germans planned at first to starve them into docility, then to round them up and murder them by the thousands.

According to Nazi plans captured at the fall of the Wehrmacht, Poland was the first occupied area to be cleared of its non-Aryan population, prior to the implementation of the general eastern plan—generalplan ost. The Reich's strategy was to Germanize and liquidate the untermenschen of enormous areas—the Baltic States, Czechoslovakia, the Ukraine, Byelorussia, and Russia itself. The records of the Nuremberg International Military Tribunal include testimony by the spokesman of Nazi race ideology, Rosenberg, who expressed the Reich's purpose:

> Europe can consider the Jewish question solved when the last Jew leaves the Continent. . . . We swear that we will not give up the fight until the last Jew in Europe has disappeared, and, until we are sure that he is really dead.

The pilot project for this operation was Poland; its death terminal, Warsaw. Most of the Jews sealed up in 2½ miles of the classical Jewish quarter of the city had neither roots nor homes in the capital. Here they were starved and systematically hunted by their captors. In spite of the various epidemics which erupted, they were denied drugs. They endured cruel Polish winters without fuel. While the rest of occupied Warsaw went uninformed of events in the sealed ghetto, hunger increased daily. It emerged from dark, overcrowded living quarters into the street, where it spoke through the mouths of beggars—the aged or the very young, who crawled under the barbed wire, before the gendarmes, to get food "on the other side." Entire families were supported in this manner.

In spite of the disease, the corruption, violence, restrictions, and fear of betrayal, the trappings of normal community living developed in the Warsaw ghetto. The ghetto population created its own underground community. The Jews operated clandestine schools. There was even a university complete with faculty. Bomb caches were disguised as parks. Four theaters offered performances. Musicians gave concerts. Poets composed and recited verse. Painters and sculptors worked and exhibited their efforts. An illegal press distributed pamphlets and reported current events. A group of scholars collected an archive to preserve records of the ghetto as part of Jewish history. Among these documents is a draft of the opening address for a cultural evening. The unknown lecturer analyzed the common Jewish purpose:

> We want to continue living and remain free and creative people. Thereby we shall stand the test of life. If our lives are not extinguished under thick layers of ashes, it will be the triumph of humanity; it will be proof that our life-force is stronger than the will of destruction.

Spurred by the certainty that the Germans offered no alternative to extermination, a resistance movement was formed of Zionist youth. Before the outbreak of war, this group was making plans for emigration to Palestine. Its national and political awareness was intense, as was its determination to defy the superior numbers and weaponry of the German troops. At first this resistance organization was viewed as too militant. A year later, however, several intended victims who had escaped from the Nazi death mills were returned to the ghetto. They verified the horrors which the ghetto population had only suspected. Between July 22 and October 3, 1942, 300,000 Jews were removed from the ghetto, the majority to Treblinka, the rest to labor camps. The numbers of the deported substantiated the tales of the escaped prisoners. Within days of the first deportations, the Jewish Fighting Organization was formed under the command of 21-year-old Mordechai Aniedewicz. The organization earned the political and religious support of the community. By the beginning of 1943, confrontation was inevitable.

Weapons were smuggled into the ghetto through sewers or by burying parties who were allowed beyond the walls of the Jewish cemetery. The number of guerrilla units formed and trained has been set at 22. The first clash between Jews and Nazi forces occurred January 18, 9 days after Himmler ordered that deportations be resumed. He had prepared to remove the last 60,000 to 70,000 Jews remaining in the ghetto. This first round was a Jewish victory in spite of the odds against them. After 4 days of battle, the Jews effectively routed the SS.

The Germans retreated to nurse their wounds and repair their wounded vanity. On February 16, 1943, Himmler ordered what he thought would mean the destruction of the ghetto. Lt. Gen. Jurgen Stroop was sent to carry out the operation. Tanks, planes, and artillery encircled the ghetto. April 19, Passover Eve, the SS moved toward the ghetto. The ZOB decreed an alert and proceeded to execute organizational measures. At 6 a.m. the following day the battle broke. In spite of the overwhelming German superiority in troops and supplies, the Jews withstood the barrage. Testifying at the Eichmann trial, ZOB member Zivia Lubetkin recounted the flavor of the revolt:

> Our unit numbered twenty men, women, and youngsters. Each of us had a revolver and a grenade. A whole squad had guns and some home-made bombs, prepared in a very primitive fashion. We had to light them with matches. . . . We knew that they would pay a high price for our lives. . . . When the Germans advanced on our posts and we threw those hand grenades and bombs, and saw German blood pouring over the streets of Warsaw after we had seen so much Jewish blood shed, we rejoiced. . . . Those German heros retreated. . . . They came back again on the same day, reinforced by tanks, and we, with our petrol bombs, set fire to a tank.

The spirit of the ghetto was assuredly its most potent weapon. Reacting now with anger to what had been regarded as a routine operation, the Germans were determined to destroy the resistance regardless of cost. Humiliated by their initial defeats, the Nazis tried what they thought would be a devastating combination of fire and artillery. They first set fire to the brush factory district. Smoke burning their eyes and choking their throats, the Jews would not be burnt alive in German flames. The occupants of this area set out for the central ghetto. Some perished in the conflagration. Charred corpses filled the streets and lay in doorsteps. Smoke and flames drove thousands more out of otherwise safe hideouts. These staggered onto the sticky pavement, melted by the heat, where they wandered aimlessly, only to be captured by the Germans or shot on the spot.

The Germans hoped that the destruction of the brushmakers' district would drive the Jews to surrender. Hoping for a "voluntary" evacuation, they announced deadlines for appearing at collection centers. No amount of pleading or threats would convince the Jews to surrender. They preferred armed resistance to meek submission.

Faced with such stubbornness, the Nazis changed their tactics. They began burning private homes—one after another—to smoke out their victims. The partisans now attempted to preserve large groups of the population hiding in isolated bunkers and shelters by moving them underground. The burning of the ghetto ended only where there were no more living quarters and, still worse, when the water supply was exhausted. At this point the partisans themselves were forced underground.

With the Germans policing the streets by day, the ZOB could make raids only at undercover of night. Supplies were running desperately short. The ammu-

nition cache was nearly depleted. Loss of communication with the Aryan world outside the ghetto meant it would be virtually impossible to put further meaningful resistance.

The Germans sent out searching parties to ferret out those who had burrowed underground. They employed sensitive sound-detecting instruments and trained police dogs. One of the most vigorous battles was fought at 30 Franciszkanska Street, where the Nazis discovered the bunker of former residents of the brushmakers' district. The battle here lasted 2 days, and not a single person submitted to capture alive. ZOB headquarters was discovered on May 18. The Germans tolerated 2 hours of resistance. Then, appreciating the advantages of liquidating the organizers of resistance, the Germans tossed in a gas bomb. Whoever was not gassed committed suicide. Jurek Wilner proposed group annihilation. Lutek Rotblat shot his mother, his sister, then himself. Eighty percent of those who survived the chemical weapons perished in this manner, including ZOB Commander Mordechai Aniedewicz. The few who miraculously escaped death set off to join the remnants of the brushmakers' detachments at 22 Franciszkanska Street. The only safe access to the shelter was through the sewer system, a common thoroughfare in the ghetto. The entrance was boobytrapped with grenades ready to explode at touch. The fugitives crawled through snares and entanglements constructed by the SS. On occasion, the Germans would let gas into the mains. In a sewer 28 inches high, the sludge reaching to their lips, the surviving ZOB waited 48 hours to escape to the bunker. One of their number lost consciousness every few minutes. Thirst was the worst problem. Some of the more desperate chanced drinking the slimy waters.

On June 10, at 10 a.m., two trucks pulled up to the trapdoor at the Prosta Street-Twarda Street intersection. When the door opened, the Jews emerged from their hole, and scrambled onto the trucks. Not all were able to escape. Soon the heavy door banged shut. Not daring to tarry longer, the trucks bolted away, careening through the streets at full speed. This surviving fraction of the ZOB joined guerrilla bands fighting in the woods. The majority of them were eventually slain. The rest took part in the 1944 Warsaw uprising as the "ZOB unit." From this handful of survivors we have accounts of the Warsaw ghetto epic.

The fate of those not fortunate enough to escape was buried in the ragged heap of rubble reaching three stories high. It had taken 44 days to destroy the ghetto. Nazi officials recorded the deaths or relocations during the insurrection at 6,060. Rather than surrender, the valiant Jews of the Warsaw ghetto had preferred to end their ordeal of 3 years with entrenched resistance.

Today a statue to the ghetto population stands in a desolate square, once the heart of the district. In spite of common experiences under German occupation, the fact that many Poles risked their lives to hide Jews during the war, and the fact that many Poles also marched to gas chambers at Auschwitz and Treblinka, the Polish Government seems to have forgotten the Nazi ordeal. Otherwise, how could they tolerate, and, indeed, encourage the senseless anti-Zionist purge which grips Poland today?

In Poland competing camps in the faction-ridden Communist system consistently have exploited anti-Semitism at critical junctures in Polish history. This strategy emerged in Poland during the early post-war period. The first "takeover" government was an uneasy coalition of Communists who had spent the war in the Polish underground and those who, having spent the war in Soviet Russia, returned to Poland with the victorious Red army. Friction between the "domestic" group and the "Muscovites" emerged during the Stalinist period. During the brief thaw which followed Stalin's death, the domestic group blamed the Muscovites for the excesses of Stalinization. The anti-Semitic campaign evolved from their charges against a fraction of the Muscovites who happened to be Jews. The same party plenum which elected Wladyslaw Gomulka first secretary of the party also set up a program for reform and issued a resolution against ethnic prejudice. Neither policy was implemented. In an effort to consolidate power, Gomulka proceeded to generously pad the party apparatus with former Stalinist partisans. This element has since expanded its power base. Since the early sixties, the Partisans have agitated against the political decay and economic stagnation of the "Gomulka establishment." Their goal is to replace it. The student riots of March 1968 gave them precisely the opportunity they sought. Seizing upon the coincidence that some of the leaders of the student protests were Jewish and that their parents occupied prominent government posts, General Moczar, Minister of the Interior, and head of the Partisan faction, launched the current anti-Semitic campaign. To protect his own political position, Gomulka took up the challenge. Just after the Arab-Israel conflict in June 1967, he blamed all of Poland's present difficulties on a pro-Israel Zionist conspiracy.

With anti-Semitism a weapon of both contending factions, the toll among Polish Jews has been heavy, and the purge continues to this day.

Both the Government of the United States and the United Nations must make every effort to combat anti-Semitism in Poland. Memory of the heroic resistance of the Warsaw ghetto should strengthen those efforts.

ISRAEL INDEPENDENCE DAY

(Mr. McCORMACK (at the request of Mr. ALBERT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, it has been 21 years since the foundation of the State of Israel in the land of the ancient Hebrew people. Those 21 years have witnessed many events in Israel, not the least of which have been the three wars fought between Israel and its Arab neighbors and the victories of the Israel defense forces in those three conflicts. Peace still is only a dream in the Middle East, but all men of good will hope that a peaceful settlement of the Arab-Israel dispute can be found and implemented.

But, despite the wars and the constant state of alert demanded of the Israeli people, they have still been able to register tremendous growth and progress in the past two decades. The Israeli economy established unprecedented gains, averaging for the decade between 1950 and 1960 a growth rate of over 10 percent per year. After an imposed slowdown of the economy beginning in 1964 had produced the desired effects, the Israeli economy is again growing at its old pace. The Israeli planners have taken great pains to diversify the industry of Israel, seeking a balance between industry, agriculture, manufacturing and services that will insure a stable and reliable economy for the future.

In the educational field, the Israeli nation has faced an arduous task of teaching an ancient language, now revitalized, to the polyglot peoples who came to the promised land. Germans, Rumanians, Russians, Moroccans, French—people from all the corners of the earth speaking all the earth's languages—have been taught Hebrew. Grown men share the classrooms with their sons in their desire to learn and to grow together. The teachers in those schools are quite often young girls, members of the Israel defense forces, who are serving their country in two ways, they are soldiers and they are teachers. The Israelis hunger for education and learning, and they respect the power of knowledge.

Much has been written about the Israeli agricultural programs, the cooperative and the collective communities which have so ably converted vast ranges of wasteland into productive and vital farmlands. The Kibbutz and the Moshav are the epitome of cooperation and democracy, where all share the work and the rewards. In the southern part of Israel is the vast Negev desert. It is here that the Israelis have concentrated their efforts to reclaim the land from the scorching sun and the dry winds and to convert the barren earth into living farms. One of the modern engineering miracles is the Israeli water conduit which carries needed water from the north of the country to the arid south.

But Israel has not been a nation of all work. In the cultural area, the Israelis have become world leaders in music, art and letters. Israeli dancers, singers and musicians travel around the world, receiving critical acclaim for their talents and their creativity. Israeli designers hold shows in the fashion centers of London, Paris and New York. Israeli artists and their works appear in the galleries of Europe and the Americas. Israeli architects and engineers raise buildings in Africa and South America. Novelists, historians and poets from Israel are read and appreciated by a wide spectrum of peoples from Asia to Scandinavia. The wide range of talents demonstrate the Israeli creativity and their innovative and imaginative approach to every aspect of modern life.

On this occasion of the celebration of the 21st anniversary of the founding of the State of Israel, we offer our heartfelt congratulations and express the earnest hope that the people of Israel will soon find the peace they so valiantly seek.

Mr. GIAIMO. Mr. Speaker, today Jews throughout the world celebrate the 21st anniversary of the fulfillment of a dream, the establishment of the State of Israel. They are joined by all those who truly cherish the ideals of independence and justice.

This remarkable nation should serve as a reminder to all of us that freedom is neither easily won nor easily kept. To paraphrase the late President Kennedy, there are those who take the idea of freedom for granted. Let them look to Israel.

The dream of a Jewish homeland has survived for centuries. It could not be eradicated by Roman legions, Nazi terror or so-called holy wars. That dream still lives today in the hearts of oppressed people.

What has been done in 21 years is miraculous, Mr. Speaker. A nation built on arid land has become the garden of the Middle East. A nation surrounded by enemies has made friends throughout the world. A nation aided by the charity of others has itself become charitable.

One could write volumes of praise for this new nation and its accomplishments, but the real promise of Israel lies in its future. There is no reason to doubt that Israel could do for the entire Middle East what it has already done within its own borders.

It is absurd, Mr. Speaker, that a nation like Israel sits as an island of plenty in a sea of hunger and poverty. This absurdity is not the fault of the Israelis, for they have consistently expressed their desire to live in an atmosphere of peace which they have been denied for centuries. It is the fault of the neighboring Arab States who have refused to even recognize the right of Israel to exist.

Israel itself, believing that a gap in living standards between prosperous and poor nations is a danger to world peace, has engaged in a wide-ranging program of assistance to other developing countries. Many nations in Africa, for instance, have greatly benefited from such assistance. Considering that Israel is itself a developing nation, this program is impressive and shows a strong desire to help people in need.

Why cannot this assistance go toward improving the lot of every person in the Middle East? Why can certain Arab leaders not turn from their policies of ultranationalism and racism and instead help their own people? Why can the people of the Middle East, with help from the United States, the Soviet Union, and the United Nations, among others, not settle their differences amicably without resorting to armed force and belligerency?

Why, indeed, can the Middle East, the cradle of civilization, not become a showcase of peace where all nations, whatever their ideology, can exist in a spirit of mutual cooperation and respect?

This is the challenge which faces Israel in the third decade of its existence. Over and over again in the past 21 years, it has shown its will to survive. That will should no longer be questioned by anyone. The Arab States hostile to Israel should admit that Israel exists and has territorial, political, economic, and social integrity.

Only then will all people of the Middle East find peace. Only then will Arab and Jew alike find truth in the ancient prophecy of Isaiah: "And they shall beat their swords into ploughshares, and their spears into pruning hooks; nation shall not lift up sword against nation; neither shall they learn war any more."

Just as a dream of Israel became a reality 21 years ago, so may this prophecy be fulfilled. As we celebrate the past, let us pray for the future.

Mr. MINISH. Mr. Speaker, no matter how old he grows, a man remembers with poignant clarity his 21st birthday—his pride at reaching man's estate, his exultation in his youth and vigor with the whole world and a whole lifetime stretching ahead, his for the asking.

That pride and exultation for young men born in this century have, sadly, been clouded with the horrors of wars, of man's inability to live in civilized peace with his fellow man.

As with the individual, so with a nation. Today we salute with pride and affection Israel's 21st birthday, but our happiness is overshadowed by the grim realities of the hour which find these gallant people engaged in the unceasing struggle to safeguard their security.

As with the young men observing their 21st birthday in today's chaotic world, Israel was born in the aftermath of the sufferings and devastation of world war. For 21 years, its people have been fighting two battles. The first is the battle against a cruel and harsh land, almost devoid of resources and wasted through centuries of neglect and mismanagement. The enemies of the Israelis in this first battle were the swamps and the deserts, the rocky hills and desolate valleys, the arid, forbidding country that is their "promised land." The Israelis are winning the fight against the land and the elements, and the land of Israel is becoming again the land of milk and honey described in the Bible. The costs of rebuilding Israel are high, taking their toll in hard work, but the rewards are even higher, the satisfaction of building not only a home but a nation.

The second of the two battles is the continuing confrontation with the Arab States. In this battle, there is no victory because there is no peace. While Israel has won the armed conflicts that have erupted three times in two decades, she has not been able to translate those battlefield victories into conference table victories because her Arab adversaries refuse to negotiate a permanent settlement of the problem. But the Israelis are a persistent people and a people determined to have peace in their land. They have not been dismayed at the absence of progress at the peace table, but have dedicated themselves to finding and securing a lasting and just peace.

There can be no doubt that the people of Israel are entitled to the land and that there should be a state for the descendants of the Hebrews. The only source of challenge to the Israelis right to exist is the Arab bloc; the rest of the world fully recognizes the State of Israel and this includes the Communist nations which champion the cause of the Arabs. The first nation to recognize Israel on May 15, 1948, was the United States of America. Since then this Nation has not relaxed its friendship with Israel and we have not altered our commitment to the people of Israel.

Our cooperation with the Israeli people has extended from technical training to new farming methods. Israeli scientists and their American counterparts are working on projects that will help all mankind, not just a few people. In fact, the Israelis have become models for the underdeveloped world, training many young teachers, farmers, and scientists in schools and workshops in Israel and in countries in Asia, Africa, and Latin America. This same spirit of cooperation could exist between the Israelis and the downtrodden people of the Arab countries surrounding Israel if only the leaders of those states would be willing to negotiate a peace treaty.

On this auspicious occasion, as we salute our gallant young ally, let us renew our bonds of friendship, our commitment to establishing a permanent peace.

The remarkable Prime Minister of Israel, Mrs. Golda Meir, who epitomizes the bonds between our two countries, stated in her memorable address on presenting her Cabinet to the Knesset—Parliament—Jerusalem, March 17, 1969:

> It has been our fate that while we engrossed ourselves in constructive and creative work in our homeland, we have had to defend our lives and our achievements and take up arms against attackers and aggressors. . . . It has never been our aspiration to win victory in war, but to prevent wars. It has, nevertheless, been demonstrated that when wars have been forced upon us, we have been able to fulfill our task. And there is no doubt in my heart that if a new war is forced upon us again, we shall again be victorious . . . We will not accept any arrangement that is not true peace. We shall not agree to any "solution" which does not guarantee that this war is the last war. Unfortunately, the Arab rulers have repulsed the outstretched hand . . . We consented to a ceasefire. The Arab States also agreed to the ceasefire. But only a few days passed before the ceasefire lines became front lines of continuous aggression waged against us by the Arab States. In truth, the war is not yet over. Day in, day out, our sons are falling at their posts . . . The actions and utterances of the Arab rulers give no promise of approaching tranquility.

The record clearly demonstrates that the basic obstacle to peace has been the continuance and intensification of terrorist activities, supported or condoned by some Arab governments, and the policy embodies in the Khartoum formula—"no negotiations, no recognition, no peace." Terrorist activities violate the cease-fire resolutions, and international law. They are designed to prevent peace, and force another war. And so, the central tasks facing Israel on its 21st birthday are, above all, to safeguard the nation's security and to continue to strive for peace.

I am happy to join today with like-minded colleagues in issuing the following declaration for peace in the Middle East that offers the best hope of protecting the interests and dignity of all the parties involved and permitting them to make a just and balanced peace. May this peace be achieved and may Israel and its neighbors unite in a spirit of friendship and cooperation and build together a region overflowing with milk

and honey for all the peoples of the Middle East.

DECLARATION FOR PEACE IN THE MIDDLE EAST, APRIL 1969

On the occasion of Israel's 21st birthday, we offer our congratulations to the people of Israel on their progress: the absorption of more than 1,250,000 refugees and immigrants; the reclamation of the land; the development of their economy; the cultivation of arts and sciences; the revival of culture and civilization; the preservation and strengthening of democratic institutions; their constructive co-operation in the international community.

On this 21st anniversary we express our concern that the people of Israel are still denied their right to peace and that they must carry heavy defense burdens which divert human and material resources from productive pursuits.

We deeply regret that Israel's Arab neighbors, after three futile and costly wars, still refuse to negotiate a final peace settlement with Israel.

We believe that the issues which divide Israel and the Arab states can be resolved in the spirit and service of peace, if the leaders of the Arab states would agree to meet with Israelis in face-to-face negotiations. There is no effective substitute for the procedure. The parties to the conflict must be parties to the settlement. We oppose any attempt by outside powers to impose halfway measures not conducive to a permanent peace.

To ensure direct negotiations and to secure a contractual peace settlement, freely and sincerely signed by the parties themselves, the United States should oppose all pressures upon Israel to withdraw prematurely and unconditionally from any of the territories which Israel now administers.

Achieving peace, Israel and the Arab states will be in a position to settle the problems which confront them. Peace will outlaw belligerence, define final boundaries, end boycotts and blockades, curb terrorism, promote disarmament, facilitate refugee resettlement, ensure freedom of navigation through international waterways, and promote economic co-operation in the interests of all people.

The U.N. cease-fire should be obeyed and respected by all nations. The Arab states have an obligation to curb terrorism and to end their attacks on Israel civilians and settlements.

We deplore one-sided U.N. resolutions which ignore Arab violations of the cease fire and which censure Israel's reply and counteraction. Resolutions which condemn those who want peace and which shield those who wage war are a travesty of the U.N. charter and a blow at the peace.

The United States should make it clear to all governments in the Near East that we do not condone a state of war, that we persist in the search for a negotiated and contractual peace, as a major goal of American policy.

Mr. FRIEDEL. Mr. Speaker, when a person reaches the age of 21, he is said to have reached his majority; he is no longer held back for lack of maturity.

Twenty-one years ago, the independence of the State of Israel was proclaimed, therefore, by analogy, we may say that this once ancient and historic nation, which was reborn in 1948, has now reached maturity. She is a respected member of the family of nations and, what is especially important, it is a part of the free world and our sister democracy—a republic—located in the strategic Middle East.

It is important that we here in the Congress of the United States, take note of this day and express our congratulations and very best wishes to the State of Israel on the occasion of its 21st anniversary as a nation.

When the independence of the State of Israel was declared on May 14, 1948, according to our calendar, President Harry Truman gave official recognition to its rebirth within minutes after its establishment. Over the years the Congress of the United States has also recognized that time has very clearly shown this decision to be sound and in our best interest.

Here, in the Capitol of the United States, and according to our own Declaration of Independence, we maintain that "all men are created equal, and are endowed by their creator with inalienable rights of life, liberty, and the pursuit of happiness."

During the past 21 years, the world has seen that out of the desert has been created a new and modern state with a truly tremendous record of impressive achievement. From rocky wastes and barren sands the fondest hopes and deepest yearnings of a people for centuries have been realized in transforming a wilderness into a veritable modern Garden of Eden and a place of sanctuary for over a million homeless, dispossessed, and stateless human beings. Today there are over 2,775,000 people within Israel's borders.

For us, both Christian and Jew, Israel is indeed the holy land, the place where the Ten Commandments were given to man—the locale of the Holy Bible—a very special spot on earth, having a deep spiritual significance for the three major religions of the Western World: Christianity, Judaism, and Mohammedanism.

Notwithstanding the fact that it was in Israel where the law of love was announced, that country has been the scene of bloody strife between its inhabitants and its far larger and more numerous Arab neighbors. I view with deep concern the Russian Communist rearming of the Arab countries and encouraging them to again attack democratic Israel. It seems obvious that the Reds want to foster their brand of totalitarianism in that part of the world and obtain control over the rich petroleum resources in the Middle East. It, therefore, becomes quite clear that the concern of the United States and of the entire free world should be for a strong Israel as a bastion of democracy and a buffer to the Communists in this strategic area.

It is a matter of grave concern and alarm to us that the Arab countries have escalated the frequency of their aggressive attacks against Israel. There is no doubt that this is an explosive situation, but not one devoid of hope. I join those who look for peace and understanding among the citizens of Israel and the Arab States, for a way must be found to guarantee the integrity and the continued existence of the state of Israel, and America can and should play an important role in achieving this goal.

On this day marking the majority as the 21st anniversary of the state of Israel, I extend to the citizens of this state my heartiest congratulations and best wishes for peace and continued progress and service to all mankind. Israel has proven her ability to develop and govern as a free and democratic state in the face of impossible conditions and the right to do so must never be denied her.

Mr. PUCINSKI. Mr. Speaker, in many societies, when a boy reaches the age of 21 he is considered a man, and is then entitled to all the privileges of manhood and is bound to all the duties of a mature individual. But in some countries, boys become men at an earlier age. Because of the conditions in which they live, some men mature very quickly and must perform like men even though they may not have reached the chronological age of majority.

Such are the men of Israel, who have been protecting and building the nation of Israel and assuming all the functions and duties of men long before their 21 birthdays.

This year the nation of Israel will also be 21 years old, but that does not mean that this is the first time that the State of Israel will be old enough to carry the full burden of nationhood. For Israel, in the very first moments of its birth, was already engaged in a battle for its life and was already a respected member of the community of nations. Israel, at the moment of its proclamation as a state, already had in its past an experience that most nations live thousands of years to achieve.

On the day it was born in 1948, Israel was already the oldest nation on earth with a full record of achievement in the arts and humanities, in politics, economics, religion and social development, and in battle. Israel is indeed unique: It is a nation celebrating this year its 21st anniversary but it is a nation with 4,000 years of history.

In those 21 years, the Israelis have amassed an impressive array of statistics reflecting their growth and progress, but often statistics do not tell the whole story. For example, there have been over 500 villages founded since the Zionist movement began to build new towns to house the returning Jews, but there is no way to measure the work, the toil, the sweat, the weary muscles that went into the construction of those 500 villages. There is no record of the long nights of guard duty after a day in the fields watching for the Arab terrorists who planted bombs in the roads where the school buses travel. There is no way to account for the grief of the Israelis who lost a loved one or a friend to the sniper's bullet.

A walk through an Israeli village tells the visitor nothing of the personal histories of these valiant people. There is no way to see the marks of the Nazi tortures for those few who lived through the days of the Hitler holocaust, or to read the effects of an accumulation of persecution suffered in the ghetto of a Middle Eastern or North African country. One might detect the remnant of a European accent or see the contrasting colors of blue-eyed Scandinavians and dark-eyed Moroccans, but these clues to the past are as few as the evidence of the current devotion to God and country are many.

With a little imagination, one can taste in the sweetness of a Jaffa orange a little of the hard work that went into its growing. And one can feel the pride of a people who are not ashamed of their love for their country or their love for their fellow man.

The record of the Israel defense forces

in the three wars fought by this brave land in the two decades since its rebirth tell of military maneuvers and of planes downed and tanks destroyed, but it does not tell of the women and men of Israel who led those charges against overwhelming odds. In Israel, there is a very simple rule in battle: it is "follow me." In a nation where every square inch is the frontline, there are no secure areas where commanders sit in safety and direct the soldiers. In Israel, all the people are frontline soldiers and all share the bittersweet rewards of victory.

But despite the 10-percent growth rate of the economy or the trade relations with 100 nations of the world, the Israelis still seek the one condition that has eluded them since they began to return to the land of their fathers some 70 years ago. The green farmlands in the midst of the desert or the industries of the cities do not hold the missing element. The work of Israel farmers or the efforts of Israel diplomats have not been able to create that which they all have sought these 20 years—the Israelis want peace. The elusive peace they seek is no more present today than it was on May 15, 1948, when the nation was founded amid the barrage of battle.

Recent tensions in the area have made it clear that the Arab nations are abetting the actions of the Fadayeen commandos who raid the Israel settlements and bomb Israel roads. The President of the United Arab Republic and the King of Jordan have said that they are in agreement with the terrorists who are continuing their war against the people of Israel through stealth and insurgency. The expansion of the guerrilla war by the Arabs to the airline terminals of neutral nations poses a real threat to the peace and security of the world. And while the guerrilla fighters continue their war against the innocent civilians of Israel, the Arab diplomats continue their intransigent denial of Israeli existence. Perhaps the Arab leaders find in their consistent denial of the reality of Israel a compensation for ther own failures and shortcomings.

If the impressive expansion of the State of Israel was accomplished under the strained conditions of a constant state of war, think what the Israeli people could have done in an era of peace. The greatest tragedy of the Arab-Israel dispute may be the lost opportunities to develop even further the Israeli society. Israel is a prime example of nationbuilding and a model for many emerging and developing nations in Latin America, Asia, and Africa. The Israeli foreign assistance program has been very successful in teaching young students from other nations how they can improve their own countries while still retaining their much-prized independence.

Perhaps the single greatest attribute of the Israeli nation is the innovative spirit of the people. Scientists and engineers created the National Water Carrier, which pipes vital water from the north of the country to the arid southern area of the Negev Desert, where a vast irrigation scheme is converting the wasteland into productive farms and orchards. Israeli builders are now working on the petroleum pipeline between Eilat and the Mediterranean city of Ashdod. When completed, the pipeline will carry as much oil as was sent through the Suez Canal before June 1967. Israeli hydrologists and physicists are engaged in desalination projects which use fossile fuel, solar energy, and atomic energy, and their work has recently produced several breakthroughs in this crucial field. They are sharing their findings with other arid and semi-arid nations in the hope that the increase in food production will be able to alleviate the hunger of many less-developed countries.

In these cases, and many others, the Israelis have sought out new and fresh approaches to the problems that plague mankind. Not content to take "no" for an answer, the Israelis have devised methods and systems which other men have said were doomed to failure. The Israelis apparently have little respect for the impossible task; to them the impossible does not exist. Witness the inspiring victories of the Israel Defense Forces against armies of superior numbers, more modern weaponry, and strategic advantage.

In an age when the world is challenged at every hand by forces of change and the destructive negativism of the radicals, it is heartening to see one nation that still clings to the very basic tenets of hard work and fairplay. In Israel, there is no time to be disruptive or rebellious, there is too much work to be done. The Israelis are building a nation and all of its citizens are cooperating in the process. Young and old, farmers and statesmen, men and women; all share in the work and all share in the rewards. Israel remains the democratic oasis in a desert of dictators and it continues to show the rest of the world that the old values have not lost their meaning or their application in the current world.

The United States is proud that the nation of Israel is our friend, and it is with the warmest expressions of that friendship that we join with the free world in wishing the people of Israel continued success and future long life. On this occasion of the 21st anniversary of the founding of the modern State of Israel, we offer our congratulations and add our most earnest desire that the nation of Israel will soon find the peace that it so earnestly sought.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks and include therein extraneous material on the 21st anniversary of the establishment of the State of Israel, following the remarks of the gentleman from Massachusetts (Mr. MCCORMACK).

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CUNNINGHAM (at the request of Mr. GERALD R. FORD), for today, and the balance of the week, on account of official business.

Mr. TALCOTT (at the request of Mr. GERALD R. FORD), for today, and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN (at the request of Mr. MCKNEALLY), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. BUCHANAN (at the request of Mr. MCKNEALLY), for 1 hour, on May 7; to revise and extend his remarks and include extraneous matter.

Mr. ROONEY of Pennsylvania (at the request of Mr. OBEY), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. BLATNIK (at the request of Mr. OBEY), for 30 minutes, today; to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KEE.
Mr. GRAY in two instances.
Mr. RYAN during general debate on H.R. 514 on the Collins amendment.

(The following Members (at the request of Mr. MCKNEALLY) to extend their remarks and include extraneous matter:)

Mr. PETTIS.
Mr. ASHBROOK.
Mr. SCHADEBERG.
Mr. STEIGER of Wisconsin.
Mrs. HECKLER of Massachusetts in two instances.
Mr. WIDNALL in two instances.
Mr. PELLY in two instances.
Mr. BROWN of Ohio.
Mr. MINSHALL.
Mr. SNYDER.
Mr. WYMAN in two instances.
Mr. HALL.
Mr. MATHIAS.
Mr. SKUBITZ.
Mr. LANDGREBE.
Mr. CARTER.
Mr. REID of New York.
Mr. WOLD.
Mr. TALCOTT.
Mr. LUKENS.
Mr. DENNEY.
Mr. BROWN of Michigan.
Mr. GROVER.
Mr. MCCLOSKEY.
Mr. BROCK.
Mr. MORTON in two instances.
Mr. BUCHANAN.

(The following Members (at the request of Mr. OBEY) and to include extraneous matter:)

Mr. EILBERG.
Mr. CAREY in two instances.
Mr. GALLAGHER in two instances.
Mr. RARICK in four instances.
Mr. ABBITT.
Mr. FISHER in two instances.
Mr. BOLAND.
Mr. ROSENTHAL in five instances.
Mr. ALEXANDER in two instances.
Mr. CLAY in six instances.

Mr. FASCELL in two instances.
Mr. PIKE.
Mr. ADDABBO in two instances.
Mr. BROWN of California in four instances.
Mr. SHIPLEY.
Mr. BURLISON of Missouri in two instances.
Mr. OTTINGER.
Mr. TEAGUE of Texas in six instances.
Mr. HANNA in four instances.
Mr. GRIFFIN.
Mr. DENT.
Mr. SISK in two instances.
Mr. HOWARD in two instances.
Mr. ST. ONGE in two instances.
Mr. HUNGATE.
Mr. MOORHEAD in three instances.
Mr. RYAN in three instances.
Mr. PHILBIN.
Mr. DINGELL.
Mr. DANIELS of New Jersey.
Mr. PODELL in three instances.
Mr. JOHNSON of California.
Mr. VAN DEERLIN.
Mr. STUCKEY.
Mr. GONZALEZ in three instances.

ENROLLED BILL SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3832. An act to amend title 10, United States Code, to provide the grade of general for the Assistant Commandant of the Marine Corps when the total active duty strength of the Marine Corps exceeds 200,000.

ADJOURNMENT

Mr. OBEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), the House adjourned until tomorrow, Thursday, April 24, 1969, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

698. A letter from the Comptroller General of the United States, transmitting a report on the need for improved administration and increased effectiveness in economic opportunity loan program, Small Business Administration; to the Committee on Education and Labor.

699. A letter from the Comptroller General of the United States, transmitting a report on the opportunity to use excess foreign currencies to pay transportation expenses of returning Peace Corps volunteers; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ABBITT: Committee on House Administration. H. Res. 364. Resolution dismissing the election contest in the Fifth Congressional District of the State of Georgia (Rept. No. 91–157). Ordered to be printed.

Mr. DANIELS of New Jersey: Committee on Post Office and Civil Service. H.R. 9825. A bill to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes (Rept. No. 91–158). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 2718. A bill to extend for an additional temporary period the existing suspension of duties on certain classifications of yarn of silk, with amendment (Rept. No. 91–159). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS: Committee on Ways and Means. H.R. 8644. A bill to make permanent the existing temporary suspension of duty on crude chicory roots (Rept. No. 91–160). Referred to the Committee of the Whole House on the State of the Union.

Mr. FULTON of Tennessee: Committee on Ways and Means. H.R. 10015. A bill to extend until July 15, 1971, the suspension of duty on electrodes for use in producing aluminum, with amendment (Rept. No. 91–161). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 10107. A bill to continue for a temporary period the existing suspension of duty on certain istle (Rept. No. 91–162). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. GONZALEZ):

H.R. 10450. A bill to provide for the more efficient development and improved management of national forest commercial timberlands, to establish a high-timber-yield fund, and for other purposes; to the Committee on Agriculture.

By Mr. BEVILL:

H.R. 10451. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. BURTON of California:

H.R. 10452. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. BURTON of Utah:

H.R. 10453. A bill to provide for the more efficient development and improved management of national forest commercial timberlands, to establish a high-timber-yield fund, and for other purposes; to the Committee on Agriculture.

By Mr. CEDERBERG (for himself, Mr. HUTCHINSON, Mr. HARVEY, Mr. RUPPE, Mr. MCDONALD of Michigan, Mr. BROWN of Michigan, and Mr. VANDER JAGT):

H.R. 10454. A bill to provide for orderly trade in iron and steel mill products; to the Committee on Ways and Means.

By Mr. GROSS (for himself, Mr. SCHWENGEL, Mr. KYL, and Mr. SCHERLE):

H.R. 10455. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. HALL:

H.R. 10456. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself, Mr. Moss, Mr. LEGGETT, Mr. COHELAN, Mr. BURTON of California, Mr. MILLER of California, Mr. EDWARDS of California, Mr. WALDIE, Mr. MCFALL, Mr. SISK, Mr. ANDERSON of California, Mr. HOLIFIELD, Mr. HAWKINS, Mr. REES, Mr. BROWN of California, Mr. ROYBAL, Mr. HANNA, Mr. VAN DEERLIN, and Mr. TUNNEY):

H.R. 10457. A bill to provide full Federal financing of payments made under the public assistance provisions of the Social Security Act to recipients who do not meet the duration-of-residence requirements of the applicable State plan, where such payments must nonetheless be made because of court determinations that such requirements are unconstitutional; to the Committee on Ways and Means.

By Mr. KLEPPE:

H.R. 10458. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. KLUCZYNSKI:

H.R. 10459. A bill to exempt from the antitrust laws certain combinations and arrangements necessary for the survival of failing newspapers; to the Committee on the Judiciary.

By Mr. LANGEN:

H.R. 10460. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 10461. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. MCFALL:

H.R. 10462. A bill to amend the Sherman Antitrust Act (15 U.S.C. 1 et seq.) to provide that exclusive territorial franchises, under limited circumstances, shall not be deemed a restraint of trade or commerce or a monopoly or attempt to monopolize, and for other purposes; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 10463. A bill to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces; to the Committee on Armed Services.

H.R. 10464. A bill to provide for improved employee-management relations in the postal service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 10465. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 10466. A bill to provide that the nuclear accelerator to be constructed at Weston, Ill., shall be named the "Enrico Fermi Nuclear Accelerator" in memory of the late Dr. Enrico Fermi; to the Joint Committee on Atomic Energy.

By Mr. MILLER of Ohio:

H.R. 10467. A bill to change the definition of ammunition for purposes of chapter 44 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. PODELL:

H.R. 10468. A bill to amend the Food Stamp Act of 1964. as amended, to authorize

the Secretary of Agriculture to establish minimum nationwide eligibility standards; to operate the food stamp program in any political subdivision when local governing officials will not agree to operate a food assistance program for needy families; to enter into cost-sharing arrangements with States or their political subdivisions to cover the cost of local administration of the food stamp program; and to remove current limitations on the appropriations authorized for the program; to the Committee on Agriculture.

H.R. 10469. A bill to improve and increase postsecondary educational opportunities throughout the Nation by providing assistance to the States for the development and construction of comprehensive community colleges; to the Committee on Education and Labor.

H.R. 10470. A bill to amend the Federal Water Pollution Control Act, as amended, and for other purposes; to the Committee on Public Works.

By Mr. ROGERS of Florida (by request):

H.R. 10471. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania:

H.R. 10472. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL:

H.R. 10473. A bill to provide for improved employee-management relations in the postal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 10474. A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products, medical devices, and drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of New York:

H.R. 10475. A bill to amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEPHENS:

H.R. 10476. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H.R. 10477. A bill to amend chapter 89 of title 5, United States Code, relating to enrollment charges for Federal employees' health benefits; to the Committee on Post Office and Civil Service.

H.R. 10478. A bill to amend the age and service requirements for retirement under subchapter III of chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 10479. A bill to amend title 39, United States Code, to provide an established workweek, a new system of overtime compensation for postal field service employees, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 10480. A bill to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO:

H.R. 10481. A bill to amend the act of March 2, 1931, to provide that certain proceedings of the Italian American War Veterans of the United States, Inc., shall be printed as a House document, and for other purposes; to the Committee on House Administration.

By Mr. BLATNIK (for himself, Mr. QUIE, Mr. NELSEN, Mr. MACGREGOR, Mr. KARTH, Mr. FRASER, Mr. ZWACH, and Mr. LANGEN):

H.R. 10482. A bill to authorize the establishment of the Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Michigan (for himself, Mr. WILLIAM D. FORD, Mr. COLLIER, Mr. DENT, Mr. DERWINSKI, Mr. GOODLING, Mr. HANLEY, Mr. KING, Mr. MCCLORY, Mr. OTTINGER, Mr. RAILSBACK, Mr. STRATTON, Mr. LUKENS, Mr. BIESTER, Mr. SCHNEEBELI, Mr. STEIGER of Wisconsin, Mr. HUNT, Mr. MCKNEALLY, Mr. BUTTON, Mr. ROBISON, Mr. DONOHUE, Mr. TIERNAN, Mr. BINGHAM, Mr. CEDERBERG, and Mr. MCDONALD of Michigan):

H.R. 10483. A bill to increase the membership of the Advisory Commission on Intergovernmental Relations by two members who shall be elected town or township officials; to the Committee on Government Operations.

By Mr. BROWN of Michigan (for himself, Mr. HARVEY, Mr. RUPPE, Mr. LANGEN, Mr. ESCH, Mr. VANDER JAGT, and Mr. GERALD R. FORD):

H.R. 10484. A bill to increase the membership of the Advisory Commission on Intergovernmental Relations by two members who shall be elected town or township officials; to the Committee on Government Operations.

By Mr. BROYHILL of North Carolina:

H.R. 10485. A bill to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption for each dependent of the taxpayer who is permanently handicapped; to the Committee on Ways and Means.

By Mr. CAHILL:

H.R. 10486. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board and the Federal Aviation Administrator to relieve congestion at certain airports having a high density of air traffic serving air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 10487. A bill to amend section 2(3), section 8c(2), and section 8c(6)(1) of the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

H.R. 10488. A bill to amend title 18, United States Code, to prohibit the mailing of obscene matter to minors, and for other purposes; to the Committee on the Judiciary.

H.R. 10489. A bill to amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 10490. A bill to require mailing list brokers to register with the Postmaster General, and suppliers and buyers of mailing lists to furnish information to the Postmaster General with respect to their identity and transactions involving the sale or exchange of mailing lists, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLEVELAND (for himself, Mr. MCEWEN, Mr. BUTTON, Mr. CONABLE, Mr. CONTE, Mr. FISH, Mr. GROVER, Mr. HATHAWAY, Mr. KING, Mr. KYROS, Mr. MCCARTHY, Mr. MCKNEALLY, Mr. PIRNIE, Mr. STAFFORD, Mr. STRATTON, and Mr. WYMAN):

H.R. 10491. A bill to amend the Appalachian Regional Development Act of 1965 to include in the Appalachian region all of the Appalachian Mountain system; to the Committee on Public Works.

By Mr. CORBETT:

H.R. 10492. A bill to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement; to the Committee on Post Office and Civil Service.

By Mr. DEVINE:

H.R. 10493. A bill relating to the appointment of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 10494. A bill to amend title 18, United States Code, to protect the people of the United States against the lawless and irresponsible use of firearms, and to assist in the prevention and solution of crime by requiring a national registration of firearms, establishing minimum licensing standards for the possession of firearms, and encouraging the enactment of effective State and local firearms laws, and for other purposes; to the Committee on the Judiciary.

H.R. 10495. A bill to amend title XVIII of the Social Security Act to provide full payment (subject to any deductibles and coinsurance generally applicable) for whole blood furnished an individual under the program of health insurance for the aged; to the Committee on Ways and Means.

By Mr. FOREMAN (for himself and Mr. LUJAN):

H.R. 10496. A bill to amend title 19 of the Social Security Act to permit States greater flexibility in establishing and modifying medicaid plans; to the Committee on Ways and Means.

By Mr. FUQUA (for himself, Mr. MCMILLAN, Mr. ABERNETHY, and Mr. CABELL):

H.R. 10497. A bill to amend the District of Columbia Minimum Wage Act to provide that no minimum wage order under that act may be revised to require a minimum wage rate in excess of the highest rate in effect under the Fair Labor Standards Act of 1938; to the Committee on the District of Columbia.

By Mr. HOWARD:

H.R. 10498. A bill to reduce the rate of percentage depletion for oil and gas from 27½ to 15 percent; to the Committee on Ways and Means.

By Mr. KEE (for himself and Mr. SAYLOR):

H.R. 10499. A bill to amend title II of the Social Security Act to make disability insurance benefits and the disability freeze more readily available to coal miners and other individuals suffering from pneumoconiosis, and to amend titles II and XVIII of such act to make health insurance benefits available without regard to age to all individuals receiving cash benefits based on disability; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. BROWN of California, Mr. PODELL, Mr. MIKVA, Mr. CONYERS, and Mr. EDWARDS of California):

H.R. 10500. A bill to amend the Military Selective Service Act of 1967 clarifying the definition of conscientious objector so as to specifically include conscientious opposition to military service in a particular war; to the Committee on Armed Services.

By Mr. KOCH (for himself, Mr. BURTON of California, Mr. FRASER, and Mr. ROSENTHAL):

H.R. 10501. A bill to amend the Military Selective Service Act of 1967 clarifying the definition of conscientious objector so as to specificaly include conscientious opposition to military service in a particular war; and providing certain individuals the opportunity to claim exemption from military service as selective conscientious objectors irrespective of their existing selective service status ;to the Committee on Armed Services.

By Mr. KUYKENDALL:

H.R. 10502. A bill to prohibit banks from performing general insurance agency services; to the Committee on Banking and Currency.

By Mr. LANDGREBE (for himself, Mr. BRAY, Mr. BUCHANAN, Mr. COLLIER, Mr. DENT, Mr. DUNCAN, Mr. FISHER, Mr. FLOWERS, Mr. GALLAGHER, Mr. HALPERN, Mr. HANSEN of Idaho, Mr. LEGGETT, Mr. PEPPER, Mr. RUPPE, Mr. SANDMAN, Mr. THOMSON of Wisconsin, and Mr. ESCH):

H.R. 10503. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. PODELL:

H.R. 10504. A bill to establish a National Commission on Pesticides, and to provide for a program of investigation, basic research, and development to improve the effectiveness of pesticides and to eliminate their hazards to the environment, fish and wildlife, and man; to the Committee on Agriculture.

H.R. 10505. A bill to provide for essential development and the relief of congestion at public airports; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 10506. A bill to amend title II of the Social Security Act to increase the annual amount that individuals are permitted to earn without suffering deductions in the monthly benefits payable to them thereunder; to the Committee on Ways and Means.

By Mr. SANDMAN:

H.R. 10507. A bill to amend title 18, United States Code, to prohibit the dissemination through interstate commerce or the mails of material harmful to persons under the age of 18 years, and to restrict the exhibition of movies or other presentations harmful to such persons, and to prohibit the sale of mailing lists used to disseminate through the mails materials harmful to persons under the age of 18 years; to the Committee on the Judiciary.

H.R. 10508. A bill to amend the Internal Revenue Code of 1954 to allow an incentive tax credit for a part of the cost of constructing or otherwise providing facilities for the control of water or air pollution, and to permit the amortization of such cost within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. SCHADEBERG:

H.R. 10509. A bill to provide relief from real property taxes for persons 65 or older in the amount of such taxes used for schools; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 10510. A bill to amend the Communications Act of 1934 to authorize the Federal Communications Commission to issue rules and regulations and to issue orders with respect to community antenna systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10511. A bill to exempt from the antitrust laws certain joint newspaper operating arrangements; to the Committee on the Judiciary.

By Mr. TIERNAN (for himself, Mr. KYROS, Mr. GIAIMO, Mr. BLANTON, Mr. BARRETT, Mr. BRASCO, Mr. DONOHUE, Mr. DADDARIO, Mr. PHILBIN, and Mr. EILBERG):

H.R. 10512. A bill to amend the Merchant Marine Act, 1936, to encourage shipbuilding and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN (for himself, Mr. KYROS, Mr. GIAIMO, Mr. PHILBIN, Mr. BARRETT, Mr. BRASCO, Mr. EILBERG, Mr. DONOHUE, Mr. BLANTON, and Mr. DADDARIO):

H.R. 10513. A bill to clarify and strengthen the cargo-preference laws of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TUNNEY:

H.R. 10514. A bill to amend the National Labor Relations Act, as amended, to amend the definition of "employee" to include certain agricultural employees, and to permit certain provisions in agreements between agricultural employers and employees; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 10515. A bill to establish a Commission on Population and the Environment, to study the impact of uncontained population growth on the natural environment, and for other purposes; to the Committee on Ways and Means.

By Mr. VAN DEERLIN:

H.R. 10516. A bill to protect citizens' rights to privacy from offensive unsolicited matter and fraudulent matter sent through the mails, and for other purposes; to the Committee on the Judiciary.

By Mr. WATTS:

H.R. 10517. A bill to amend certain provisions of the Internal Revenue Code of 1954 relating to distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 10518. A bill to amend title I of the Housing Act of 1949 and title I of the Demonstration Cities and Metropolitan Development Act of 1966 to provide a method for obtaining judicial review of administrative determinations as to the adequacy of relocation housing being provided for displacees under the urban renewal and model cities programs; to the Committee on Banking and Currency.

By Mr. WOLD:

H.R. 10519. A bill to amend chapter 44 of title 18, United States Code, with respect to the sale or delivery of ammunition; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 10520. A bill to amend the Internal Revenue Code of 1954 to allow an employer a deduction for the cost of making changes in his place of business to make it possible to hire or retain handicapped individuals as employees; to the Committee on Ways and Means.

H.R. 10521. A bill to amend the Internal Revenue Code of 1954 to allow teachers to deduct from gross income the expenses incurred in pursuing courses for academic credit and degrees at institutions of higher education, and including certain travel; to the Committee on Ways and Means.

H.R. 10522. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

H.R. 10523. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

H.R. 10524. A bill to suspend percentage depletion allowances for oil and gas under the Internal Revenue Code of 1954 for 1 year; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 10525. A bill to provide for relocation payments to individuals, families, and business concerns displaced by the construction of a postal facility in Jacksonville, Fla.; to the Committee on the Judiciary.

By Mr. CAREY (for himself, Mr. BOLAND, Mr. BRASCO, Mr. BROWN of California, Mr. CELLER, Mr. DENT, Mr. DULSKI, Mr. FASCELL, Mr. JOELSON, Mr. MATSUNAGA, and Mr. MEEDS):

H.R. 10526. A bill to clarify and strengthen the cargo-preference laws of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 10527. A bill to amend the Merchant Marine Act, 1936, to encourage shipbuilding, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BEALL of Maryland:

H.J. Res. 670. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. CLARK:

H.J. Res. 671. Joint resolution proposing an amendment to the Constitution of the United States to authorize Congress, by two-thirds vote of both Houses, to override decisions of the Supreme Court; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.J. Res. 672. Joint resolution authorizing the posthumous promotion of the late General of the Army Dwight David Eisenhower to the grade of General of the Armies; to the Committee on Armed Services.

By Mr. KEE:

H.J. Res. 673. Joint resolution proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older; to the Committee on the Judiciary.

By Mr. CORBETT:

H. Con. Res. 212. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. FRIEDEL:

H. Con. Res. 213. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. McKNEALLY:

H. Con. Res. 214. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. TEAGUE of California:

H. Con. Res. 215. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. RODINO (for himself, Mr. DANIELS of New Jersey, Mr. GALLAGHER, Mr. HELSTOSKI, Mr. HOWARD, Mr. JOELSON, Mr. MINISH, Mr. PATTEN, and Mr. THOMPSON of New Jersey):

H. Res. 372. Resolution to express the sense of the House of Representatives regarding the shutdown of Job Corps installations before congressional authorization and appropriation actions; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

134. By the SPEAKER: Memorial of the Legislature of the State of Nevada, relative to legislation to provide that voting polls be closed simultaneously across the Nation; to the Committee on House Administration.

135. Also, memorial of the Legislature of the State of Nevada, relative to establishment of a national cemetery in Nevada; to the Committee on Veterans' Affairs.

136. Also, memorial of the Legislature of the State of Oklahoma, relative to laws relating to veterans; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 10528. A bill for the relief of Edith H. A. Churchwell; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 10529. A bill for the relief of Pietro Ancona; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 10530. A bill for the relief of Miss Joaquina Loarca; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 10531. A bill for the relief of St. John's College at Santa Fe, N. Mex.; to the Committee on Education and Labor.

By Mr. PELLY:
H.R. 10532. A bill for the relief of Theodora Gouloumis; to the Committee on the Judiciary.
H.R. 10533. A bill for the relief of Eduardo Molina; to the Committee on the Judiciary.
By Mr. PHILBIN:
H.R. 10534. A bill for the relief of Atkinson, Haserick & Co., Inc.; to the Committee on the Judiciary.
By Mr. RAILSBACK:
H.R. 10535. A bill for the relief of Ricardo Magsalin Eduvas; to the Committee on the Judiciary.
By Mr. WALDIE:
H.R. 10536. A bill for the relief of Douglas F. Scott; to the Committee on the Judiciary.
By Mr. CLAY:
H. Res. 373. Resolution for the relief of Henry D. Espy, James A. Espy, Naomi A. Espy, Jean E. Logan, and Theodore R. Espy; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

LT. GEN. SAMUEL C. PHILLIPS

HON. JOHN WOLD

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1969

Mr. WOLD. Mr. Speaker, while Wyoming's population is relatively small, the achievements of her citizens are numerous. I would today like to extol the accomplishments of one outstanding Wyomingite, Lt. Gen. Samuel C. Phillips, director of the Apollo program.

General Phillips was born in Cheyenne and graduated from the University of Wyoming in 1942 with a bachelor of science degree in electrical engineering, later earning his masters degree in the same field. He joined the Air Force after graduation and received his pilot's wings the following year. For splendid military service, he was awarded the Distinguished Flying Cross and Oak Leaf Clusters, Air Medal with seven Oak Leaf Clusters, Croix de Guerre, the Army Commendation Ribbon, and the Legion of Merit.

His postwar assignment as chief of the Air Defense Missile Division introduced him to the then embryonic space program. Growing with this program, he was promoted to brigadier general and respectively named director of the Minuteman project, vice commander of ballistic systems and deputy director of the Apollo program. Only 9 months after the latter assignment, he was appointed director of the Apollo mission and became the youngest officer ever to have held the three-star rank of lieutenant general.

Standing on the threshold of the great frontier of space, in an age where strong defense is necessary for the preservation of peace, we realize the awesomeness of the future and offer gratitude to General Phillips for his superb leadership, distinguished service, and unyielding interest in the welfare of the United States of America.

Mr. Speaker, I include in the RECORD, an article on General Phillips entitled "Man at the Top of America's Space Program," which appeared in the March–April 1969 issue of the Alumnus of the University of Wyoming:

MAN AT THE TOP OF AMERICA'S SPACE PROGRAM

Launching was the smoothest of any in the Apollo series. Splashdown was right on target. The flimsy lunar "spider" passed all its tests. Docking between spider and Apollo was accomplished without a slip.

You saw it all on TV and wondered at the scientific achievement of man. Perhaps you knew, but did not fully recognize, the importance of one man to this latest of American space flights. Although the Astronauts aboard Apollo 9, the personnel at the Manned Spacecraft Center at Houston, the thousands of men moving about like ants at Cape Kennedy, all work as a team, the man who stands at the top of America's space program is Lt. Gen. Samuel C. Phillips, who took his bachelor of science degree at the University of Wyoming in electrical engineering in 1942.

A quiet, unassuming man, General Phillips has been with the space program almost since its inception. An officer in the Air Force on loan to the National Aeronautics and Space Administration (NASA), he became associated with the Apollo program early in 1964, and in the ensuing five years has guided America through its complicated series of space flights that will culminate, hopefully, with the landing of a man on the moon next July.

One more testing flight, scheduled now to go in May, will precede the mid-summer moon landing. This flight will be a landing rehearsal within 50,000 feet of the moon in Apollo 10. Hinging on its outcome is the dramatic flight that will allow man to realize his long goal of reaching the moon. Its achievement will reflect the nation's vision and the strength of today's science and technology.

When this landing takes place it will be the culmination of years of research and test flights. Boosting Apollo 10 and the later moon landing will be Saturn V, a modification of the original Saturn I, which took 10 successful payloads into earth orbit between 1958 and 1965.

The NASA field center responsible for Saturn development is the Marshall Space Flight Center in Huntsville, Ala., directed by Dr. Wernher von Braun. The Manned Spacecraft Center in Houston, Texas, is in charge of developing the Apollo spacecraft training the astronauts and maintaining flight control. The Kennedy Space Center in Florida is in charge of preparing launch facilities and conducting launchings.

The first launch of Saturn IB, second generation of the Saturn family, came early in 1966. Other launchings in this series followed in July and August of 1966 and January, 1968. Largest vehicle in the project is the present three-stage Saturn V, which is capable of placing a payload of more than 125 tons into earth orbit or sending about 50 tons to the moon. Chrysler Corporation builds the Saturn IB stages at the NASA-Michoud Assembly Facility in New Orleans. McDonnell Douglas Corporation makes the Saturn IVB stage at Huntington Beach, Calif.

The Marshall Center and The Boeing Company jointly developed the Saturn V first stage and Boeing is the prime contractor.

The instrument unit sitting atop the spacecraft is the "brain" or "nerve center" of the Saturn vehicles. From this center come commands to carry out the intricate maneuvering necessary for the rocket's successful operation in space. International Business Machines Corporation is supplier of the guidance signal processer and guidance computer and is the prime contractor for the unit.

Engines for the powerful rockets, which generate a mean thrust of 205,000 pounds, are made by Rocketdyne Division of North American Rockwell Corporation.

General Phillips has been well satisfied with the nation's space program to date, with the exception of the tragic fire in Houston in 1967 which took the lives of astronauts then in training for the next flight.

However, he feels that space flight is only beginning in the modern world. In a recent interview with Data, a magazine published by Queensmith Associates, Inc., in Washington, D.C., General Phillips had this to say, "Manned space flight is still in a very primitive formative stage, even with the magnificent progress which has been made. We are still in our infancy. Compare it with the airplane, for example. In the very early days of the airplane, many people said it would never be commercially profitable nor militarily applicable. Yet look at the airplane today. Look at the rate of change of technology today compared with the last 10 years."

This conviction that military applications of space are inevitable, and that this country had better be in a position to know how to operate when the need is clear, is one of the many reasons Phillips has devoted so many years as a military officer to doing what he can to further the development of space operations, according to Data.

"There has never been a transportation medium in the history of man that has not been exploited for economic and military advantage. Space is not going to be any exception," Phillips said.

"The gravest mistake that this country can make," he continued, "is to fail to develop the technology and the operations that will allow this country to be, hopefully, in a position of initiative in its own defense; but as a minimum to be in a position to react if it becomes apparent that some other nation chooses to use man in space as a means of furthering its own national interests by applications to military forces. And that day is coming."

The soft-spoken officer, who lives in Washington, D.C., and has an office looking out toward the nation's capitol, spends his time shuttling back and forth between Washington, Houston and Cape Kennedy. He is always on hand when a flight is launched.

He has spent much of his life travelling about the globe, even before his association with the space program. Immediately after graduation from UW he entered the Air Force as a second lieutenant and earned his pilot's wings in 1943. Wartime duties included two combat tours in England with the 364th fighter group of the 8th Air Force. He earned the Distinguished Flying Cross and Oak Leaf Cluster, Air Medal with seven Oak Leaf Clusters, and Croix de Guerre.

After the war he remained in Europe, assigned to theater headquarters, Frankfurt, Germany, until July 1945. His meritorious service during this period earned him the Army Commendation Ribbon.

From 1948 to 1950 he attended the University of Michigan and earned an MS degree there in electrical engineering, specializing in electronics. Following his graduation he joined the engineering division of the Air Material Command at Wright-Patterson AFB, Ohio, and remained there in research and development work for six years, with two short interludes for other assignments.

At Wright-Patterson he served as director of operations in the Armament Laboratory; B–52 Project Officer; and Chief of the Air Defense Missiles Division, working on such missiles as Falcon and Bomarc.

Another period of duty in England, beginning in June 1956, gave him an opportunity to participate in writing the international agreement with Great Britain on use of the