

## HOUSE OF REPRESENTATIVES—Thursday, May 8, 1969

The House met at 12 o'clock noon.

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

MAY 8, 1969.

I hereby designate the Honorable HALE BOGGS, of Louisiana, to act as Speaker pro tempore today.

JOHN W. MCCORMACK.

### PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Continue steadfastly in prayer, being watchful in it with thanksgiving.—Colossians 4: 2.*

O God, who art above us and yet within us in all reverence of mind and heart, we bow before Thee, acknowledging our dependence upon Thee and offering unto Thee the loyalty and love of our hearts. In this day when pagan forces would overwhelm us and a secular spirit would engulf our world, keep our honor bright, our hearts pure, our minds clean, and our devotion to Thee and our country steadfast and sure.

During these trying times when decisions are made which will determine the direction our Nation takes, help us to maintain our integrity, to rise above personal ambition and to put first that which is first, the welfare of our country and the good of our people.

Give to us the inspiration and the industry to continue to work for justice and peace and freedom both at home and abroad.

In the spirit of Christ we pray. Amen.

### THE JOURNAL

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

### STOP THE KILLING IN VIETNAM

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

Mr. KOCH. Mr. Speaker, the Vietcong has made a proposal today in Paris that calls for a provisional coalition government to set up free elections in South Vietnam and for an end to all fighting prior to the holding of that general election. I urge the President to accept those proposals at face value without looking behind them or seeking other conditions. Each day that passes before a cease-fire is established will bring more killing and more casualties. We must stop the killing and quickly terminate our tragic involvement in Vietnam. A chance to do just that has been offered today. Let us take that chance. Let us remember the words of Robert Kennedy, "We must show as much willingness to risk some of

our prestige for peace as to risk the lives of young men in war."

### TAX PROPOSALS TO MEET FISCAL CRISIS OF THE CITIES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, there is no need to reiterate the dimensions of the vast problems confronting urban America, nor is there need to review the staggering costs of proposed solutions. On the assumption, yet unproved, that the American people will muster the political will to mount an assault on those problems on an appropriate scale, we must turn our attention to the devices available.

It should be reasonably clear that the only realistic source of the funds required is the Federal Government with its income tax. The deepest pool of wealth is at the Federal level but the most intractable problems are at the local level. The gap between local expenditures and local revenues has widened from \$1.7 billion in 1946 to \$17 billion in 1965. No wonder our cities face a fiscal crisis.

Today, I am introducing two bills which I consider as alternatives in meeting this crisis.

The first alternative is an Urban Revenue Sharing Act. It would establish the right of qualified urban areas to share in certain Federal income tax collections set aside in a trust fund and divided on a per capita basis. Tax sharing would be conditioned on the consolidation or reorganization of governmental units in an urban area to promote cooperation in attacking the problems for which the shared revenue is designated.

The second alternative is a bill allowing to an individual a Federal tax credit, not exceeding 40 percent of the amount of State and local income taxes he has paid during the taxable year.

The use of a Federal tax credit would enable State and local governments to impose new income taxes or increase existing rates without increasing the total tax burden on the individual taxpayer. The resulting revenue loss to the Federal Government would be offset by a reallocation of certain fiscal responsibilities to State and localities which are the best able to judge their own priorities.

For example, if Mr. X paid \$1,000 in State and local income taxes, he would be entitled to subtract \$400 from the tax owed to the Federal Government. An individual has to elect to take the credit or the deduction now available for State and local income taxes available to those who itemize their deductions.

The alternatives which I propose would commit substantial financial resources to the problems of our cities so we can adequately confront the questions of whether an urban society is viable and an integrated society possible.

### THE SOCIAL SECURITY ACT OF 1969

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VANIK. Mr. Speaker, I have introduced today legislation to amend the Social Security Act to provide a 15-percent, across-the-board increase in monthly benefits with subsequent cost-of-living increases in such benefits and a minimum primary benefit of \$80.

As a member of the Ways and Means Committee, I have long been aware of the need for benefit increases in this session of the 91st Congress. The cost-of-living increases which have occurred during the current inflationary spiral have nearly wiped out the benefits our Nation's senior citizens received in 1965 and 1967. If we do not act to increase benefits this year, the country's retirees receiving social security benefits will be worse off than they were in 1965.

During 1965, there was an increase in benefits of 7 percent retroactive to January 1965. In February 1968, a benefit increase of 13 percent went into effect. Yet, between January 1965 and February 1968, the cost of living rose 9.3 percent—more than wiping out the gain of 1965. Between February 1968 and March of this year, cost of living has gone up another 5.5 percent. April's increase is estimated at nearly eight-tenths of 1 percent. This means that, since 1965, benefits have gone up by 20 percent—cost of living by 15.6 percent. Clearly, if we do not enact increased benefits in 1969, over 24 million senior citizens relying on social security will be in a worse position economically than they were 4 long years ago.

It is unconscionable for this Nation to allow its retired workers to fall deeper and deeper into poverty, while the rest of the country—using what the retired generation has built—moves into greater and greater prosperity.

It is time, too, that we raise the minimum primary benefit. Is it little wonder that our retired citizens make up a vastly disproportionate number of the Nation's poor. Of 15.2 million adult Americans living in poverty, 5.7 million are over 65 years of age. The bill I have introduced will increase the minimum payment to \$80 per month and to \$960 per year from its present rate of \$55 per month and \$600 per year.

In addition, the bill contains a provision for an automatic review every 3 months of the cost of living and an adjustment of the level of benefits whenever prices have gone up by more than 3 percent over the base period.

The 15-percent increase with a minimum base of \$80 will move an estimated 1.4 million persons out of poverty. I do not believe that there is another single action which we can take which will do so much good.

I am hopeful, Mr. Speaker, that this proposed legislation will receive consideration once the question of tax reform and the surtax is resolved. This legisla-

tion should be a must bill for this session of the 91st Congress.

I would like to include as relevant to these comments on the need for social security benefit increases an editorial which appeared in today's New York Times. The editorial is as follows:

#### RETREAT ON SOCIAL SECURITY

In a time of inflation, the worst victims are elderly persons living on pensions. The economy may be booming to new highs, but their income does not change. Recognizing the painful bite higher prices take out of their limited purchasing power, both parties last year promised to tie Social Security payments to the cost of living. Like all such escalator provisions, this proposal has the disadvantage of tending to aggravate the inflation it is designed to offset. But it is unfair for a Government that is failing to hold the value of the dollar steady to deny relief to those hardest hit by rising prices.

Since the election, both parties have been steadily retreating from this pledge. Officials of the new Administration dismissed an escalator clause as too expensive. President Nixon cut back the increase of Social Security benefits recommended by President Johnson from 10 per cent to 7 per cent to save a billion dollars in the budget, but he retained the proposed increase in Social Security taxes.

Representative Wilbur Mills, the chairman of the Democratic-controlled House Ways and Means Committee, has now gone the President one better. He reportedly plans to put off any action on Social Security for a year. Delay would move an increase close to the 1970 election when recipients are presumably supposed to storm the polls in gratitude. But what about the elderly poor scrambling along for the next eleven to fifteen months? Their plight demands a much quicker response.

The ostensible reason for delay is that welfare legislation, specifically affecting the Aid to Families With Dependent Children program is traditionally considered along with changes in Social Security. But there is no necessary or inherent connection between the two. Indeed, it is only a legislative accident that welfare programs are under the jurisdiction of the Ways and Means Committee. Whenever the Nixon Administration has a basic reform of the welfare program to offer—an overhaul we hope will come soon—that reform ought to be considered on its own merits. Meanwhile, the failure to provide Social Security pensioners with an immediate and substantial increase is callous and unjustifiable.

#### FEDERAL CRIME FIGHTERS CAN USE YOUR HELP, TOO

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, by its very nature, organized crime operates unseen by the public. Wealthy members of this giant underworld conglomerate carry out their gambling, loan sharking, narcotics, prostitution, and extortion rackets shielded from public view. Only an occasional flash of violence or a newspaper headline about indictments serve to remind us of syndicated crime's cancerous presence.

Yet, as the Miami Herald recently editorialized:

Organized crime in America stretches from the sleazy nickel slot machine to the very ramparts of Wall Street . . . its presence is real, dangerous, and powerful.

In its editorial, the Herald pointed to the encouraging results of the Federal Government's crackdown on organized crime. It warned, however, 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," was the title of the editorial, and this could well serve as the theme for involving the public in this epic task. I agree that public assistance and cooperation is vital.

One of my major goals in Congress has been to help improve the Federal fight against organized crime. As chairman of the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, I chaired hearings on "The Federal Effort Against Organized Crime." Those hearings resulted in a series of recommendations designed to strengthen the Government's drive, including expanded use of special inter-agency investigative units within cities. These strike forces are now concentrating the efforts of all Government agencies involved in this fight. The President's message on organized crime, I am happy to note, incorporated proposals that the subcommittee advanced. The subcommittee's studies and efforts in this field are continuing, so as to further improve Federal techniques against syndicated crime.

The Herald editorial said:

Last year the Department of Justice got indictments of 1,166 persons who had come under the scrutiny of the department's organized crime and racketeering section. Nearly one half of these were convicted.

Because of my interest in this subject, I am personally delighted to see these efforts meet with growing success.

This was a record—

The Herald said of the rise in indictments and convictions last year—

Nine years ago the indictments nationwide numbered only eleven. Convictions in fiscal 1968 rose 30 percent over 1967. Of particular note is the increased activity of the FBI.

I agree that this most important law enforcement agency has been doing an increasingly effective job in helping deal with the organized crime menace. Recently, I had occasion to congratulate the Director of the FBI, Mr. J. Edgar Hoover, for his decision to widely expand the participation of his agency toward the overall Federal agency commitment that the subcommittee recommended.

As the Herald pointed out:

Law enforcement generally is using the task force approach which pools strength and talent.

I think that this trend will lead to greater victories in the future, and to help bring this about I have urged the use of cooperative interagency forces and the appropriation of more funds to expand this effective tool against organized crime.

The Herald continued:

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.

I believe there is further reason for the public, in its own interest, to become more involved in this effort. As big crime expands increasingly into legitimate business as a "front" for its nefarious underworld activities, its minions are coming into ever wider contact with the public at large—although the public may be unaware of the nature of those with whom it is dealing. As we do business with supposedly legitimate concerns, any of us could find a business dispute leading to a confrontation with big crime's enforcement apparatus.

The invasion by organized crime into the province of honest business in such fields as real estate and banking, and the spread of its grasp toward our financial exchanges, means that the individual citizen is forced more than ever to defend himself. Truly, organized crime will expand and grow constantly until our citizens join with the Government in a determined effort to eradicate it completely.

As long as organized crime exists, it will be a corrupting influence on the rest of society. Honest businessmen will be forced to adopt similar tactics to compete, and the public officials will be tempted to succumb to the blandishments of payoff for ignoring vice and other illegal underworld actions. It is up to all of us to prevent this—by refusing to participate in syndicate-controlled "numbers" gambling; by obtaining loans only from legitimate sources; by cooperating with law-enforcement authorities in reporting any information we may have about organized crime activity; and by insisting that law-enforcement machinery be kept alert and active against big crime operations.

In this connection, I have long advocated the grant of Federal funds to aid local law-enforcement agencies in strengthening their capabilities against organized crime. I have also supported the development of Federal programs to assist State and local police in their training and techniques for combating organized crime.

The Government's drive against organized crime will require constant effort and dedication, along with increased funding. Continued citizen support, however, is the essence of the battle—and I hope, with the Miami Herald, that each person will do all that he can to help in this cause.

#### FAILING NEWSPAPER ACT

(Mr. SCHWENGEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHWENGEL. Mr. Speaker, I am today introducing legislation popularly known as the Failing Newspaper Act. This legislation is made necessary by a recent decision of the U.S. Supreme Court in the case of Citizen Publishing Co. against United States—decided March 10, 1969. This decision struck down an arrangement used by a number of newspapers. The arrangement, basi-

cally, called for a merger of the commercial departments of one or more newspapers, but at the same time retaining separate news and editorial staffs. It has been the position of the Justice Department that they would prosecute such arrangements under the antitrust laws if their position was upheld by the Supreme Court. Since the Court has now upheld the Justice Department position, the newspapers must either secure an exemption from the antitrust laws or face prosecution. As closely as my colleagues here deal with the news media, I certainly do not need to remind them of the rapid decline in the number of newspapers in this country. We have gone from a time when each of our larger cities had at least half a dozen newspapers to a situation where many of our larger cities are lucky to have one newspaper.

Two factors have been largely responsible for this decline. The first is the ever increasing cost of printing papers. The second is the ever increasing competition for the advertising dollar.

These two factors have combined to narrow drastically the field of competition insofar as the number of newspapers, but more important it has narrowed the competition with respect to reporting of the news. It is this phase of the problem, Mr. Speaker, which troubles me the most.

The bill which I have introduced would exempt the arrangements which I have mentioned from the provisions of our antitrust laws. It, in effect, reverses the decision of the Supreme Court in the Citizen Publishing Co. case. The bill would also permit a review of cases already decided, such as the Citizen Publishing Co. case.

Let me make it clear that I am not criticizing the Supreme Court for its decision. The decision appears to be the only one which could be reached under present law.

Mr. Speaker, this legislation is vital to preservation of a free and independent press. The breakup of arrangements made prior to the Citizen Publishing Co. case will seriously interrupt the free flow of news in this country. Mr. Speaker, I urge prompt and favorable action on the bill.

#### AN INCREASE IN SOCIAL SECURITY BENEFITS THIS YEAR

(Mr. FISH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FISH. Mr. Speaker, I rise in disbelief that this Congress may not forthwith act on raising social security benefits.

President Nixon has called for a 7-percent increase in benefits. There is no need apparently for a payroll tax increase to finance these higher benefits. This is, at best, only a stopgap measure, but it is needed now. Personally, I would like to see a 10-percent increase in benefits.

Mr. Speaker, inflation hit new highs in

1968 and in 1969 the cost of living continues to rise. Elderly people living on retirement cannot wait.

The financial plight of our senior citizens should be one of America's major concerns. As a group they are near the bottom of the economic ladder.

I am convinced that, as a matter of policy, social security benefits should not be left to the mercy of periodic handouts. Provisions should be made for automatic cost of living increases. The elderly are defenseless against inflation. Tying benefits to the cost of living would assure that benefits keep pace with inflation and assure the elderly from loss of purchasing power.

#### THE ABM: EASILY FOOLED

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

Mr. PELLY. Mr. Speaker, if the proponents of the ABM in Congress are successful and if the ABM system is deployed as protection for two of our Minuteman sites in Montana and North Dakota, can an enemy's offensive missiles penetrate this defense?

Well, assuming that the ABM works, it should be borne in mind that it is far simpler, according to our scientists, to design and build specific penetration aids against such a specific defense missile than to design a general defense system which would be effective on many types of penetration aid decoys, devices, and other aids.

The ABM as presently designed, we are told, would have only a few radar sites to guide and control its defense missiles. These would be extremely vulnerable to an enemy radar blackout type of attack making our long-range Spartan missiles useless and crippling the short-range Sprint missiles.

As for the penetration aids against defensive nuclear missiles, also it should be borne in mind that when the Soviet Union deployed an antimissile system around Moscow, the United States developed the MIRV, or multiheaded offensive missile to render this Russian defense useless.

Is there any reason to believe that immediately we install the present ABM that the Soviets would not follow the same course? As a matter of fact, I believe presently they have developed a three-headed nuclear attack missile. As yet, each of the three heads probably is not independently controlled like ours, but our Safeguard system is installed, the Russians could well redesign their attack missiles so as to render them able to penetrate our defenses.

I favor continued research. Meanwhile, why not delay installation, and if disarmament negotiations with the Soviets fail, then come up with a better defensive missile? Hopefully, that will not be necessary. But, as for now, I am convinced by the testimony that a delay will not jeopardize our security and that our deterrent strength will remain a safeguard against attack for the foreseeable future.

#### PORNOGRAPHY AND OBSCENITY

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

Mr. DANIELS of New Jersey. Mr. Speaker, I read with great interest President Nixon's statement on pornography and obscenity which appeared in the CONGRESSIONAL RECORD on May 5, 1969.

It is good to know that Mr. Nixon is deeply concerned about the problem created by the torrent of unsolicited filth which is bombarding American homes today. While this problem is far from new it does seem to have reached flood proportions in recent months.

I was somewhat surprised to note that in his statement, Mr. Nixon failed to mention Public Law 90-200, which was signed into law by former President Lyndon B. Johnson on October 4, 1967, establishing an 18-member Commission on Obscenity and Pornography.

Most members will recall that this bill was a bipartisan measure approved without a dissenting vote in this House. The newspapers found it unusual that the principal sponsors in both Houses, the senior Senator from South Dakota, KARL MUNDT, and I usually differed on most issues. Indeed there are few matters that come before Congress on which the two of us will be on the same side. On the other hand, the close cooperation of a conservative Republican from one of our great agricultural States and a liberal Democrat from one of the most urbanized parts of the Nation, points out the national nature of the traffic in filth. Senator MUNDT and I worked closely on this bill for many months and I know that I grew to have the greatest respect for this fine man who has such a desire to protect America's young people from unbridled filth. Hearings were held on my bill by the Select Subcommittee on Education which I had the opportunity to chair at that time.

I am happy to report that there was not a dissenting vote on the bill either in the subcommittee or in the Full Education and Labor Committee and as I mentioned above, President Johnson signed the bill into law and appointed 18 very distinguished citizens, headed by Dean William B. Lockhart, of the University of Minnesota to analyze the laws pertaining to the control of obscenity and pornography and to recommend to the Congress and the President such legislative, administrative, or other appropriate actions as deemed necessary to regulate effectively the flow of the traffic in pornography.

It was our hope then that the Commission would clarify some of the constitutional problems which seem to hamper effective regulatory action in this area.

The Commission has been conducting inquiries into the whole complex problem and is expected to report its findings in the very near future. I would hope that the President would give serious consideration to the findings of the committee's work for which \$640,000 has been expended in this fiscal year. It would seem singularly wasteful not to use this

extensive research compiled after months of study.

As cosponsor of Public Law 90-206 I would like to remind all Members that section 301 of this act, entitled "Prohibition of Pandering Advertisements," signed into law by President Johnson on December 16, 1967, is designed to give every mail patron the means to prevent the mailing to him of matter which in his sole judgment is objectionable. Under this section, the householder merely notifies his local postmaster that he no longer wishes to receive any further mail from a particular maller. The Postmaster General then issues an order to the sender, directing him to refrain from making further mailings to the complainant. The order will also require the sender, his agents, or assigns, to immediately delete the names of designated addressees from all lists owned or controlled by the sender. If the mailer breaches this order, the Postmaster General is given the authority to request the Department of Justice to petition the appropriate U.S. district court to compel the sender to comply with the order.

Mr. Speaker, 170,000 complaints have been made under this antipandering law and as the provisions are better known this figure is expected to increase.

I agree with Mr. Nixon's contention that criminal penalties are needed to halt the flow of salacious material. Obviously, present laws are not adequate. Yet, we can act in such a manner and with such enthusiasm that our best efforts will result in a law declared to be violative of the first amendment by the Supreme Court and thus end up right where we started.

While it is politically wise to be on record as against pornography, it is a better course of action to enact a law which has teeth to be sure but more important one which does the job.

For this reason I think that we should make use of the Lockhart Commission. Surely they have spent more time on this problem than any Member of this House or of the other body. At very least their recommendations ought to be heard.

Mr. Speaker, this is an area where I know whereof I speak. When I was elected to Congress in November 1958, more than 10 years ago I came to Washington to do something about the problem of filth which is especially acute in the New York metropolitan area. I have studied this problem—I have discussed this problem with educators, clergymen of all denominations, and with concerned civil libertarians and with constitutional lawyers of the first rank. I can tell you that this part of the law is a constitutional thicket if there ever was one.

On the other hand, there is genuine desire for action by Members on both sides of the aisle. Our desire for effective legislation has the support of Members representing a wide spectrum of opinion. This is a problem which is not political, sectional, racial, ethnic, or economic. Rather it affects every American in every part of this Nation.

Mr. Speaker, it is my hope that this Congress, working with the executive branch, can come up with an effective solution to the problem.

#### CALCAV

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

Mr. DICKINSON. Mr. Speaker, I have here a copy of a newsletter which arrived in my office over the weekend. This publication, entitled "Issues and Actions," supposedly is published by the organization Clergy and Laymen Concerned About Vietnam—CALCAV for short.

Among other things, there is an item in this newsletter which advises that CALCAV will stage a demonstration at the Dow Chemical Co.'s annual stockholders meeting today, May 7, in Midland, Mich. I wonder if these people plan an action similar to that "spontaneous" break-in staged for newsmen at Dow Chemical Co.'s Washington office recently.

Mr. Speaker, another item in this newsletter is extremely interesting. I would like to quote from this item:

Due to CALCAV's long-standing visibility in supporting draft resisters and recently in sending Thomas Lee Hayes to Sweden to work among deserters, the organization has several times within the last year been asked to perform a unique and vitally important function. There are many men who, for a variety of reasons, find themselves in the military and discover that they are conscientiously opposed to all war or to the Vietnam war in particular. Unable to secure a discharge from the military as a C.O. (there is a provision for such discharge), they have deserted rather than abandon their convictions. Some go into exile in Canada or Sweden. There is, however, a considerable number for whom exile is not an option. They wish to remain in the United States and at the same time do some form of meaningful work—to make some sort of social contribution here. The only course available to such men is to go "underground"; to go to a place where they are not known and there assume a new identity. CALCAV has assisted several men recently in finding such a place to live and work. Each time the need has arisen a place has been found within a reasonable period of time. But to be prepared to help deserters quickly, CALCAV would like to know persons around the country who would be willing to help such a person or persons. If you are willing to perform this service to these victims of the Vietnam war and are in a situation which would lend itself to providing a place to live and work with reasonable anonymity, please contact the national CALCAV office by mail. Also, if you know of someone in need of such a place to live and work, feel free to contact us.

Mr. Speaker, it appears to me that this organization, by deliberately soliciting help for military deserters, is in violation of Federal law. Therefore, I have asked the Attorney General to look into this situation and determine if legal action is appropriate.

#### CONFLICT OF INTEREST—DAVID M. KENNEDY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 1 hour.

Mr. PATMAN. Mr. Speaker, I rise to charge that David M. Kennedy has had serious conflicts of interest since assum-

ing the job of Secretary of the Treasury on January 21.

I also charge that the Secretary of the Treasury and his agents have engaged in a willful effort to mislead the Congress and the American people about his continuing financial ties to the Continental-Illinois National Bank of Chicago, Ill.

Mr. Speaker, it is my opinion that the Secretary of the Treasury has violated both the letter and the spirit of a number of statutes and Executive orders designed to prevent conflicts of interest in the Federal Government.

I cite in particular:

Section 201 of title 18 of the United States Code, which prohibits a person selected to be a public official from accepting, receiving, or agreeing to receive anything of value because of official acts performed by him;

Section 208 of title 18 of the United States Code, which requires an officer of the executive branch to refrain from participating in any matter in which he has a financial interest;

Section 1003 of title 31 of the United States Code, which prohibits the Secretary of the Treasury from directly or indirectly being concerned or interested in carrying on the business of trade or commerce; and

Executive Order No. 11222, issued by President Johnson on May 8, 1965, which prohibits Federal officials from engaging in activities that create a conflict of interest or create the appearance of a conflict.

In recent days, there has been a flurry of activity at the Treasury Department designed to lead the American public and the Congress into believing that there has not been and that there is not now a conflict of interest between the Secretary's public duties and his private financial arrangements.

But the facts are that the Secretary, since January 21, has received more—much more—in financial remuneration from the Continental-Illinois National Bank than he has from the Federal Government in payment for his services as Secretary. In fact, his Federal checks fade into insignificance against the massive sums that he has received from the bank at a time when he was charged with the responsibility of regulating that bank and with making recommendations on legislation directly affecting the welfare of that bank.

A cloud has been cast over the office of the Secretary of the Treasury. With this conflict of interest question unresolved, he is like a bird with a broken wing. His most simple official acts are being subjected to doubt because of the manipulations of his financial affairs as they affect the banking industry. A dark shadow hangs over one of the most important offices of this land.

Later, Mr. Speaker, I will detail each of the financial plans that David Kennedy arranged with the Continental-Illinois National Bank prior to taking office as Secretary. These were arrangements that the Secretary planned to maintain while he held public office. These are irrefutable facts and I challenge the Secretary of the Treasury to state one instance in which I am incorrect in these charges.

But the arrangements with Continental-Illinois are not all. I have just discovered that David Kennedy, at the time he became Secretary of the Treasury, held stock in the General American Transportation Corp., another one-bank holding company in which the La Salle National Bank of Chicago is the subsidiary. This has been kept a secret. The Secretary, unfortunately, has failed to voluntarily reveal this despite his many opportunities to do so.

This is the pattern of secrecy which Secretary Kennedy has followed since he assumed public office. His attitude has approached the arrogant. When a reporter for the Wall Street Journal questioned him on January 19 about how much stock he owned in the Continental-Illinois National Bank, the then Secretary-designate curtly replied: "I could tell you, but I am not going to."

That has been Secretary Kennedy's attitude not only to the press, but to the Congress. Since January, I have given the Secretary repeated opportunities to discuss this matter and to reveal his financial ties to the banks and to offer any explanation that he might be able to provide. He has steadfastly refused.

The Secretary has, for all intents and purposes, pleaded with the fifth amendment about his financial dealings with the banking industry. This subterfuge reached its high point last week when the Secretary of the Treasury instructed his General Counsel, Paul W. Eggers, to issue a letter and a news release "clearing" David Kennedy of conflicts of interest.

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

Mr. PATMAN. I cannot yield at this point.

Mr. GERALD R. FORD. The gentleman from Texas is making some very serious charges.

Mr. PATMAN. I know they are, and I will be glad to yield after I finish my statement.

This was a most amazing press release, minus the most surface documentation, and issued by the Secretary's own employee. He had, in other words, been found innocent by a judge and jury composed of a man under his direct supervision. If the subject were not so serious, this document would go down as one of the most ludicrous and self-serving pieces of paper to ever be issued by a Cabinet-level department.

But the issue is indeed serious and the misstatements and the attempts to mislead cannot be left to stand as a substitute for the truth. Secretary Kennedy instructed his general counsel to utter this statement when he knew full well that it did not represent the facts about the arrangement which he entered into when he took office on January 21.

Here are the benefits that Secretary Kennedy and the Continental-Illinois National Bank arranged:

First, a stock option of 30,855 shares of Continental-Illinois National Bank stock worth more than \$1,200,000;

Second, a \$200,000 separation gift;

Third, a pension of \$4,800 a month for life beginning on January 31, 1969;

Fourth, a profit-sharing plan worth at least \$650,000; and

Fifth, a continuing life insurance and health insurance program with the major cost to be paid by the bank.

In addition, Mr. Kennedy and his wife had more than 7,800 shares of Continental-Illinois National Bank stock which was to be placed in a "blind trust" with the Old Colony Trust Co. of Boston with instructions to "diversify" under prudent investment practices. But there is no assurance that any large part of this stock will be sold. The likelihood is that much of it will remain bank stock—a totally inadequate insulation from conflict of interest.

Mr. Speaker, these are the rough outlines of the bank-Kennedy benefit plan. But these surface details do not begin to reveal the arm-in-arm link between the Secretary and the Continental-Illinois National Bank.

Secretary Kennedy's hired hand, Paul W. Eggers, issued his release last Tuesday in which he made a great to-do about the sale of the 30,855 shares of stock which Mr. Kennedy had obtained through the option plan. Mr. Eggers gave neither dates nor the details of this transaction. He raised more questions than he answered on this point.

Mr. Eggers' news release paints the Secretary's sale of this stock as some kind of voluntary and benevolent gesture. This is so much hogwash.

As Secretary Kennedy knows, and refuses to reveal publicly, he intended to hold the rights to this stock outside of any trust arrangement. And the truth, as Mr. Kennedy knows it, is that he was doing this for the purpose of avoiding taxes. It was a pure and simple tax dodging scheme. It was a scheme entered into and carried out when the Secretary was making pious statements about tax reform.

He was avoiding taxes at the very time that he was instructing his aides to go before the Ways and Means Committee and say that this administration was for closing these loopholes. Why, he had one of the biggest loopholes in town.

He had to hold this 30,855 shares for 6 months in order to take advantage of that rich man's loophole—long-term capital gains. This was the little device that Mr. Kennedy will not discuss with anyone. But I will state now, and I challenge Mr. Kennedy to say otherwise, that this was his intent—to dodge taxes.

In fact, Secretary Kennedy has admitted this very fact in writing.

Now, in the heat of the battle, Mr. Kennedy has decided that it would be wiser to dispose of that stock and to forgo the wonderful benefits of long-term capital gains.

I am pleased that the Secretary is going to pay his taxes and is willing to sell this stock, but I think the matter would be much cleaner, much more palatable, if the Secretary would just stand up, like a man, and state exactly what happened rather than depending on the misleading releases of his General Counsel. As it stands now, the Secretary looks like a man caught running out of the chickenhouse at midnight with roosters

under each arm. He has dropped the roosters, but he has not explained why he was in the chickenhouse in the first place.

And the Secretary cannot escape the fact that he did maintain the right to this stock outside of any trust arrangement while he operated in his official capacity as a public official. He cannot escape the fact that he did take official actions as Secretary of the Treasury which directly affected the value of that stock. This, in my opinion, constituted repeated violations of section 208 of title 18 of the United States Code.

The exercising of options, the buying and selling of stock, also may constitute a violation of section 1003 of title 31 of the United States Code.

And now Secretary Kennedy's own General Counsel has injected a series of new issues about this particular block of stock. Point eight in Mr. Eggers' news release states:

Mr. Kennedy exercised the option and within a few days thereafter sold all the shares so acquired. From my discussions with the people who handled this sale, I determined that this was an arms-length transaction. Mr. Kennedy has completely divested himself of any interest whatsoever in this stock.

Mr. Kennedy decided to exercise his option on this stock on January 22. And I am convinced that he did not sell these shares "within a few days thereafter" as alleged by the illustrious Mr. Eggers.

Also, Mr. Eggers states that he has discussed the transaction "with the people who handled this sale." Mr. Eggers, for some reason, does not state who these "people" might have been.

In recent days, some information has come to me to explain the reasons for this omission. It is my understanding, from good sources, that the Continental-Illinois National Bank of Chicago, served as the agent for the sale of this stock. In other words, the bank, from which we are told Mr. Kennedy has severed his relationship, continues to serve as his agent in business transactions.

Also, Mr. Eggers omits the name of the purchaser of this stock. Could it be that the purchaser, likewise, is a bank trust department, in a well-known bank? Why is this essential fact left out?

And, more important, Mr. Eggers refuses to tell us when all of this took place. What is the date and why is it so important that it not be revealed?

Mr. Eggers' press release also states that Secretary Kennedy has decided to take his profit-shares from the bank in the form of cash. This statement, like the other, leaves many unanswered questions.

It is a fact that a plan was set up whereby Mr. Kennedy would take part of this profit-sharing benefit in stock in the Continental-Illinois National Bank. And this stock, 3,800 shares, was to be placed in trust in such a manner that he would regain control of this entire block when he retired as Secretary. In other words, it was not to be diversified or sold except under the most unusual circumstances. Therefore, he planned throughout his career as Secretary of the Treasury to

have a continuing interest in the bank, knowing that this stock would be there upon his retirement from public office.

Suddenly—and I think wisely—the Secretary has decided that he cannot continue this arrangement. But questions remain. Under the profit-sharing plan of Continental-Illinois National Bank, Mr. Kennedy was required to decide, upon retirement—not at a later date—how he wanted to receive his shares in the profit plan. So, does this mean that while serving as Secretary, he did indeed hold these 3,800 shares? Or has the bank changed its plan to accommodate the Secretary of the Treasury? Unfortunately, Mr. Eggers did not give us any answers on these essential questions.

A few minutes ago, I mentioned that it appeared that Secretary Kennedy's holdings of bank stock and the rights to bank stock had constituted a violation of section 208 of title 18 of the United States Code. Again, let me emphasize that this section, in substance, requires an officer of the executive branch to refrain from participating in any matter in which he has a financial interest.

As Secretary Kennedy well knew, the Continental-Illinois National Bank was undergoing a major corporate change when this administration came into office. Continental-Illinois was forming a one-bank holding company, to be known as the Conill Corp. In other words, the bank was taking advantage of a loophole left in the 1956 Bank Holding Company Act which allowed holding companies with only one bank a free rein to move into a variety of nonbanking businesses. At the time Secretary Kennedy was appointed, as well as at the time he actually took office, nothing was more important to the Continental-Illinois National Bank than the successful completion of the changeover in corporate structure.

On December 13, 1968, David Kennedy, as chairman of the board of directors of Continental-Illinois National Bank, signed a proxy statement and a letter to the stockholders of his bank announcing plans to form the one-bank holding company. In this letter, Mr. Kennedy praised the one-bank holding company device and talked about plans for the bank to move into new services related to the financial field. I place a copy of this letter in the RECORD:

CONTINENTAL ILLINOIS NATIONAL  
BANK & TRUST CO. OF CHICAGO,  
Chicago, Ill., December 13, 1968.

To our shareholders:

The notice and proxy statement for the annual meeting of shareholders, to be held at 2:00 o'clock p.m., Central Standard Time, on January 27, 1969, are set forth on the following pages.

The main business of the meeting will be to elect directors for the coming year and to vote upon a major plan of reorganization. Under the plan, your bank would become a wholly-owned subsidiary of a new Delaware company, Conill Corporation, in which you would have the same ownership interest you now have in the bank. Your stock in the bank would be exchanged tax-free on a share for share basis for common stock in Conill Corporation. Conill Corporation would be a one-bank holding company, a corporate form which has recently been adopted by a number of leading banks to meet the changing requirements of our econ-

omy. It is contemplated that the common stock of Conill Corporation will be listed on the Midwest Stock Exchange.

Approval of this plan of reorganization requires a favorable vote of holders of two-thirds of the outstanding shares of the bank. In addition, consummation of the plan requires rulings from various governmental agencies including the Comptroller of the Currency, the principal regulatory authority for national banks.

Your Board of Directors unanimously recommends your approval of this plan. It is anticipated that in future years the broad range of financial services needed to support our complex economy will require capabilities strengthening and supplementing those in traditional banking areas. After careful study, management is convinced that a one-bank holding company is the best means of serving present needs and meeting changing financial requirements of industry, government and the public. This new corporate structure will permit management increased flexibility in establishing new services utilizing the bank's expertise in the financial field. For these reasons, your Board of Directors believes that the proposed plan of reorganization is in the best interests of the shareholders of the bank and recommends that you vote in its favor.

In urging approval we wish to make it clear that your management has no specific acquisitions presently under consideration and no present desire to diversify into enterprises unrelated to the financial field. Our goal instead is to preserve and strengthen our ability to meet our customers' present and future demands for financial services.

A word about the stock option plan of Conill Corporation. This plan, which is described in detail in the proxy statement, does not increase the benefits to employees. It is essentially the same plan which you approved in the past for the bank. Approval of the plan is recommended so that options can continue to be granted after consummation of the reorganization.

Please sign and date the enclosed proxy and return it in the accompanying envelope as promptly as possible. It is hoped that you will be able to attend the meeting and, if you do, you may vote your stock in person if you wish.

Our annual report containing a Consolidated Statement of Condition as of December 31, 1968, and a Consolidated Statement of Earnings for the year, will be mailed to you early in January 1969.

DAVID M. KENNEDY,  
Chairman of the Board of Directors.

Mr. Speaker, while the letter was signed "Chairman of the Board of Directors," it was a fact that this same David M. Kennedy at that moment was the announced Secretary of the Treasury in the new Nixon administration. In fact, the President-elect of the United States had introduced him to the country the day before in a televised press conference in Washington, D.C.

The Secretary-designate signed the letter to the stockholders knowing full well that as Secretary he would be required to draft and comment on legislation to control the very type of institution which he was establishing. It was an open secret in Washington and in the banking community that such legislation would dominate the Treasury Department's activities before the 91st Congress.

Secretary Kennedy was sworn in on January 21, 6 days before the stockholders of his bank were scheduled to meet to ratify the formation of the holding company. At this time, Secretary Kennedy was well aware that once the stock-

holders approved, the application for the corporate change would have to come to the Treasury Department for approval.

On February 7—only 11 days after the stockholders' approval—the Comptroller of the Currency gave his approval to the formation of the Conill Corp., a one-bank holding company. The Comptroller of the Currency, of course, works directly under the supervision of the Secretary of the Treasury.

I quote from section 1, title 12, of the United States Code, which outlines the role of the Comptroller of the Currency:

There shall be in the Department of the Treasury a bureau (of Comptroller of the Currency) . . . The Comptroller of the Currency . . . shall perform his duties under the general directions of the Secretary of the Treasury.

So, for all legal purposes, the approval of the Conill Corp. was under the general direction of the Secretary of the Treasury, David M. Kennedy.

Obviously, the one-bank holding company device is a profitable one for the big banks. In fact, there would be no reason for these banks to enter on such an adventure unless it was indeed profitable. Therefore, the formation of the one-bank holding company greatly enhanced the value of Mr. Kennedy's stockholdings in the corporation.

On February 7, 1969, the day the Treasury Department approved the one-bank holding company, the stock of Continental Illinois National Bank sold for \$45½—its highest price since the inauguration of this administration.

In fact, the \$45½ quote on February 7 was \$3¼ above the bid on the same stock the day Secretary Kennedy was sworn in.

In fact, Mr. Speaker, an analysis of the Continental Illinois bank stock suggests very strongly that it has moved up and down with the fortunes of the one-bank holding legislation pending before the Congress.

To his credit, President Nixon indicated that he recognized some of the big problems being created by these one-bank holding companies. The White House released a statement in which the President said:

Left unchecked, 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.

Mr. GERALD R. FORD. Mr. Speaker, would the gentleman from Texas yield?

Mr. PATMAN. I cannot yield now, I will respectfully say to the gentleman from Michigan. Certainly I would want to yield to the minority leader. But I cannot break the sequence of my statement. After I finish, I shall be very glad to yield to the gentleman.

Mr. GERALD R. FORD. Mr. Speaker—

Mr. PATMAN. I cannot yield now. Mr. GERALD R. FORD. Mr. Speaker, would the gentleman yield?

Mr. PATMAN. I decline to yield at this time. After I finish my statement I shall be very glad to yield to the gentleman from Michigan.

But something happened to President

Nixon's high-sounding words at the Treasury Department. The bill drafted under Secretary Kennedy's direction fell far short of what the President's words would indicate.

The legislation, as proposed by Secretary Kennedy on March 24, would allow bank holding companies great latitude in entering nonbanking activities. Secretary Kennedy's bill has been proposed in opposition to legislation which I introduced to extend the restrictions of the 1956 Holding Company Act to one-bank holding companies.

Secretary Kennedy and others under his supervision have worked hard for the passage of the Treasury Department's bill and for the defeat of my measure. Secretary Kennedy, of course, has appeared as a witness in support of his legislation on two occasions.

When Secretary Kennedy appeared before the committee on April 17, I told him:

I would like to point out that should the definition of banking be broadened, as contemplated in the Administration's holding company bill, the value of your stock in the Conill Corporation—the Continental-Illinois National Bank—will rise sharply.

Mr. Speaker, I think this is a shameful situation. Here is a man who, as a corporate officer, helped form a one-bank holding company. He then moved into the Treasury Department where he was in a position to influence either directly or indirectly the approval of the holding company. He then was in a position to recommend and lobby for the legislation that would prescribe the limits in which his own one-bank holding company could operate.

And much, if not all of this, was done at a time when the Secretary of the Treasury had heavy financial interests in the bank.

This is the kind of situation, Mr. Speaker, which causes the American people to lose confidence in their Federal Government. It is difficult, under this set of circumstances, for the man on the street to think that everyone is indeed receiving equal justice under the law. Under these circumstances, it appears that Continental-Illinois National Bank is in a position to be a little more equal than anyone else.

Mr. Speaker, this is only the beginning of the evidence against Secretary Kennedy.

On January 10, when David Kennedy had his bags packed for Washington, the board of directors of the Continental-Illinois National Bank met and voted the Secretary-Designate a \$200,000 separation allowance. This is to be paid when Secretary Kennedy leaves office.

The bank's board of directors voted this \$200,000 gift to a man who already had a \$1,200,000 stock option, a \$4,800 a month pension, a \$650,000 profit-sharing plan, and 7,800 shares of the bank's stock. They did not want him to come to Washington dead broke, obviously.

This bonus of \$200,000 cannot be justified. There is no excuse for it. It should be revoked now, by both the bank and Mr. Kennedy.

That \$200,000 was voted by the bank's board of directors when they knew that David Kennedy was going to be Secretary of the Treasury and in a position to

represent them at the highest levels of the Federal Government. It was voted at a time when the bank knew that it would have an application for a one-bank holding company before the Treasury Department. It was voted at a time when they knew that the Secretary of the Treasury would be recommending and lobbying on legislation to control the one-bank holding companies.

And under all of these circumstances, we are supposed to believe that the \$200,000 was simply a great benevolent gesture not tied to the future interests of the bank.

Mr. Speaker, this \$200,000 has every appearance of a gift in violation of section 201 of title 18 of the United States Code which prohibits a "person selected to be a public official" from accepting, receiving, or agreeing to receive anything of value for himself. The Secretary of the Treasury should not serve another day with this \$200,000 gift hanging over his head.

Consider what kind of precedent this \$200,000 would set for the Federal Government if it is allowed to stand. Under the arrangement that has been accepted by Secretary Kennedy and his defenders, it would be all right for a \$200,000 slush fund to be collected and given to each and every Member of Congress after he is elected. Such a fund would be no different than what Secretary Kennedy has agreed to in accepting this \$200,000 payment. Suppose every Federal official was given \$200,000 as a "going-away" present when he left a corporation to enter public life. This cannot be allowed to stand if we are to have any respect for the Federal Government.

And the nature of this payment cannot be changed simply because someone calls it a "separation allowance." And it is no defense for the Secretary of the Treasury to claim that "the amount is not revocable by the bank."

As I have mentioned earlier, the Secretary of the Treasury has announced his intention to receive a lifetime pension of \$4,800 a month beginning on January 31 of this year. This sum is almost equivalent to his salary as Secretary of the Treasury. This pension is given to the Secretary under the pension plan of the bank and it is rightfully his as an employee benefit.

It is rightfully his as a private citizen. But is it proper and is it right for Mr. Kennedy to receive a bank pension while he serves as Secretary of the Treasury?

Can the Secretary receive a \$4,800 check from the bank each month and render an objective arm's length judgment when the same bank's interests are before his department?

Does he not feel a little touch of gratitude toward the bank when he sees that check in the mailbox each and every month? And surely the fact that the bank continues to pay his life insurance and his health insurance does nothing to harm this friendly feeling.

Secretary Kennedy is the first bank pensioner to hold the office of Secretary of the Treasury. It is a new precedent for a department that has always had its troubles keeping at arm's length from the banking industry.

If no other statute covers this problem of Mr. Kennedy's pension, I think that

Executive Order No. 11222, issued by the President on May 8, 1965, was intended to deal with such a situation. That Executive order made it plain that Government officials were to avoid anything that would "create the appearance" of a conflict of interest as well as avoiding any specific statutory violation.

The Executive order is intended to require that employees of the Federal Government avoid any action which might result in or create the appearance of—

First, using public office for private gain;

Second, giving preferential treatment to any organization or person;

Third, impeding Government efficiency or economy;

Fourth, losing complete independence or impartiality of action;

Fifth, making a Government decision outside official channels; or

Sixth, affecting adversely the confidence of the public in the integrity of the Government.

Does Secretary Kennedy honestly feel he has lived up to the letter and the spirit of this Executive order? Can he say that his arrangements with the Continental-Illinois National Bank do not affect "adversely" the confidence of the public in the integrity of the Government?

I think it is obvious that the situations involving Secretary Kennedy touch on both specific statutory prohibitions against conflicts of interest and on broader rules attempting to avoid the appearances of a conflict.

Mr. Speaker, I hope it is plainly understood that I am not springing these attacks on Secretary Kennedy without giving him adequate warning. When he was ready to be confirmed by the Senate, I suggested the confirmation await an opportunity to more thoroughly explore his ties to the banking industry. On February 17, when he appeared before the Joint Economic Committee, I questioned him about the potential for conflict of interest. I received what I consider to be a series of misleading answers. I did not hear further from the Secretary.

Later, I wrote President Nixon, expressing my deep concern about the Secretary's participation in the one-bank holding company legislation because of his associations with the Continental-Illinois National Bank. I place a copy of that letter in the RECORD.

HOUSE OF REPRESENTATIVES,  
Washington, D.C., February 20, 1969.

THE PRESIDENT,  
The White House,  
Washington, D.C.

DEAR MR. PRESIDENT: The forthcoming hearings on the Bank Holding Company Act are of vital importance to every segment of our economy and this once again raises the serious problem of the banker influence at the U.S. Treasury Department.

As you are aware, it would be normal procedure for the Treasury Department to make recommendations on these amendments to the Holding Company Act and to comment on the various proposals. Likewise, normal procedure would involve consultation and approval of the Budget Bureau.

However, all Administration officials in a position to advise the Congress on this vital piece of legislation are only weeks away from their jobs in the banking industry which this legislation is designed to regulate and to restrict.

In fact, the Secretary of the Treasury—who would be expected to make the recommendations of the Administration—participated in the formation of a one-bank holding company while he served as Chairman of the Continental Illinois National Bank of Chicago. He must now draft legislation and make recommendations which will, in effect, decide whether the very holding company which he formed will remain intact. Mr. President, I am sure that the Secretary is a man of high integrity, but such a situation places him in an impossible position where he must rule on his own handiwork.

The same situation exists when the matter goes before Mr. Robert Mayo, your director, of the Bureau of the Budget. Mr. Mayo, of course, was a vice-president of the Continental Illinois National Bank and presumably participated alongside Mr. Kennedy in forming the one-bank holding company.

I understand that a great deal of the work on the Administration proposal is being performed by Charls Walker, the under-Secretary of the Treasury. Mr. Walker, of course, is former executive vice-president of the American Bankers Association, the lobbying organization largely controlled by the big banks which are now so interested in the one-bank holding companies as a means of expanding their influence in the economy. Mr. Walker has had a close relationship with these banks and has faithfully lobbied for their position on Capitol Hill.

Before he was appointed by you, I am sure that Mr. Walker was in the process of preparing the legislative position of the ABA on the Holding Company Act and it is safe to assume that this position was not contrary to that of the large banks which have formed holding companies.

I am not certain of the role of the other under-Secretary, Paul Volcker, in the holding company talks in the Administration, but I assume that he will have a voice in the final decision. Mr. Volcker, as you know, was vice-president of Chase Manhattan National Bank of New York, which announced plans to form a one-bank holding company just 11 days before Mr. Volcker joined the Treasury.

The background of these policymakers perhaps explains the confusion and constant shifting which seems to be going on inside the Treasury Department on this vital issue. Trying to reconcile their past associations and life-time careers in banking with their current responsibilities, is, I am sure, a difficult, if not impossible task, particularly on an issue as volatile as this.

Originally, I had understood the Treasury Department would send legislation on Bank Holding Companies to Capitol Hill before the Lincoln Day recess. Then later, I noticed in the press that the time table had been changed and that the bill would be forthcoming immediately after the recess, February 17. Later this was changed to February 19 or possibly the 20th "at the latest." Now I understand that all of this scheduling has been changed to next week.

I can only assume that there is some rapid rewriting and re-evaluation going on inside the Treasury Department. I notice in the press that there have been a series of "background briefings" extending over several weeks by an anonymous official of the Department. It is my understanding that these briefings have been taking place not only in the Treasury Department building, but also in the editorial rooms of some of the nation's leading newspapers. Apparently, there is a great effort to justify the Administration's position before it has a position.

What has sifted out of these shifting positions has been discouraging and alarming. The briefings have inspired reports that the Treasury Department wants to give total exemption to all of the one-bank holding companies already formed. Much more serious have been reports that the Administration would weaken the present Bank Holding

Company Act through a broader definition of non-banking activities and by splitting the regulation of the holding companies among all the banking agencies.

If these reports are true—and they have not been denied by that anonymous Treasury official—then what we have is a back door assault on the existing regulation, rather than a much-needed strengthening of the Holding Company Act.

All of this points to the extreme difficulty of drafting legislation in a Department dominated by people from the very industry that the legislation purports to regulate.

Therefore, Mr. President, in view of the extremely critical nature of this issue and its far-reaching impact on the entire economy, I respectfully urge you to withdraw the Treasury Department and the Director of the Bureau of the Budget from direct participation in this legislation.

This may seem unusual, but there is, indeed, ample precedent in our system of government for such action. For example, a judge is obligated to withdraw from consideration of a case in which he may have participated as an advocate before taking the bench. And certainly, Mr. Kennedy, Mr. Walker, Mr. Volcker, and Mr. Mayo were advocates for the banks—and bank holding companies—before they took their current appointments.

I am sure that there are others in the Administration—not connected with banks—who could be drafted to work on this legislation and to bring forward your recommendations to the Congress. The Federal Reserve Board, of course, has direct responsibility for the regulation of the registered bank holding companies and I understand that this agency has already studied and prepared extensive legislative recommendations on this issue.

The important thing, Mr. President, is that we have legislation that truly protects the public interest and in which the public can have confidence. This issue involves much more than the narrow banking interests and its resolution should not be left solely to the bankers. It is something that affects the entire business community and the general public.

You have the power to remove the cloud of suspicion that has arisen about the pending Administration proposals. I respectfully urge you to exercise it.

Sincerely,

WRIGHT PATMAN.

Mr. Speaker, I also mentioned the problem of the Secretary's apparent conflict of interest to a top staff member of the White House.

On April 17, Secretary Kennedy appeared before the Banking and Currency Committee to testify on the legislation that he had proposed on one-bank holding companies. I opened that session by detailing some of his ties to the bank and asked repeatedly that he comment on these charges and give the committee any explanation he might have available. The Secretary replied, "No comment."

The following week, April 24, Secretary Kennedy again appeared on the same piece of legislation. I reminded him that I had made these charges the previous week and I again gave him an opportunity to reply. He did not do so. At this juncture, I asked that he furnish the Banking and Currency Committee a detailed financial report with particular emphasis on any connections he might have with banks and bank holding companies. To this date, he has not complied with this request.

And I understand that he told news reporters that he was "too busy" to comment on this issue.

Also, I have given his General Counsel, Mr. Paul Eggers, an opportunity to expand on his letter and news release which he issued last Tuesday. I requested that Mr. Eggers appear for this purpose at 10 a.m. last Saturday. Mr. Eggers declined.

So, both the Secretary and his Counsel have refused to talk about the ties to Continental-Illinois National Bank.

In making these charges, I do not in any way want to be in a position of criticizing the Senate Finance Committee which was forced to pass on these nominations quickly so that the new President might have his Cabinet available. It is traditional for the Senate to give a new administration quick confirmation of its appointees. And under this arrangement, the Senate Finance Committee did not have the opportunity to explore all of these facets of Mr. Kennedy's background. The Senate committee did discover many facts and did throw the spotlight on much of Mr. Kennedy's financial dealings.

Senator GORE, a member of that committee, did require that the Secretary eliminate Continental-Illinois National Bank as his trustee and forced some major changes in the handling of the stock option. Without these changes, the situation would have been much worse than it is today. However, it appears that Secretary Kennedy did not keep his word to Senator GORE on the stock option.

As I understood it, Senator GORE sought an agreement from Mr. Kennedy that he would "either exercise or relinquish the option to purchase additional Continental stock prior to taking the oath of office." My information indicates that this did not happen. He decided to exercise the stock option after, not before, he took office.

In any event, it would have been extremely difficult for that committee to have delayed the appointment under the circumstances existing at that time. The Senate Finance Committee did everything that it could in the time allotted to it.

The Constitution, of course, provides safeguards in this situation. It provides that any impeachment proceeding against a Cabinet official shall be made in the House of Representatives. This is where the jurisdiction lies on the initiation of such charges when they become necessary. So we cannot stand here today and pass the buck to the Senate. If there is an irreconcilable problem, we must deal with it.

When Mr. Kennedy was appointed in December, he issued a statement at a news conference in Chicago in which he indicated he realized how sensitive his new position would be to the banking industry. The New York Times of December 17, 1968, contains this statement:

At a news conference in Chicago last Friday, Mr. Kennedy said it was his intention to "sever all connections with the bank."

Many of us took this statement, printed in one of the Nation's leading newspapers at face value. The folly of taking this at face value soon became apparent.

Since that time, Secretary Kennedy has been less free with his comments to

reporters either in Chicago or Washington. They have elicited little more information from the Secretary than has the Banking and Currency Committee.

Many newspapers and wire services have done an admirable job of pursuing this issue. But two reporters in particular, Murray Seeger of the Los Angeles Times, and Fred Zimmerman of the Wall Street Journal, have refused to accept Secretary Kennedy's "no comment."

In a series of articles extending from the time of Mr. Kennedy's confirmation, these reporters have laid out the facts and have raised basic questions about the Secretary's continuing ties to the Continental-Illinois National Bank. The press' role is essential in a situation where a high public official refuses comment.

Without the work of these two reporters and their newspapers, I think even greater violence would have been done to the conflict of interest statutes. Mr. Speaker, I place in the RECORD at this point two sets of newspaper articles, one printed in the Wall Street Journal, and a second in the Los Angeles Times. They lay out this case from A to Z:

[From the Wall Street Journal, Jan. 17, 1969]  
**SENATOR GORE THREATENS CONFIRMATION FIGHT OVER DAVID KENNEDY'S BANK STOCK-HOLDINGS**

WASHINGTON.—Sen. Gore threatened to fight the confirmation of David Kennedy as Treasury Secretary unless the Chicago banker removes what Mr. Gore called a "clear-cut conflict of interest" involving his large holdings of bank stock.

The Tennessee Democrat's objections to Mr. Kennedy's proposed trust arrangement for the stock clouded the status of the Treasury Secretary-designate, who had been thought assured of swift confirmation.

At the Senate Interior Committee hearing where Interior Secretary-designate Hickel spent his second day in the witness chair, the Alaska governor committed himself to maintaining most of the land freeze imposed by outgoing Secretary Udall—or at least gave Chairman Jackson (D., Wash.) the impression that he had. The freeze, imposed in 1962 to protect the land rights of Alaskan Indians, Eskimos and Aleuts, has prevented the state from taking title to some 86 million acres of Federal holdings to which it's entitled under the 1958 Statehood Act.

Treasury Secretary-designate Kennedy has been invited to appear before a closed session of the Senate Finance Committee at 10 this morning. That committee, of which Sen. Gore is third-ranking Democrat, must vote on Mr. Kennedy's confirmation.

At today's meeting the committee presumably will hear Sen. Gore's objections and Mr. Kennedy's response, and then vote tentatively on whether to approve Mr. Kennedy—as well as California Lt. Gov. Robert Finch, the proposed Secretary of Health, Education and Welfare.

#### CHANGE IN TRUSTEE

One source suggested that, to allay fears of a conflict of interest, Mr. Kennedy may assure the committee he will find a different trustee. According to Sen. Gore, Mr. Kennedy's intended trustee is Continental Illinois National Bank & Trust Co. of Chicago—the bank from which Mr. Kennedy intends to resign as chairman, and it's that bank's stock he is placing in trust, Mr. Gore said.

Sen. Gore examined Mr. Kennedy's statement of assets and proposed trust arrangement—furnished privately to the committee—and then the two met for an hour yesterday.

Following that meeting, the Senator released a three-page letter to Committee

Chairman Long (D., La.), in which he explained his reservations about Mr. Kennedy.

The Chicago banker "is an estimable gentleman of ability and integrity," Sen. Gore said, "but I am troubled . . . because the proposed plan which Mr. Kennedy submits permits a clear-cut conflict of interest to remain." He added that "in the aura of grace rightly extended an incoming President, the Senate is about to relent on a very vital instrument of public policy—the traditional safeguards against conflict of interest."

Sen. Gore said the provisions of the proposed trust are "superficial," because a variety of benefits, such as regular payment of dividends, will accrue to Mr. Kennedy. He said, also, that Mr. Kennedy proposes after confirmation to "purchase large additional stock holdings" in the bank through a stock-option plan, "of which he doesn't propose to divest himself . . . it being his intention, I believe, ultimately to place such stock in said trust after capital gains tax treatment can be accorded" to it.

Sen. Gore said that in "respect for Mr. Kennedy and for his privacy" he wasn't disclosing details or exact amounts of the stock holdings, but he added it might become necessary to do so "in order to place this vexatious problem, which doesn't relate to Mr. Kennedy alone, before the Senate."

The Senator said he sympathized with Mr. Kennedy's problem in trying to devise a satisfactory arrangement, but added: "Regretably, I must insist that there be no conflict of interest between the Secretary of the Treasury and personal bank stock holdings."

In the Interior Committee hearings, Sen. Jackson sought to nail Gov. Hickel to a commitment that he would continue the Federal land freeze in Alaska as head of the Interior Department. Saying that Congress likely would settle the land claims of Alaska's natives within the next two years, Sen. Jackson asked, "Can we keep the freeze (for that period) so that we can legislate without a feeling of undue haste?"

Mr. Hickel said Alaska needs land to build airports, roads and other public projects. But, he said, "I would abide by your wishes . . . except for unusual situations."

#### NOT SURE WHAT HE MEANT

Following yesterday's session, Sen. Jackson said he thought Gov. Hickel's reply meant that we would basically maintain the status quo in Alaska until Congress could act. The Washington Democrat also indicated a willingness to allow oil and gas exploration on the disputed land—an action Mr. Hickel has argued for as Alaska's chief executive—provided that any revenues would be held in trust until the share for natives could be determined.

However, the chairman said some Democratic members of the committee still aren't totally certain of what the Secretary-designate had promised to do. Consequently, the committee will study a transcript of yesterday's testimony and seek to clarify the issue when Mr. Hickel returns today for his third day of testimony, he said.

Sen. Jackson, describing the governor as "responsive" to questions during the first two sessions, declared himself "generally satisfied" with his answers so far. This would seem to strengthen earlier forecasts of Gov. Hickel's eventual confirmation.

#### POSSIBLE LENGTHY HEARINGS

Nevertheless, there's a possibility that lengthy committee consideration of Mr. Hickel's qualifications could lead to the new Republican Administration's first embarrassment by the Democratically controlled Senate.

In addition to further testimony from the governor, conservation groups and individuals desiring to speak on Mr. Hickel's fitness have yet to be heard. The committee will begin hearing these witnesses today and meet in closed session tomorrow to consider Mr.

Hickel's private financial interests and whether any of them could represent a conflict of interest. But it's possible further hearings will have to be scheduled next week in order for "everyone to be heard," Sen. Jackson said.

Such a delay could cause the Senate to vote on Mr. Nixon's other Cabinet choices, leaving Gov. Hickel for later. All alone, though, he'd be an easier target for extensive critical comments by the liberal Democrats who've been sniping at him all along.

In other actions, the Senate Commerce Committee approved the nomination of Maurice Stans, New York investment banker, to be Commerce Secretary and Massachusetts Gov. Volpe to be Secretary of Transportation. The full Senate plans to act on the Nixon Cabinet appointments Monday or Tuesday.

[From the Wall Street Journal, Jan. 20, 1969]

**SPEEDY SENATE VOTE SEEN TODAY FOR MOST OF NIXON'S CABINET—INTERIOR SECRETARY DESIGNATE HICKEL IS THE ONLY APPOINTEE WHOSE STATUS REMAINS CLOUDED**

WASHINGTON.—Nearly all Richard Nixon's Cabinet appointees probably will be confirmed in a speedy Senate vote this afternoon, shortly after the inauguration.

The only one whose status remains clouded is Alaska Gov. Walter J. Hickel, the Interior Secretary-designate and the most controversial of Mr. Nixon's Cabinet choices. Opponents may delay his confirmation today so they'll have time to make speeches urging him to be more conservation-minded, but he almost certainly will be approved later this week.

Besides Gov. Hickel, the only appointees who haven't yet been cleared by appropriate Senate committees are Secretary of State-designate William P. Rogers, a New York lawyer and former U.S. Attorney General, and Postmaster General-designate Winton Blount, an Alabama contractor who currently heads the U.S. Chamber of Commerce. These two aren't expected to have any trouble, however; the Senate committees probably will approve them quickly and informally after the nominations actually have been received from the new President.

On Friday, the Senate Finance Committee voted unanimously to recommend approval of Treasury Secretary-designate David M. Kennedy, former chairman of Continental Illinois National Bank & Trust Co., Chicago. The vote came after a lengthy closed meeting in which Mr. Kennedy agreed to revise the terms of a proposed trust into which he plans to put his substantial holdings of Continental Illinois stock.

Mr. Kennedy's initial trust plan has prompted objections from Sen. Gore (D., Tenn.) that Mr. Kennedy would have a "clear-cut conflict of interest" as Treasury Secretary.

At the committee meeting Friday, Mr. Kennedy agreed to find an "independent" trustee to replace Continental Illinois, as it is that bank's stock that would be held in trust, Mr. Kennedy told reporters he originally had chosen his bank as trustee "because I'm familiar with the high quality of our investment services. Now I've got to trust someone else with my life's work."

He also agreed to "instruct" the trustees to diversify his holdings as soon as it could be done "prudently." Mr. Kennedy later told reporters, "that would have been done anyway, of course. It's just good investment policy to diversify."

He refused to say how much bank stock he owns. "I could tell you," he said, "but I'm not going to." Almost all of his portfolio consists of Continental Illinois stock, he said.

Mr. Kennedy also agreed that before he become Treasury Secretary he will notify the bank whether he intends to exercise his option to purchase 30,000 of the bank's shares.

Gov. Hickel, from all indications, will be endorsed quickly by the Senate Interior Committee this morning. This would open the

way for action by the full Senate today along with other Nixon choices. However, Senate rules permit a single member to delay voting on any of the nominations, and at least one or two Senators are likely to move for such a delay.

Republican committee members pressed Chairman Jackson (D., Wash.) unsuccessfully for a vote at the close of an unusual Saturday hearing, at which Gov. Hickel's financial holdings were reviewed in public and private sessions. After the meeting, Sen. Jackson once again indicated he could see no reason for opposing Mr. Hickel's appointment. But he was keeping the proceedings open, he said, until the committee could receive still more information from Alaskan officials about possible oil leases granted by the state's natural resources commissioner, a Hickel appointee.

The chairman also disclosed that Mr. Hickel, after closed consultations with the committee, had agreed to sell personal business holdings valued at close to \$1 million to avoid any conflict of interests. Most of this amount represents more than 32,000 common shares of Alaska Interstate Co., Houston. Based on Friday's closing price of \$28.25 on the American Stock Exchange, these shares would be worth more than \$900,000.

Mr. Hickel acquired the stock in exchange for his interest in Anchorage Natural Gas Corp., a gas-distributing utility that he helped found. The committee believed the possibility of a conflict existed because the pipeline supplying the utility—also owned by an Alaska Interstate subsidiary—runs over public land administered by the Interior Department.

In addition, Mr. Hickel agreed to sell his \$3,000 interest in a seafood company that fishes for crab on the continental shelf and, thus, comes under the jurisdiction of the department's Bureau of Commercial Fisheries.

The other required divestitures weren't disclosed, but are equally small, the governor told reporters.

Mr. Hickel also will "admonish" hotels, contracting concerns and other Alaska enterprises, in which he, or his family, has an interest not to engage in any Federal business during his time in office. But "obviously, a Government employe can rent a room" in a Hickel-owned hotel, Sen. Jackson commented.

The committee originally turned its attention to Alaska Natural Resources Commissioner Thomas E. Kelly, a former Houston oil executive, in exploring charges that the Hickel administration has been too cozy with the oil industry. Mr. Kelly's post gives him regulatory powers over oil and gas development on state lands.

At the outset of the hearings, Mr. Hickel testified that as far as he knew, Mr. Kelly didn't own any oil-company interests. In response to the committee's inquiry, though, Mr. Kelly sent a telegram stating that he owns about \$60,000 in oil company stocks, including 1,400 shares of British Petroleum Co., purchased after he took over as state commissioner.

[From the Wall Street Journal, Apr. 18, 1969]  
**REPRESENTATIVE PATMAN CHARGES TREASURY SECRETARY WOULD GAIN FROM ADMINISTRATION BANK BILL**

WASHINGTON.—Chairman Patman of the House Banking Committee charged that Treasury Secretary Kennedy would gain financially through passage of the Nixon Administration's proposed bank holding-company bill.

The Texas Democrat detailed the conflict-of-interest charge in a scathing seven-page statement as Mr. Kennedy, who left the chairmanship of a major Chicago bank to join the Nixon Cabinet, waited to testify at

the Banking Committee's hearing on holding-company legislation.

The session was marked by tense and bitter exchanges between the Treasury Secretary and the Banking Committee chairman. Mr. Kennedy was appearing to testify in behalf of the Administration's bill, but the tough tone of Chairman Patman's opening statement overshadowed the hearing.

When Mr. Patman had finished reading the statement, Secretary Kennedy responded to the allegations by saying, "I have no comment, Mr. Chairman. None at all. None at all. Go ahead and interrogate. I have no comment."

Following the hearing, Mr. Kennedy told a reporter "no comment" when asked if Mr. Patman's discussion of the Secretary's financial situation was accurate.

#### SECRETARY'S FORMER BANK

Mr. Patman noted that Mr. Kennedy is the former chairman of Continental Illinois National Bank & Trust Co. of Chicago, which recently transformed itself into a so-called "one-bank holding company," Conill Corp., thereby taking advantage of a legal loophole that the Administration's bill is designed to close. As the bank's chairman, Mr. Kennedy had advocated the move.

Rep. Patman and the Administration both have introduced bills that would extend Federal regulation to these one-bank holding companies, with the goal of keeping banking separate from nonbanking businesses.

Currently, only the banking subsidiaries of these one-bank companies are Federally regulated; the holding companies themselves are free to acquire other businesses far afield from banking. In contrast, holding companies controlling two or more banks are tightly regulated by the Federal Reserve Board under a 1956 law. Thus, the one bank exemption has prompted many of the nation's banks to transform themselves into one-bank holding companies to enjoy unregulated diversification.

The Patman bill would close the loophole by simply extending the 1956 law's coverage to one-bank companies. In less direct fashion, the Administration bill would provide for regulation of one-bank companies, but in Mr. Patman's view it also would loosen the present regulatory framework.

#### "MAN OF HIGH INTEGRITY"

Mr. Patman assured Mr. Kennedy that he considered him "a man of high integrity." But the chairman added: "You come before us today to testify on banking legislation at a time when you hold substantial interests in a bank. And more importantly, it is an interest in a one-bank holding company—the very subject on which you testify."

Chairman Patman said he understood Secretary Kennedy has exercised an option on 30,855 Continental Illinois National Bank shares with a market value of more than \$1.2 million, and that these shares won't be placed in trust before Aug. 15.

"It takes no financial expert to realize that the value of this huge stock option will fluctuate according to what happens to the legislation regulating one-bank holding companies," Mr. Patman commented.

He added that part of Mr. Kennedy's "very large holding" in a Continental Illinois profit-sharing plan has been transferred to him in the form of Continental Illinois stock. Although it has been placed in a trust, Mr. Patman maintained the trustee isn't obligated to diversify the holding—as is the case with an additional 7,800 Continental Illinois shares owned by Mr. Kennedy and his wife.

"In effect, this block of stock (from the profit-sharing plan) remains intact, and you know that the moment you leave the office of Secretary of the Treasury you will have in your possession a substantial holding in Continental Illinois Bank, or the Conill holding company," Mr. Patman said. "Under

these circumstances, it would be extremely naive to say that you have no interest in the value of that stock at this moment."

Mr. Patman also said he had learned that Continental Illinois has promised Secretary Kennedy "future financial remuneration of a sizable sum, something on the order of \$200,000." He said Mr. Kennedy would be paid the money when he left office.

Additionally, Mr. Patman said that last Jan. 31 Secretary Kennedy began receiving from the bank a pension of nearly \$5,000 a month, "or roughly equivalent to your salary from the Federal Government."

Chairman Patman declared that if the legal definition of the banking business is "broadened, as contemplated in the Administration's holding-company bill the value of your stock in Conill Corp.—the Continental Illinois National Bank—will rise sharply."

#### RESOLVING THE CONFLICT

Mr. Patman said questions of conflict could be resolved if Secretary Kennedy "could tell the committee this morning that you were willing to revise your trust arrangement to provide for the immediate sale of all bank stock."

The Banking Committee chairman said this perhaps would cost Mr. Kennedy money "in the form of additional taxes, but I don't think this should be the overriding factor in meeting your obligations as Secretary of the Treasury. Living up to the spirit and the letter of the law is often costly to the average citizen, and I don't think that it should be any different for Cabinet officers."

Mr. Patman said Title 18 of the U.S. Code requires Executive Branch officials to refrain from participating in any Governmental matter in which they have a financial interest.

In their testimony, Secretary Kennedy, Under Secretary Charles E. Walker and Richard W. McLaren, assistant attorney general in charge of the Justice Department's Antitrust Division, urged passage of the Administration's bill as being preferable to the one introduced by Rep. Patman.

Here are the main differences between the two bills:

Range of permissible activities: The Patman measure would extend to one-bank holding companies the same restriction that applies to multibank holding companies. The restriction specifies that bank holding-company affiliates must be "closely related" to banking. The Administration bill would eliminate that restriction, but would state that any bank holding company could acquire any concern engaged in any activity that has been determined unanimously by the three Federal banking agencies to be financial or "of a fiduciary or insurance nature."

Jurisdiction: The Patman bill would make one-bank holding companies subject solely to regulation by the Federal Reserve Board. The Administration measure would spread the regulatory power among the three Federal agencies along traditional jurisdictional lines—the Comptroller of the Currency for national banks, the Federal Reserve for state member banks and the Federal Deposit Insurance Corp. for insured nonmember banks. Proponents of the Administration measure object to the tight manner in which the Reserve Board has supervised multibank holding companies under the 1956 act. Mr. Patman takes the opposite view, and feels regulation would be significantly softened under the Administration plan, particularly through giving the Currency Comptroller a role.

Effective date: The Patman bill would require one-bank holding companies to divest themselves of affiliates deemed by the Reserve Board to be insufficiently related to banking. The Administration bill would leave untouched any one-bank holding company affiliates acquired before June 30, 1968.

[From the Wall Street Journal, Apr. 30, 1969]

**TREASURY SECRETARY SELLS HIS BANK STOCK, PRESUMABLY TO STIFLE CONFLICT ALLEGATIONS**  
(By Fred L. Zimmerman)

WASHINGTON.—Treasury Secretary Kennedy, apparently giving in to Congressional pressure, a few weeks ago quietly sold more than \$1.2 million of stock in Continental Illinois National Bank & Trust Co., Chicago.

In a confidential statement to the Senate Finance Committee in January he had said he intended to hold the stock at least until Aug. 15, when the income from its sale would have been eligible for long-term capital-gains tax treatment. The 30,855 shares were purchased under a stock-option plan for \$1,211,367 after Mr. Kennedy joined the Cabinet.

Their unannounced sale presumably was designed to stifle allegations, principally from Chairman Patman (D., Texas) of the House Banking Committee, that Mr. Kennedy had a clear conflict between his Treasury job and his ownership of a large block of stock in the nation's eighth largest bank. Mr. Kennedy was the bank's \$200,000-a-year chairman until he entered the Government in January.

The sale was disclosed by Treasury general counsel Paul W. Eggers yesterday morning in response to a reporter's inquiry. Mr. Eggers later issued a statement discussing, in more detail than Mr. Kennedy has been willing to do himself, the Secretary's financial situation and declaring that no illegality or conflict of interest exists.

Mr. Eggers also disclosed that Secretary Kennedy had elected to accept an unspecified amount of cash from the bank as settlement of his profit-sharing account, rather than a combination of cash and bank stock.

This decision also contrasts with the intentions Mr. Kennedy outlined in his confidential letter to the Senate Finance Committee. He told that group in January he planned to settle with the profit-sharing plan for 3,800 bank shares and about \$475,000 cash. He told the committee that his total distribution from the plan would be worth about \$645,000.

Additionally, his trustee, Old Colony Trust Co., Boston, originally had been instructed not to sell that block of 3,800 shares except under unusual circumstances. Mr. Eggers didn't explain why Secretary Kennedy eventually decided against taking the 3,800 shares.

Mr. Eggers declined to state exactly when the 30,855 Continental Illinois shares were sold, to whom, or the price received. He said the bank had arranged the sale at Mr. Kennedy's request in an "arm's-length" transaction.

Secretary Kennedy, he said, was taxed on the shares at ordinary income rates rather than at the lower capital-gains rate Mr. Kennedy originally had aimed for. His profit from the sale isn't known, but current market prices for Continental Illinois stock are only a dollar above his stock-option price of \$39.26.

Criticism of Mr. Kennedy's continuing relationship with the bank has been rising. About two weeks ago Mr. Kennedy sat silently at a House Banking Committee hearing waiting to testify on banking legislation while Chairman Patman read a biting seven-page statement discussing the Kennedy finances.

When Mr. Patman had finished his attack, which centered on Secretary Kennedy's alleged ownership of the 30,855 shares, Mr. Kennedy briskly declined comment—even though, according to the Eggers statement, he had already disposed of the shares in question.

Chairman Patman, in response to the Eggers statement, commended Secretary Kennedy for "starting this action to clear up the conflict."

Mr. Eggers said that Mr. and Mrs. Kennedy don't own any stocks that haven't been transferred to a trust supervised by Old Colony Trust Co. This trust includes 7,846 shares of Conill Corp., the holding company into which Continental Illinois National Bank was reorganized April 1 on a share-for-share basis.

According to Senate Finance Committee records, the trust also apparently contains 2,351 common shares of 14 other corporations, including Texaco Inc. and General Motors Corp.

Mr. Eggers noted that on Jan. 10, after Mr. Kennedy was named to the Cabinet, Continental Illinois directors awarded him a "separation allowance" of \$200,000, to be paid in five annual instalments beginning when Mr. Kennedy leaves the Treasury. "This contractual right was fixed and certain on Jan. 10, 1969, and no action Mr. Kennedy would take while in office can alter this amount," Mr. Eggers said.

Senate Finance Committee records also disclose that Mr. Kennedy is entitled to deferred payments totaling about \$32,000 for his past service as a director of Abbott Laboratories, Chicago. The payments are to be in monthly instalments of about \$400, starting when he reaches age 68. Mr. Kennedy is 63.

Additionally, he has been receiving since last January a pension from the bank of about \$4,800 monthly, and the bank is paying the "major cost" of his \$108,000 life insurance policy.

[From the Wall Street Journal, May 1, 1969]

**PATMAN SHOWDOWN WITH TREASURY CHIEF SEEN OVER FINANCIAL TIE TO CHICAGO BANK**

(By Fred L. Zimmerman)

WASHINGTON.—Chairman Patman of the House Banking Committee, still dissatisfied with Treasury Secretary Kennedy's financial ties to a Chicago bank, is determined to force a "showdown" with Mr. Kennedy on the issue.

Mr. Patman, a Texas Democrat, said in an interview he won't be content until Secretary Kennedy either "removes all conflict with the bank" or leaves the Treasury.

The 75-year-old Mr. Patman consider his fight with Mr. Kennedy similar to his 1932 battle with Treasury Secretary Andrew Mellon over conflicts of interest. The impeachment proceedings Mr. Patman began then were instrumental in Mr. Mellon's resignation.

Chairman Patman readily states that an impeachment effort is "one of the alternatives" he's considering, although he says his next major step may be to ask the committee to subpoena Mr. Kennedy or Treasury General Counsel Paul W. Eggers to answer questions about the Secretary's financial situation.

"As long as there's evidence he's in a conflict of interest," Mr. Patman says, "I'm not going to give up on him. I have never given up on anything."

Yesterday, Chairman Patman called upon Secretary Kennedy to revoke an arrangement whereby he will be given \$200,000 by the Chicago bank, Continental Illinois National Bank & Trust Co., when he leaves the Government.

He also requested that Mr. Eggers, the Treasury's general counsel, appear before the committee Saturday morning to answer questions about a statement he had issued Tuesday about Mr. Kennedy's financial situation.

**REQUEST QUICKLY DECLINED**

But Mr. Eggers quickly declined, explaining that "Secretary Kennedy's personal finances are irrelevant" to the bank holding company legislation the committee is considering. He also stated that he had nothing to add to his earlier discussion of Mr. Kennedy's finances.

Meanwhile, a Treasury spokesman said

Secretary Kennedy continues to have nothing to say about the controversy.

The Eggers statement had denied a conflict existed between Mr. Kennedy's Treasury job and his relationship with Continental Illinois National Bank, of which Mr. Kennedy was the \$200,000-a-year chairman until he joined the Cabinet.

Mr. Patman began yesterday's skirmishing with Mr. Kennedy by commending him for recently selling more than \$1.2 million of the bank's stock, presumably to resolve the conflict-of-interest question that has been raised mainly by Mr. Patman.

The 30,855 shares were acquired through stock options after Mr. Kennedy became Treasury Secretary. He has declined to say exactly when they were acquired or sold, to whom, and at what price.

Mr. Patman maintained, however, that the stock sale, disclosed in the Eggers statement didn't sufficiently cut the Secretary's ties with the bank. He noted that Mr. Kennedy still is entitled to the \$200,000 "separation allowance" bank directors voted him last Jan. 10, after he had been named to the Cabinet. The money is to be paid him in five annual instalments when he leaves office.

**PATMAN SAID "ANGRIER"**

Last night, after learning Mr. Eggers didn't intend to appear before the committee as requested, Mr. Patman was reported by an aide to be "angrier than ever."

In a statement, Chairman Patman noted that Mr. Eggers had accused him of making "erroneous" allegations and then had refused to "come before the committee and substantiate the charge."

Mr. Patman also said: "Secretary Kennedy and his general counsel . . . have issued a misleading and highly incomplete statement claiming that the Secretary has absolved himself of a conflict. The release is minus dates and other essential details of the events they claim occurred. This is simply a hoax being perpetrated on the press and the Congress . . . and I regard the general counsel's letter charging me with erroneous statements to be a personal affront. I challenge him to document the charge."

[From the Houston (Tex.) Chronicle, Feb. 25, 1969]

**PATMAN TAKING AIM AT KENNEDY OVER BANK FIGHT**

(By Murray Seeger)

WASHINGTON.—One of the craftiest old lions of Congress and a Nixon cabinet member once described as a lamb are about to tangle in bitter battle.

The specific issue is legislation governing the headlong growth of one-bank holding companies. But the personal finances of the lamb, treasury secretary David M. Kennedy, will also be debated with the lion, Rep. Wright Patman, D-Texas, leading the argument.

Under an agreement reached with the Senate Finance Committee when it confirmed his nomination, Kennedy has notified the Continental Illinois National Bank and Trust Co. of Chicago that he will buy the 30,000 shares of stock he was entitled to under a stock option granted when he was its chairman. The stock is worth \$1.2 million.

Kennedy agreed last month to transfer his assets to a "blind trust" to be administered while he is in office. This trustee, who would operate without informing Kennedy of his investment decisions, was instructed to diversify the portfolio. The items given to the trustee include about 8000 shares of Continental Illinois stock.

However, Kennedy must hold the 30,000 new shares of Continental Illinois stock for six months under terms of the law governing stock options. He then can sell them or transfer them to his trust.

Continental Illinois on Feb. 3 received permission from the superintendent of na-

tional banks to convert itself into a one-bank holding company, Conill Corp.

As a result, the new corporation has a vested interest in holding company legislation the Treasury soon will send to Congress.

The possibility of a conflict-of-interest between Kennedy's official role and his private investment caught the attention of the 75-year-old Patman, chairman of the House Banking and Currency Committee.

Patman has introduced a bill that would limit the activities of one-bank holding companies more strictly than the legislation under consideration by the Treasury.

Although Patman seldom can win majority approval in the House for his sternest anti-big bank positions, his influence on bank legislation is great.

#### AN EMBARRASSING SITUATION

Several Congressional sources conceded this week that the Treasury's position was weakened by Kennedy's personal involvement with Continental Illinois.

"It is a very embarrassing situation," one anti-Patman member of the house banking committee observed.

The Treasury, Patman and Federal Reserve Board of governors all agree that one-bank holding companies should be regulated.

Under present law, a company that owns 25 percent of two or more banks can engage only in the usual banking services—receiving deposits, making loans, acting as trustee, and so on. They must register with the Federal Reserve and get permission of the board for new acquisitions or expanded services.

These are the same restrictions applied to companies chartered to do business as banks. When such a company reorganizes as a holding company owning one bank as its subsidiary, however, it becomes exempt from those strict rules.

#### WERE NO ECONOMIC THREAT

When the holding company act was passed in 1956, Congress decided that the one-bank companies were no economic threat although the Federal Reserve wanted them covered by the law.

By last December, however, the number of one-bank holding companies had grown to 880. They held deposits of \$100 billion.

The big banks of the nation, including the three largest—Bank of America in California and First National City Bank and Chase Manhattan in New York City—have joined the parade.

There would be nothing to stop such a huge financial giant from buying a steel company, an automobile factory or a brokerage firm. The modern banking laws passed after the great stock market collapse 40 years ago were designed to prevent the formation of such cartels that could wield immense power over the nation's economy.

#### PUT ALL IN SAME BASKET

Under the Patman proposal, one-bank holding companies would be swept into the same limited legal structure governing multi-bank companies. The banks that had already taken on enlarged services would have to divest themselves of such activities.

"The entire structure of the American economy is being changed through conglomerates centered around banking institutions," Patman charged. "This is clearly a threat to everyone—both inside and outside the financial community—and it is essential that the Congress act quickly to provide meaningful remedies."

[From the Los Angeles Times, Apr. 24, 1969]  
TREASURY AIDES SILENT ON STATUS OF KENNEDY—DECLINE TO ANSWER QUESTIONS ON CABINET OFFICIAL'S APPARENT CONFLICT OF INTEREST

(By Murray Seeger)

WASHINGTON.—The Treasury Department would not disclose Wednesday if Secretary David M. Kennedy has received written presi-

dential clearance—as required by law—for his apparent conflict of interest relationship with a Chicago bank.

Under the federal conflict-of-interest laws, a public official is barred from taking official decisions and actions that would benefit his personal business interests.

The law can be circumvented, however, if the President finds that the individual's private interest is "not so substantial" as to likely affect the integrity of the man's service to the government.

A Treasury spokesman, in declining comment, said, "This issue involves the secretary personally and the White House."

At the White House, all questions were referred to John D. Ehrlichman, counsel to the president. Ehrlichman could not be reached for comment.

Although the conflict issue involving Kennedy has been discussed previously, particularly before the House Banking and Currency Committee, it is certain to rise again to embarrass the Nixon Administration.

Rep. Wright Patman (D.-Tex.), the chairman of the banking committee, plans to ask Kennedy a third time to explain his relationship with the Continental Illinois National Bank & Trust Co.

Kennedy has taken the position that his private affairs were discussed when he was confirmed by the Senate Finance Committee.

The Texas congressman plans to lead a congressional investigation of Kennedy's affairs if no satisfactory answers are provided to his questions soon.

The apparent conflict of interest involves Kennedy's continuing financial relationship with Continental Illinois where he was board chairman until he joined the Cabinet in January.

This bank in February became a one-bank holding company, Conill Corp., with government approval. Kennedy, as board chairman, had urged the change in corporate structure.

(Banks, by forming holding companies, are permitted to diversify and therefore achieve higher earnings growth. Federal legislation controls multibank holding companies but single-bank holding companies are not regulated.)

Since taking office, Kennedy has sent to Congress legislation which would for the first time define the proper field of operation for one-bank holding companies. An issue has developed because the Treasury proposal is more generous to the holding companies than proposals supported by the Federal Reserve Board of Governors, Patman and Sen. William Proxmire (D-Wis.), ranking Democrat on the Senate Banking Committee.

"If the Treasury bill passes," one congressional authority said Wednesday, "it will enhance the value of every one-banking holding company stock in the country."

#### KENNEDY HOLDINGS

Thus Kennedy is in the position of advocating legislation which probably would increase the value of his holdings in Continental Illinois.

Kennedy owns outright 30,855 shares of Continental stock currently selling at \$40.25 a share over-the-counter. He purchased this stock after becoming Treasury secretary at \$39.26 a share under terms of a stock option granted to him by the bank while he was its chairman.

Although Kennedy will not talk about his personal finances publicly, it is known that he must hold these shares until Aug. 15 in order to comply with the law covering stock options. This waiting period will also allow him to take advantage of a lower tax rate on capital gains compared with the rate charged for ordinary income.

#### OBTAINED LOAN

Kennedy's holding of Continental stock is now worth \$1,241,913. He paid \$1,211,367 for

it by obtaining a bank loan but not from Continental. The source of the loan could not be learned.

Kennedy also owns 11,646 shares of Continental stock which he has placed in trust with the Old Colony Trust Co. of Boston.

After Kennedy was appointed to the Cabinet, the Continental Bank directors voted to give him deferred compensation of \$200,000 to be paid over five years after he leaves government service. This amount is almost equal to his final annual salary at the bank, \$233,750.

The secretary is currently receiving \$5,000 a month in pension from the bank, a total of \$60,000 a year. His government salary is also \$60,000 a year.

Kennedy's financial interest in Continental is covered by two legal provisions—a criminal statute and an executive order still in effect from the Johnson Administration.

One section of the statute bars a government official from participating personally "through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise," with any "person or organization" with which he has a financial interest.

This law would not apply, however, "if the officer involved has received in advance a written determination made by the government official responsible for the appointment to his position that the interest is not substantial as to be determined likely to affect the integrity of the services which the government may expect from such officer or employee."

Treasury officials and the White House were asked Wednesday if such a clearance had been written by President Nixon for Kennedy. Treasury officials said they were unable to answer and the White House had no authorities available to answer. The Justice Department said the issue had not been raised there officially.

In addition, under the effective executive order, Kennedy was required 30 days after taking office to file a statement of his private investments with the chairman of the Civil Service Commission. This official is required to determine if the private interests appear to conflict with official duties.

The chairman of the commission must submit a statement outlining the possible conflict of interest to the President. The White House was also unable to say Wednesday if such a statement concerning Kennedy had been received from Civil Service Commission Chairman Robert E. Hampton.

When he was questioned by the Senate Finance Committee, Kennedy submitted a letter from his Chicago attorneys which stated that "upon your assumption of office . . . you will be in compliance with some of the conflict of interest laws."

However, the big stock purchase was made after Kennedy took office as was the severance pay arrangement.

Herbert A. Freidlich, an attorney, also warned Kennedy in the letter: "In the day-to-day administration of the office of secretary of the Treasury, Section 208 of Title 18 will be the statute which will be principally applicable to you."

This is the statute which Mr. Nixon can waive with a memorandum. It is also the law cited by Patman in his criticisms of the secretary.

In his statement to the appointees last winter, Ehrlichman warned:

"As a general proposition, it can be said that where ownership of property or a financial interest creates a conflict or an appearance of a conflict, some arrangement should be made to eliminate the conflict.

"It is worth emphasizing that the appearance of a conflict could be just as embarrassing to the Administration and the Cabinet appointee as an actual conflict."

[From the Los Angeles Times, Apr. 25, 1969]  
**NO WAIVER ISSUED IN KENNEDY CASE, WHITE HOUSE CONCEDES—AIDE ALSO DISCLOSES NO FINANCIAL STATEMENTS HAVE BEEN FILED FOR ANY MAJOR NIXON APPOINTEE AS REQUIRED BY LAW**

(By Murray Seeger)

WASHINGTON.—The White House acknowledged Thursday that no presidential waiver has been issued or requested to protect Treasury Secretary David M. Kennedy from charges of conflict of interest.

In addition, Edward L. Morgan, deputy counselor to the President, disclosed that the White House has not yet sent to the chairman of the Civil Service Commission the financial statements required of any major Administration appointee.

The terms of a 1965 presidential executive order governing the conduct of federal officials require that statements of their personal financial holdings, loans and property be submitted to the commission chairman, now Robert E. Hampton, a Nixon appointee, 30 days after taking office.

#### CHARGES AIRED FOURTH TIME

The White House for the first time Thursday discussed the charges against Kennedy shortly after Rep. Wright Patman (D-Tex.), chairman of the House Banking Committee, or the fourth time this year publicly attacked the secretary. He accused Kennedy of having a conflict because of his personal ownership of stock in a Chicago bank at the same time he is advocating new legislation which would directly affect that bank.

"From the facts that I have before me, I can only conclude that you do indeed have a serious conflict of interest which can be remedied only through the immediate sale of your bank stock and through severance of your other financial ties to Conill Corp." Patman said.

Kennedy listened quietly to Patman's new blast in the banking committee hearing room. The secretary refused to answer reporters' questions about his personal finances as he has since February when The Times first asked him about them.

Later, the secretary sent word through the Treasury Department's general counsel, Paul W. Eggers, that he was gathering material about his holdings which would be made public.

"There is no stock in his wife's name and there is no stock in his name and that covers the Continental Bank and that covers the holding company, Conill," Eggers said.

He acknowledged the secretary exercised an option to purchase 30,855 shares of the bank stock but would not elaborate on how it is held.

#### ONE-BANK HOLDING COMPANY

Conill is the name of the one-bank holding company formed by the Continental Illinois National Bank & Trust Co. of Chicago and approved by the superintendent of national banks in February.

Kennedy was chairman of the board of Continental Illinois and was active in the formation of the holding company. Under present laws, a one-bank holding company is able to expand business operations beyond the restrictive area of traditional banking.

Legislation is pending before Patman's committee to regulate one-bank holding companies for the first time.

Patman favors strict rules of operation for one-bank and multibank holding companies. A bill supported by the Treasury Department would loosen the rules now governing multibank holding companies and put one-bank companies under the same regulations.

In his brief statement to Kennedy Thursday, Patman insisted, "Your bank stock and your other connections with the Conill Corp.—a one-bank holding company—do have a direct bearing on your presentations before this committee."

Under the federal conflict of interest statutes, a government official must "refrain from participating as such in any matter in which, to his knowledge, he, his spouse, minor child or partner has a financial interest," according to a Department of Justice analysis.

An exemption or waiver to this law can be granted for a Cabinet officer by the President "if the outside financial interest in a matter is deemed not substantial enough to have an effect on the integrity of his services," the Justice Department report states.

#### NOMINEES ADVISED

Morgan said White House lawyers examined each Cabinet officer's financial holdings before their names were submitted to the Senate for confirmation. Each nominee was advised on the conflict of interest laws and regulations.

In general, the officials were advised to sell stocks that might cause a conflict and put other holdings in trusts over which they would have no control.

Kennedy followed this procedure with 11,646 shares of Continental stock he had accumulated. However, he had the rights to the additional 30,855 shares under a stock option which he exercised after he was appointed.

A federal law covering options says the holder can make "no disposition" of such stock for six months. In addition, Kennedy told the Senate Finance Committee which confirmed him that he wanted to hold the stock for six months—ending Aug. 15—in order to take advantage of the capital gains tax rates which are lower than the rates on salary income.

#### DEFERRED INCOME

In addition, Kennedy has been granted \$200,000 in deferred income to be paid by the bank after the secretary leaves office.

"There has been no waiver signed by the President," Morgan said. "We haven't been requested to issue a waiver—Treasury has not asked for a waiver."

The executive order, issued by former President Lyndon B. Johnson and still in effect, also prohibits employes from having "direct or indirect financial interests that conflict substantially, or appear to conflict substantially with their responsibilities and duties as federal employes."

Enforcement of this order is assigned to the Civil Service Commission. The chairman has the responsibility for judging if Cabinet officers have potential conflicts according to the statements they submit.

#### IN THE PROCESS

"We are in the process of sending all this over to the Civil Service Commission," Morgan added.

The counselor said he did not think a "double standard" of conduct had been applied to Kennedy. His arrangements with the Senate Finance Committee had also been cleared with the White House.

"At the time we advised him, the one-bank holding company question was not an issue," Morgan asserted.

Congressional authorities pointed out that every Cabinet officer except Kennedy was required to divest himself of stocks or to assign them to an independent trustee. No other appointee was allowed the freedom to acquire more stock after taking office.

"He is the poorest man in the Cabinet," a Finance Committee staff member observed about Kennedy.

Other sources observed that while the Senate Finance Committee approved the secretary's arrangements with Continental Illinois, another Senate committee, banking and currency, will have jurisdiction over the bank holding company legislation.

At his hearing, Patman asked Kennedy to supply a detailed financial statement to the House committee and to include a legal analysis of the federal law and rules governing conflict of interest.

[From the Los Angeles Times, Apr. 30, 1969]  
**DAVID KENNEDY'S SALE OF STOCK IN CHICAGO BANKING FIRM TOLD**  
 (By Murray Seeger)

WASHINGTON.—During the first week of April, Treasury Secretary David M. Kennedy sold 30,855 shares of stock in the Chicago Bank where he had been chairman, it was disclosed Tuesday.

Since then, therefore, neither Kennedy nor his wife has been "a stockholder of record of any stock either in Continental Illinois Bank & Trust Co. or in Conill Corp.," Paul W. Eggers, general counsel of the Treasury, said in a letter to Rep. Wright Patman (D-Tex.), chairman of the House Banking and Currency Committee.

Eggers wrote his letter after undertaking an investigation of charges by Patman that Kennedy was the owner of substantial stock in the Chicago Bank at the same time he was advocating new legislation which would directly affect the bank.

"I have made a thorough investigation of these charges and I find that they are erroneous both as to the facts alleged and as to the conclusions drawn," Eggers said.

The statement did not explain why Kennedy held the stock from Jan. 22, when he notified the Senate Finance Committee he would exercise an option on the 30,855 shares—worth more than \$1.2 million—until after April 1.

In the meantime, the bank was reorganized into a one-bank holding company called Conill Corp. This action took final effect on April 1 and Kennedy sold his stock "two or three days later," a Treasury spokesman said. Continental Illinois stock was converted into Conill stock on April 1 with no change in value.

There was also no explanation why Kennedy spurned repeated requests by Patman and reporters to explain clearly his financial situation since it became an issue in February.

The secretary had no comment Tuesday on Eggers' study.

The questions raised involved three blocks of stock which Kennedy either held or was entitled to obtain when he left the big bank to join President Nixon's Cabinet in January.

The legislative issue involves the rapid movement of banks to reorganize themselves into one-bank holding companies, a corporate structure which allows banks to expand their businesses outside the usual financial services.

As a result of this rapid move, the federal bank regulatory agencies led by the Federal Reserve Board sought new legislation which would regulate the activities of one-bank holding companies.

#### ALREADY REGULATED

Multi-bank holding companies are already regulated.

Kennedy, as board chairman of Continental Illinois, last December urged stockholders to approve the conversion of the bank into Conill Corp. to be incorporated in Delaware. He took the oath of office as Treasury secretary on Jan. 21.

After the stockholders approved the reorganization, the superintendent of national banks approved the creation of Conill Corp. on Feb. 3.

Treasury officials, in the meantime, were trying to reach agreement with the other agencies on holding company legislation. Federal Reserve officials held out for a stricter bill than the Treasury advocated but the differences finally were compromised.

Patman and Sen. William Proxmire (D-Wis.) ranking Democrat on the Senate Banking Committee, introduced their own holding company bills in March. In general, they took the same position—that one-bank companies should simply be placed under the strict limits of activity which apply to multibank companies.

The Senate Finance Committee, which ap-

proved Kennedy's nomination, required him to either sell two blocks of stock he held or to turn them over to a trustee to manage.

#### GORE OBJECTS

At first, Kennedy proposed that Continental Illinois be the trustee, but after objections by Sen. Albert Gore (D-Tenn.), he agreed to find an "independent trustee."

The committee, however, gave him permission to exercise an option on 30,855 shares to which he was entitled as a bank officer. The panel said he could hold the stock for six months in order to take advantage of the more generous long-term capital gains tax rate.

"The committee members felt that since they wrote that law they ought to let Kennedy take advantage of it," a congressional source said Tuesday.

In addition, the committee approved a plan by the bank to pay Kennedy \$200,000 in deferred salary in five installments to start after he leaves public office. He receives a bank pension of \$60,000 a year, the same as his government salary.

Patman first questioned Kennedy about the bank stock in February when the secretary appeared before the Joint Economic Committee of Congress.

On March 24, eight days before Conill officially went into business, the Treasury sent its proposed holding company legislation to Congress. Patman started hearings on April 1 and raised the issue of Kennedy's stock again. He repeated his questions on April 17 and April 24.

Eggers said he started his investigation after hearing Patman's statements on April 25.

The Chicago bank said Kennedy took some of the stock he was entitled to under a profit-sharing plan in cash. Another 7,846 shares of stock were transferred to the Old Colony Trust Co. This remained in Kennedy's name until April 1 when it was converted into Conill shares and reissued to Old Colony, the secretary's chosen trustee.

After the 30,855 shares were converted into Conill stock, Kennedy asked a bank officer to arrange a sale, a Treasury source said Tuesday. This deal was consummated during the first week of the month.

"The tax law would require Mr. Kennedy to hold this stock for a period of six months after purchase in order to realize long-term capital gain on the sale," Eggers pointed out. "There were no restrictions under the terms of the option or under the law to prevent the sale of the stock prior to the termination of the six months."

Eggers said he determined "this was an arms-length transaction."

"Kennedy has completely divested himself of any interest whatsoever in this stock," he said.

The large block of Conill shares had to be sold carefully in order to avoid undermining their value.

#### PROFIT CITED

Under the option terms, Kennedy bought the 30,855 shares for \$39.26 each. Market price for the stock on April 4 was \$42.38, giving Kennedy an indicated profit of \$3.12 a share.

The stock, however, was selling for a better price in late January when Kennedy told the Senate Finance Committee he was exercising his option.

The January price was \$42.50 a share. Early the next month after the government approved the formation of Conill the stock went to its high price of the year of \$45.50.

If Kennedy, therefore, had actually purchased the stock when he indicated he was going to, he could have realized \$6.25 a share—twice the profit he did make.

This raised the possibility that he decided to sell in April because of the pressure brought by Patman.

"I commend the secretary for starting this action to clear up this conflict," Patman said Tuesday.

The congressman said he still wanted Kennedy to provide the committee with a financial statement. He said he had objected to the arrangements agreed to by the Finance Committee in January.

"I'm pleased that the secretary now agrees at least in part," Patman added.

A Treasury spokesman was asked if the White House had brought pressure on Kennedy to dispose of his stock completely. "Not enough so you could tell it," he answered.

Eggers undertook the investigation as part of his official duties of enforcing conflict of interest rules for Treasury officials, the Spokesman added.

[From the Los Angeles Times, May 1, 1969]

**DAVID KENNEDY AIDE SNUBS HOUSE INQUIRY—TREASURY COUNSEL REFUSES TO TESTIFY ON SECRETARY'S CHICAGO FINANCIAL HOLDINGS**  
(By Murray Seeger, Times staff writer)

WASHINGTON.—Paul W. Eggers, general counsel of the Treasury Department, refused Wednesday to appear voluntarily as a congressional witness to discuss the financial affairs of his boss, Secretary David M. Kennedy.

As a result, Rep. Wright Patman (D-Tex.), chairman of the House Banking and Currency Committee, said he was considering taking action to force Eggers to testify, presumably by subpoena.

Patman invited Eggers Wednesday morning to appear before the committee Saturday to answer questions about a statement Eggers issued Tuesday concerning Kennedy's finances.

Eggers promptly replied in a letter to Patman that "there is nothing I can add" to his Tuesday statement.

#### SERIOUS CONFLICT

In that statement, Eggers contended that Kennedy, by disposing of stock he owned in a Chicago bank where he had been chairman, had removed any possible conflict of interest.

Earlier, in congressional hearings and in a letter to President Nixon, Patman charged that Kennedy had "a serious conflict of interest" because of his ownership of stock in the Continental Illinois Bank & Trust Co., which on April 1 became a subsidiary of Conill Corp., a one-bank holding company.

The Secretary on March 24 sent Congress proposed new legislation to regulate one-bank holding companies such as Conill.

Although he took office Jan. 21 and advised the Senate Finance Committee Jan. 22 that he intended to exercise an option to buy 30,855 shares of bank stock, Kennedy did not actually buy the stock until April 1, according to Treasury officials. He sold it again "two or three days later," a department spokesman said.

#### COMMENDS KENNEDY

Kennedy told the Senate committee he wanted to hold the stock for six months before transferring it to a trustee in order to take advantage of the lower capital gains tax. The committee expected him to buy the stock by Feb. 15 and transfer it by Aug. 15, six months later.

Patman commended the secretary for "starting this action to clear up his conflict." But he noted that "the disposition of this stock has come recently, only after the issue was raised in Congress."

In addition to seeking more details on Kennedy stock transactions, Patman also wants to inquire about a \$200,000 deferred compensation plan voted by the bank on Jan. 10 shortly before Kennedy retired to join the Nixon Cabinet. Kennedy would receive this money in installments after he leaves federal office.

"The secretary should firmly and immediately revoke his interest in this gift from the bank," Patman argued. "The secretary should move to sever all of these ties to the bank and get on with the job of serving as a public official. He has to make a choice

whether he wants to be a public official or a banker."

Patman said "it would have been unusual, to say the least" if Eggers had found his boss guilty of wrongdoing.

#### IRRELEVANT TO BILL

In his Wednesday letter, Eggers told Patman, "Secretary Kennedy's personal finances are irrelevant to H.R. 6778 (the one-bank holding bill)."

"At the beginning of the hearings on H.R. 6778, you made statements concerning Secretary Kennedy which were erroneous to the facts alleged and the conclusions drawn. My statement was for the purpose of insuring that the record accurately reflects the facts."

Patman termed Eggers' refusal to testify "a disgrace to the federal government." He also termed the Treasury's statement clearing Kennedy of conflict of interest "hoodwinking."

"This is simply a hoax being perpetrated on the press and the Congress," he said of Eggers' letter.

Patman said he would not include Eggers' statement in the hearing record until he questioned the counsel. As committee chairman he has power to subpoena Eggers to testify.

Such a move could bring an early confrontation between the Democratic-controlled Congress and Republican Administration on the issue of "executive privilege"—the right of executive-branch officials to withhold information from Congress.

Mr. Speaker, David Kennedy has taken the attitude that no one, not the Congress, not the press, and not the public, should ask him about his finances. He apparently comes to Washington from a stratum of the business world in which such questions are never asked and answers are never given.

But Mr. Kennedy is now in a public world and there are certain rules, regulations, and laws which must be followed. No doubt in the banking community a flick of his hand was enough to settle an issue.

In the Federal Government, more is required. The people of the United States have not given the Congress nor the executive branch the authority to excuse any official from the letter and the spirit of these laws regardless of his past record for integrity or his past role as a banking leader. Mr. Kennedy will have to accept this fact or return to private life.

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

Mr. PATMAN. Not at this point. As soon as I finish I will be very glad to yield to the gentleman.

Mr. GERALD R. FORD. Mr. Speaker—

Mr. PATMAN. Mr. Speaker, I respectfully refuse to yield at this time to the minority leader.

In some other Federal job, Mr. Kennedy's ties to the banking community might be more easily tolerated. But no other Cabinet official is charged with more responsibility over the banking industry than is the Secretary of the Treasury. Mr. Kennedy's official actions directly affecting banks are not incidental. They are the heart of his responsibility. Virtually every action he takes touches the banks and a large bank like Continental-Illinois is affected day-to-day.

The one-bank holding company legislation now before the Congress is but one example. The Secretary must speak out and make recommendations on all bank-

ing legislation that comes before the Congress. He cannot escape this responsibility if he is to perform his duties as Secretary of the Treasury.

The Secretary must make decisions concerning the banks' favored tax treatments. The automatic tax writeoff for "bad debts" is a huge loophole for the banks and its elimination or continuation will depend very largely on the Secretary's recommendations.

The tax and loan account funds are handled by the Secretary of the Treasury. These are the income tax payments that are left on deposit in commercial banks without interest. This "free" money is a highly profitable item for the banks like Continental Illinois National Bank which has rights to more than \$600 million worth of these funds. What kind of objective decision can the Secretary make about this when he is so closely tied to the bank?

The Secretary, of course, must also help formulate broad economic policy and he is charged with the responsibility of marketing Government securities which are purchased in huge blocks by banks like Continental Illinois National Bank. The Secretary has indicated that he accepts high interest rates as a matter of course and he has no objections to the Treasury Department paying banks like Continental-Illinois National Bank record interest charges on these securities. He is very sympathetic to the banks' needs. Under these circumstances, it is naive to expect the administration to seek lower interest rates so long as Secretary Kennedy is in the Treasury Department.

Let me read that again: The Secretary has indicated that he accepts high interest rates as a matter of course. In other words, he has no objection to high interest rates on these securities and he is very sympathetic to the banks' needs.

Under these circumstances it is impossible to expect the administration to seek lower interest rates so long as Secretary Kennedy is in the Treasury Department.

The Secretary of the Treasury makes important policy decisions in other areas and among one of the most important areas is the area of taxes, a very controversial legislative item at this moment.

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

Mr. PATMAN. Not now; no, sir. Apparently Mr. Kennedy's fame as an officer of the Continental Illinois Bank has not been lost in the lobbies that are swarming around tax reform bills. That may explain the appearance—and I hope the gentleman from Michigan listens to this—that may explain—

Mr. GERALD R. FORD. Mr. Speaker, as long as the gentleman from Texas has used my name, I would like to have an opportunity to make an observation and a comment.

Mr. PATMAN. Mr. Speaker, I decline to yield at this point.

That may explain the appearance of a Mr. Wallace Wilson—and I want you to listen to this—before the Ways and Means Committee on March 20. Mr. Wilson represented, and presented the coordinated testimony for the American Petroleum Institute, the Mid-Continent

Oil & Gas Association, the Rocky Mountain Oil & Gas Association, and the Western Oil & Gas Association—four major gas and oil company trade associations which have a tremendous stake in the pending legislation and especially depletion allowances and things like that.

It just so happens that Mr. Wallace Wilson is a vice president of the Continental Illinois National Bank of Chicago.

Was Mr. Wilson's selection for this important testimony accidental? Or has the word gone out that the way to reach the Secretary of the Treasury on tax matters is through the Continental Illinois National Bank?

Mr. Speaker, today there is great concern in the country for law and order. I share this concern but I recognize that law and order must be applied evenly across our society if it is to have any meaning at all. And it is incumbent on public officials—particularly those in the highest Federal offices—to set an example.

Secretary Kennedy's conflict of interest shakes the people's confidence in their Government. It does not set an example of scrupulous conduct at a time when we are attempting to gain new respect for the law. We cannot insist that the average citizen obey the letter of the law and then allow the highest officials of the Federal Government to flaunt the law.

Last week, President Nixon sent the Congress a really excellent message on organized crime. It is a message that I hope this Congress will heed. I hope we give the President the necessary tools to carry out a meaningful fight against organized crime.

But a large part of this assignment would go to the Treasury Department, under the direction of Secretary Kennedy. The department has jurisdiction in such areas as narcotics control, smuggling, and similar crimes. The Secret Service is under the direct supervision of the department as well as the Internal Revenue Service, and both of these agencies are essential tools in a fight against crime.

With all of the responsibility in this area, it is essential that the Secretary of the Treasury be clearly consistent with the law. It is important that he have no cloud of suspicion hanging over the performance of his official duties. Certainly he, and any other official charged with law-enforcement powers, must be certain that his skirts are scrupulously clean.

Mr. Speaker, in recent days we have heard much comment about a Supreme Court Justice who has taken a \$20,000 fee which he later returned. Many have expressed their doubts about his fitness to serve and there have been a rash of newspaper editorials. I share the concern over this incident and it is something that should be firmly resolved without pulling any punches.

But if it is wrong for the Supreme Court Justice to have taken the \$20,000 fee from a foundation, then surely it is wrong for the Secretary of the Treasury

to have agreed to accept the \$200,000 gift from his former employer. And, unlike the Supreme Court Justice, Mr. Kennedy has not agreed to renounce his gift.

I hope that some of the righteous indignation that has broken out over the \$20,000 fee will now spread to the \$200,000 which Mr. Kennedy agreed to receive after he was nominated to be Secretary.

The bank and Mr. Kennedy know what this \$200,000 represents. They know that such a "separation payment" is not normal. And, more importantly, they know that it would not have been made to David M. Kennedy had he not been nominated Secretary of the Treasury.

This \$200,000 must be renounced.

President Nixon is a very wise politician. He has been around Washington for a number of years. I sincerely question whether he endorses Mr. Kennedy's refusal to testify before a congressional committee. I doubt that he would approve of the Treasury General Counsel's issuing a statement and then refusing to explain it to a congressional committee.

President Nixon built a great deal of his career in the House of Representatives on the pursuit of reluctant witnesses—witnesses who entered pleas of the fifth amendment to avoid testimony. I cannot believe that the President would now agree to have his own Cabinet officials enter such pleas before the Congress.

Mr. Speaker, I hope that the Nixon administration will carefully review Secretary Kennedy's entire financial situation. I hope they will explore the details of the written agreements as well as determining whether any additional arrangements exist and whether any new conversations have taken place between the Secretary and his former employer. I hope that the administration will take the appropriate action. Without question, such an issue is better resolved on a voluntary basis. It is something that should have been resolved before the Secretary took the oath of office. It is regrettable that we reach this point of showdown after he has taken official actions and after he has held the office for more than 3 months. Much damage has already been done and this is something that should be assessed as the matter is being officially concluded.

The next move is up to the executive branch.

After that, the matter would have to be resolved in the legislative and judicial branches. Various statutes as well as the Constitution provide adequate remedy in such cases.

But we must have a firm, no-compromise resolution of this issue. The integrity of the Federal Government is at stake. If we allow the \$200,000 gift to stand along with the other arrangements that Secretary Kennedy has made with the Continental-Illinois National Bank, then the conflict-of-interest statutes mean nothing. They cannot be enforced successfully in other areas if they are to be ignored at the Cabinet level.

Unless this is corrected, it will become an everlasting mark of shame for the Nixon administration. It will be evidence of a double standard—evidence of special privileges and special exemptions from the law for a special few.

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

Mr. PATMAN. Mr. Speaker, I am sorry I did not have time to yield to the gentleman from Michigan.

#### THE NIXON ADMINISTRATION HAS TAKEN THE INITIATIVE ON HOLDING COMPANY LEGISLATION

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

Mr. GERALD R. FORD. Mr. Speaker, I am very disappointed that the chairman of the Committee on Banking and Currency has fled the Chamber. I asked the gentleman to yield on several occasions during his remarks concerning the distinguished Secretary of the Treasury. I wish that the gentleman from Texas would return to the Chamber to answer a question or two, or to hear the observations and comments I might make concerning his remarks.

The gentleman from Texas amazes me when he suggests the possibility of a conflict of interest growing out of Secretary Kennedy's previous association with the banking industry and more particularly with the Continental Illinois Bank, now a subsidiary of a one-bank holding company. The gentleman knows very well that, at his request, the Secretary of the Treasury appeared and testified before his committee on behalf of one-bank holding company legislation.

Mr. Speaker, I believe it ought to be pointed out for the benefit of the record that it is a fact that the new administration, under the leadership of the Secretary of the Treasury, has sponsored the introduction of H.R. 9385, the one-bank holding company bill. In its present form, this legislation is opposed by many of our Nation's largest banks, and several key sections, as I understand it would severely handicap future acquisitions and activities of the Continental Illinois National Bank and its holding company.

I might also add, Mr. Speaker, that the formation of large one-bank holding companies started in 1967, and for 2 years absolutely no holding company legislation was sponsored by the previous administration. In this respect the new administration is taking the initiative in far-reaching legislative proposals that are opposed by many of Secretary Kennedy's former banking associates.

With regard to Treasury Department legislative proposals concerning banking, one might even say that the evidence thus far points to a significant conflict between Secretary Kennedy's position in behalf of the public and that held by many of our Nation's leading bankers.

I might add one other observation, Mr. Speaker; the allegations made by the gentleman from Texas were thoroughly aired by the appropriate committee in the other body at the time of the confirmation hearings concerning the Secretary-nominee of the Treasury.

It is my understanding that the committee in the other body, and the other body as a whole, unanimously approved the recommendation of Mr. David Kennedy as Secretary of the Treasury. They

recognized him as a man of high integrity and one whose advice and past commitments to public service have been valued by Presidents Kennedy and Johnson as well as President Nixon.

I think we ought to respect the judgment of the other body in this regard after they have been given the information in reference to some of the allegations made by the gentleman from Texas.

I think the gentleman from Texas, under the circumstances, ought to remove from the RECORD the serious charges which he cannot and has not convinced the Senate or this body of any validity.

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

#### PENALIZE THE SMUT PEDDLERS

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, I am filing legislation today to expand the role of the Federal Government in restricting the availability of obscene material to children. The bill provides stiff penalties for those who use the mails to peddle smut to minors—\$5,000 and 5 years in jail for the first offense; \$10,000 and 10 years in jail for the second offense.

Under this legislation, the penalties apply both to those who mail obscene materials to minors under 17 years of age and to those who publish such materials in the knowledge that they will be mailed to minors.

Included in the bill is a provision requiring a publisher of materials which are obscene and therefore harmful to children to stamp clearly on the cover of such mail that the contents are obscene and harmful to children.

Another feature of the bill is a section which forbids delivery directly to minors of mail which is stamped obscene and instead requires that such mail be received for by an adult.

This bill also has the goal of keeping not only hard-core pornography away from children but also materials not classified as obscene by adult standards which would nevertheless be harmful to children.

This bill represents the culmination of a study of the legal aspects involved in curbing obscenity; it represents discussions with medical experts on the dangers which pornography holds for children; and it represents consultations with Post Office Department officials on the dimensions of obscene mail.

My recognition of the obscenity problem is not new. As early as February 1961, I introduced legislation specifically designed to punish those who sent obscene materials to children. That bill prescribed penalties of \$5,000 and 10 years in jail for those convicted of violating its provisions. In March 1963, I filed an amended form of my earlier legislation which I had expanded to include unprincipled publishers of pornography sent to school-age children. In October 1967, I actively supported title III of the Postal Revenue and Salary Act which provided a means whereby citizens could

protect themselves from unsolicited mailings of pornographic materials.

Title III of the Postal Revenue and Salary Act, 1967, which incorporated provisions from my earlier antiobscenity bills, was regarded then, at least in my opinion, as only a first line of defense against the smut peddlers. Accordingly, I have since taken it upon myself to consult with officials in the Criminal Division of the Justice Department, the General Counsel's Office in the Post Office Department, and the Chief Justice of the Supreme Court about further corrective legislation.

I have also discussed the need to protect minors from the harmful effects of obscene literature with several doctors of medicine, themselves so offended by the unsolicited obscene mail sent to their offices and homes that they were prompted to advocate stern legal penalties. I have also received substantial mail from other professional men in my congressional district who are both offended and alarmed by the rising volume of pornography. One of these doctors put the issue to me most eloquently. He wrote:

I do not expect that these men can be stopped from publishing this material without trampling on all kinds of rights, but I would hope that my rights and others' rights to be free of these obnoxious and unwarranted mailings could be enforced.

While I recognize that the constitutionally protected right of free speech encompasses the right to have full access to printed materials, the Supreme Court in *Roth v. United States*, 354 U.S. 476 (1957), declared that obscene literature is not entitled to the first amendment protection accorded to other literature. More recently in *Ginsburg v. New York*, 390 U.S. 629 (1968), the Court recognized the right of a State to enforce laws to prohibit the exposure of children to materials, which although not falling within the definition of obscene materials for adults, are nevertheless harmful to the immature and impressionable.

While the Roth case was directed against obscene materials in the mails I think that the ban can be extended to keep obscene materials out of interstate commerce as well. Obscene materials have no greater right in interstate commerce than they have in the mails.

Offensive as obscene literature may be to adults, in the case of minor children such materials have infinitely greater potential for harm. Of all the protests which I have received, the one most emphasized was the element of serious damage to children who have no means to evaluate this material properly. The future of any country rests in the strength, ability, and morality of its young; this bill aims to preserve just those qualities by adequately and constitutionally penalizing smut peddlers.

#### CONGRESSMAN NELSEN INTRODUCES THE KIDNEY DISEASE TREATMENT AND PREVENTION ACT OF 1969

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

Mr. NELSEN. Mr. Speaker, recently a fellow Minnesotan sent me an excellent letter on the problem of the shortage of funds for kidney machines. In the 90th Congress I introduced H.R. 16217 which would have provided assistance for the establishment and operation of regional and community programs for patients with kidney disease, and would have provided for assistance for the training of personnel involved in such programs.

I am reintroducing the bill today under the title, "The Kidney Disease Treatment and Prevention Act of 1969."

Mr. Speaker, I under unanimous consent include with my remarks the letter I received from Mrs. Roger Tousley, a copy of an article in the March 10, Wall Street Journal entitled "Some Kidney Patients Die for Lack of Funds for Machine Treatment," and a copy of a synopsis of H.R. 16217 prepared by the American Medical Association:

MINNEAPOLIS, MINN.

HON. ANCHER NELSEN,  
House of Representatives,  
Washington, D.C.

SIR: I have just read an article in the March 10 edition of the Wall Street Journal entitled, "Some Kidney Patients Die for Lack of Funds for Machine Treatment". This is a situation with which I have been familiar for over a year as our closest friend became a kidney dialysis patient a year ago. This is a problem which has been almost unbelievable to me since becoming involved with it, however, after reading the above article, there are some things I have to say.

As a citizen of the United States, I cannot believe that our moral obligations have deteriorated to the point where we can spend annually billions of dollars to reach the moon, billions of dollars on a war in Vietnam which I will neither defend or criticize because I honestly don't have an opinion as to whether or not we should be there, billions of dollars towards foreign aid for countries who will not be our allies at times when we need them, to say nothing of the money being wasted on so-called poverty programs of many kinds where the only ones seemingly benefiting from them are those at the supervisory level, and yet, we have, according to statistics, hundreds of kidney patients who die annually because our good Government cannot see fit to provide the funds required to not only maintain, but further improve upon the kidney dialysis centers in the United States.

This article stated, "A bill now pending in Congress would commit new Federal money for artificial kidney programs, but its prospects for passage aren't clear now. A similar bill made little headway last year." It also listed the kidney centers throughout the United States whose Federal grants expired on December 31, and that unless new funds are obtained, many of these centers will be phased out, and others will be unable to accept new kidney patients.

I am ashamed to think that this great country whose abilities and aspirations have been unlimited, has a body of men and women in Washington, D.C. who feel they have the right to pass judgment on the great number of these people who need financial support. I will admit that there are many similar situations where financing is necessary. There is only one difference—those people who have lost the use of their kidneys have no other alternative—they will die without kidney machines. The same cannot be said for many, many other people on poverty programs. I, personally, cannot even conceive that any one person could live with himself if he were part of a group of people deciding whether or not to pass legislation which would further this program to the

extent that it needs Federal Aid, and would let such a bill go through Congress with "little headway."

As a Representative of Minnesota, I am asking for your feelings on this problem, and what part you will take in this situation. I am further asking that unless you are one of the men who have not supported this program in the past, that you do everything in your power to see that this bill does not come out of Congress again with "little headway" made.

While maybe there is a need for all the money this country spends overseas and in space which many of us do not understand, it's about time we all start realizing that we have more than enough problems right here in our own country that demand more time from Washington, more federal and state support, and more people who take it upon themselves to see that the right thing is done. I, as well as most of the population, feel we have to start improving the mental and physical health of our own country before we continue to worry about many of the things we're presently spending money on, and without a doubt, this is where our moral obligation lies.

Thank you for your time, and for your reply.

Sincerely yours,

Mrs. ROGER A. TOUSLEY.

[From the Wall Street Journal, Mar. 10, 1969]  
SOME KIDNEY PATIENTS DIE FOR LACK OF FUNDS FOR MACHINE TREATMENT—ARTIFICIAL ORGAN WORKS WELL, BUT USE IS COSTLY—FEDERAL GRANTS, DONATIONS DWINDLE—INSURANCE DOESN'T MEET BILLS

(By Jim Hyatt)

The effort to treat sufferers from chronic kidney disease by machine, which once promised to save thousands of lives a year, is floundering for lack of financial support.

High costs have plagued the so-called artificial kidney program from the outset. Hospital bills for the twice-weekly machine blood "washings" that take over the kidneys' vital function of removing blood wastes and adjusting body chemistry now run from \$10,000 to \$20,000 annually per patient. That's the main reason only about 1,700 Americans currently receive the treatments, while an estimated 8,000 people will die this year for lack of them.

But even this far from adequate situation is deteriorating. Federal grants have been running out at the 14 hospitals designated by the U.S. Public Health Service about three years ago as demonstration centers for the process; without Government help, some of them have had to reduce the number of cases they handle.

Some private hospitals have been forced into similar cutbacks because of difficulties in attracting donations to support patients who can't pay the cost themselves. Indeed, private support of any kind has been slow in coming.

#### COMING OUT SECOND BEST

"The cost per capita of the treatment is an overwhelming drawback when we approach organizations for help," says Dr. Frederic B. Westervelt, director of the kidney care demonstration center at the University of Virginia School of Medicine in Charlottesville. "They say, 'Look what we can do for \$10,000 a year—we can give 20 people an artificial leg.' When they measure what they think is the greatest good for the greatest number, we come out second best."

As a result of this lack of funds, hospital committees that once spent weeks agonizing over which artificial kidney candidates would receive the life-giving treatments, called hemodialysis or simply dialysis, now find that the decision has been taken out of their hands. "Who gets the care here now is determined purely by ability to pay—we don't like it, but that's the way it is," says Dr. Daniel Leb of the Louisville (Ky.) General Hospital's

kidney center, run by the University of Louisville School of Medicine.

Physicians' chagrin over the financial obstacles to the treatment is heightened by the highly advanced state of artificial kidney technology. The prototype of the present artificial kidney machine, which resembles a squat old-fashioned washing machine was developed in 1943 in Holland by Dr. William J. Kolff, who now is a resident of the U.S. The patient is connected to the machine, and his blood is pumped through a series of tubes, coils and filters.

The key element of the device is a thin cellophane membrane immersed in a saline solution. Through the process of osmosis, wastes in the blood that otherwise would accumulate and cause death pass through the membrane into the solution. At the same time, vital chemicals normally added to the blood by healthy kidneys pass from the solution into the blood. The "cleansed" blood then is returned to the body.

#### A SURGICAL BREAKTHROUGH

For a number of years, the machine could be used only when a few treatments would suffice—such as in cases of acute infections—because the surgery required to connect the patient with the machine was difficult and dangerous. In 1960, however, a team of specialists from the University of Washington devised a system that made the artificial kidney available to individuals who had suffered irreparable kidney damage and needed frequent blood washings. In minor surgery, they permanently inserted small plastic tubes in an artery and vein in a patient's arm or leg. During dialysis, the machine is easily connected to the body through those tubes; when the treatment is finished, the tubes are plugged and covered with a small bandage.

Recently, some doctors have improved on this method. By increasing the flow of blood through an artery and a vein, they enlarge them to the point where they can be easily punctured with large needles for connection to the kidney machine. This makes the mechanics of dialysis about as simple as giving blood.

Dialysis is time consuming; the twice-weekly treatments take from six to 13 hours each, depending on the patient and model of machine used. But it is painless, and patients undergoing the life-long treatment can lead a nearly normal life. Clyde Shields of Seattle, who nine years ago received vein and artery implants from the University of Washington team and became the first person to start regular dialysis by machine, still is regularly employed as a mechanic. He is 49 years old.

#### THE ROLE OF TRANSPLANTS

Treatment by kidney machine isn't the only alternative open to victims of kidney failure. Kidney transplant operations have been performed since 1954 with a high and growing rate of success. Up to last year, three-fourths of the transplant patients who received a kidney from a blood relative had survived for at least one year after the operation (people have two kidneys but can live with just one). The one-year survival rate for a person who received a kidney from a cadaver was 45%.

The utility of this operation is limited, however. Many kidney patients might not survive a transplant operation because of poor general physical condition, and not nearly enough suitable organs are available for those who could benefit. Only about 2,000 kidney transplants have been made in the past 14 years, an average of less than 150 a year.

Moreover, transplant candidates often require dialysis. They usually must undergo the treatment while awaiting an organ, and they must fall back on the machine if the operation fails.

Amid the general gloom over the outlook for artificial kidney treatment, some see a hopeful sign in the recent trend for more

patients to receive machine dialysis at home instead of in a hospital. The savings from such a move can be substantial. The first-year bill for home dialysis, including \$3,000 to \$4,000 to purchase the artificial kidney machine itself and fees for training a family member to run it, usually total about \$10,000. After that, it costs \$3,000 to \$5,000 a year to maintain the machine and buy the various components and chemicals that must be changed after every use.

About 200 of the 1,700 Americans on machine dialysis currently are treated at home, and some kidney specialists say they have high hopes that the number will rise sharply in the next few years. In 1967, the U.S. Public Health Service moved to accelerate the trend by setting up 12 home treatment training centers around the country and promising them \$4 million over a five-year period.

But many experts in the field strongly doubt that home care will assume the majority of the treatment burden in the near future. They point out that some patients don't have a relative who can assume the job of operating the complex artificial kidney, others don't have homes where the treatments can be safely carried out and still more have strong fears about entrusting themselves to the care of a family member when a mistake could prove fatal. Moreover, even patients who intend to purchase their own artificial kidney must receive hospital dialysis for several months while a relative is being trained to run the machine.

#### THE FINANCIAL SQUEEZE

To date, the financial squeeze has been hardest on the hospitals picked by the Federal Government in 1965 and 1966 to demonstrate the feasibility of the widespread use of artificial kidneys. The Federal grants—which totaled \$2.5 million—paid the operational costs of the kidney centers and permitted them to admit patients who couldn't pay for their own treatments. Federal funds for medical projects go only for research or treatment-demonstration purposes, not for daily general patient care, so the centers knew the funds might not be renewed when the grants expired. But many of them felt that the Government wouldn't cut them off after having made a commitment.

Since it became clear that the grants would stop in the wake of the Government economy drive caused by the war in Vietnam, the centers have moved to pare their rolls. None have summarily cut off any patients, but when a patient receives a transplant or moves to home care, he isn't replaced.

The center at Cleveland's Mt. Sinai Hospital, for instance, now has only 17 patients on dialysis, down from 30 in 1967; its Federal grant expired Dec. 31. The unit at the University of Alabama Medical Center in Birmingham now only accepts patients likely to receive transplants fairly quickly; if new funds can be obtained, it plans to phase out its artificial kidney program as soon as other facilities can't be found for its 15 present patients.

#### PAY IN ADVANCE

The center at Hennepin County General Hospital in Minneapolis, whose Federal grant expired Dec. 31, now requires some prospective patients to put \$12,000—funds for at least one year's care—in an escrow account before they can begin dialysis. "A couple of people have felt they'd rather die than spend the amount of money involved," says one doctor at the hospital.

A bill now pending in Congress would commit new Federal money for artificial kidney programs, but its prospects for passage aren't clear now. A similar bill made little head way last year.

The outlook for developing other sources of funds is even less bright. Only a half dozen states support dialysis patients, and few others show signs of following. New York has

the largest state program; according to Dr. Ira Greifer, medical director for the National Kidney Foundation, Medicaid in New York helps pay dialysis bills for more than half of the state's 400 dialysis patients and the state has set up a Kidney Disease Institute to coordinate the various public and private kidney treatment projects. But state officials say that about 900 New Yorkers a year need the treatments, and their efforts help only a fraction of those who need financial help.

Ordinary types of health insurance often pay some costs of dialysis but typically fall short of meeting the actual expenses. The average maximum major medical policy benefit of \$10,000 "just about covers the preliminary steps to start a patient on dialysis," says L. A. Orsini, an official of the Health Insurance Association, a New York-based trade group.

#### INSURERS ARE HESITANT

A few companies now offer kidney treatment policies. Western States Life Insurance Co. in Sacramento, Calif., for instance, sells a \$50,000 maximum benefit group policy for an organ transplant or dialysis. However, most private insurers have been reluctant to enter the field.

Persons covered by the Federal Medicare program for the elderly receive little aid for dialysis. Medicaid, the Federally assisted program adopted by some states to help low-income people pay medical expenses, provides more aid—\$25 for each in-hospital dialysis treatment—but still leaves substantial bills.

What's left for some kidney disease sufferers, then, is charity. While organized support for kidney care has been slow in coming, instances abound of local largess in individual cases. Last Christmas, for example, residents of Whitesville, Ky., a town of fewer than 1,000, raised \$26,000 in four days for Roscoe French, a 33-year-old carpenter for whom machine dialysis represented the only chance at life.

Even well-off victims may end up needing charity. "If you aren't indigent when you start dialysis, you soon will be," says one physician.

#### H.R. 16217

Title: Kidney Disease Treatment and Prevention Act of 1968

Author: Nelsen (R) Minn.

Introduced: March 26, 1968

Committee: Interstate & Foreign Commerce

Purpose: To provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of regional and community programs for patients with kidney disease and for the conduct of training related to such programs.

Provisions: The bill states that it is the purpose of this program to provide financial support through grants to public and nonprofit schools of medicine, hospitals, agencies, and institutions to assist in the establishment and operation of regional and community prevention and treatment programs for patients with kidney disease and for training related to such programs.

The bill authorizes the appropriation of \$20 million for fiscal 1969, and \$30 million annually in the four succeeding fiscal years, to carry out these purposes.

The Secretary of HEW, after consultation with the National Advisory Committee on Kidney Disease Programs (established by the bill), would have to prescribe general regulations and guidelines concerning (1) eligibility of public or nonprofit agencies for grants; (2) determination of cost with respect to which the grants may be made; (3) terms and conditions under which the grants would be made; and (4) the assurance that all grants are coordinated with any existing regional plan for a kidney disease program in a particular area.

The bill would establish in the Department of HEW an Office for Kidney Centers which

would be responsible for administering the kidney disease programs and for providing coordination of Federal activities in the prevention and treatment of kidney disease. The Secretary would be authorized to appoint a Director and such additional personnel as are necessary to carry out the bill and other responsibilities as the as the Secretary may assign to the Office.

Subject to the regulations issued by the Secretary, the Office would assist in establishing kidney center programs. The assistance would consist of providing information, services, and grants for planning, training, instruction, renovation, and percentage contributions toward the operation of kidney centers.

A "kidney center" would mean:

(1) A regional kidney center established within, or as part of, a medical school or hospital that has demonstrated a high level of professional competence in relevant medical disciplines. The purpose of such a center would be (a) to train medical and support personnel; (b) provide transplantation treatment for patients with chronic uremia where this form of therapy is indicated; (c) provide dialysis treatment when medically indicated in connection with training, research, and transplantation; (d) engage in research and development of new techniques; (e) to coordinate with and establish appropriate relations with one or more local community dialysis units; and (f) to assure that knowledge and treatment of kidney disease will evolve in a balanced fashion.

(2) A community dialysis unit established in conjunction with and in continuing relationship with a regional kidney center. The purpose of a community dialysis unit would be (a) to provide a central training and treatment facility for the care of persons having chronic kidney disease; (b) providing training and supervision to physicians, staff members, and to patients who are candidates for home dialysis; and (c) to foster and promote the availability and wider use of the equipment and techniques of home dialysis.

The amount of any grant to carry out this program would have to include (1) 100% of the cost directly related to training of physicians, staff members, patients, and their families; (2) 100% of the cost for construction or renovation of existing facilities and for the necessary equipment to establish a regional kidney center; (3) 60-90% of the cost for construction or renovation and for necessary equipment to establish a community dialysis unit (the percentage contributions would be determined on the basis of the economic status of the particular community pursuant to guidelines established by the Secretary); and (4) 90% the first year of full operation; 60% the second year; and 30% the third year and thereafter, of the operation and maintenance costs of regional kidney centers and community dialysis units established under the bill (grants could be in a lesser amount if the Secretary determines that the centers and units are capable of meeting a larger share of operational costs).

Three years after the Secretary publishes notice in the Federal Register that applications will be received for grants under the program, the President would have to transmit to the Congress any recommendations he may wish to make concerning the program.

The bill would establish a 12-man National Advisory Committee on Kidney Disease Programs composed of four Federal employees and eight others not in the employ of the U.S., appointed by the Secretary, who are leaders in the fields of the basic medical sciences related to kidney disease, its diagnosis and treatment, community health programs, or public affairs.

The Advisory Committee's duties would be to advise and assist the Secretary of HEW in the preparation of regulations and as to policy matters arising with respect to administration of the bill as it pertains to kidney

disease or diagnosis, treatment and care of patients suffering from such disease. After its establishment, the Committee would consider all applications for grants which pertain to kidney disease and the diagnosis, treatment, and care of patients suffering from such disease; it would make recommendations to the Secretary with respect to the approval of applications and the amount of grants.

The Committee would also review and make recommendations on kidney disease programs of Federal agencies including, but not limited to, those in the VA, the PHS, and the Vocational Rehabilitation Administration so that the methods, facilities, and programs of these agencies can best be utilized in supporting prevention and treatment programs for kidney disease. Particular attention would have to be given to the coordination of activities of Federal agencies in a given region so as to insure adequate geographical distribution of services and to avoid duplication.

The head of each Federal agency is authorized and directed to cooperate with the Secretary of HEW in carrying out the bill.

The bill authorizes the appropriation of "such sums as may be necessary" to carry out its provisions.

The bill would become effective on the first day of the first month which begins after its date of enactment.

#### INDIANA DUNES NATIONAL LAKESHORE

(Mr. LANDGREBE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LANDGREBE. Mr. Speaker, I would like to bring to the attention of my colleagues in the House a bill I have just introduced. It would define the boundaries of the Indiana Dunes National Lakeshore, a proposed national park which lies within the Second District of Indiana, which it is my privilege to represent.

As you may know, Public Law 89-761 establishes the national lakeshore to preserve for the educational and recreational use of the public "certain portions of the Indiana Dunes and other areas of scenic, scientific, and historic interest and recreational value in the State of Indiana."

No decision, however, as to the definitive boundaries of this national lakeshore has ever been made, except the general outline area on a map known as "A Proposed Indiana Dunes National Lakeshore"—LNPNE-1008-ID, September 16, 1966. Most of the areas that are indicated on this map as areas which the Park Service would like to acquire for the national lakeshore have been found to be controversial and disrupting to the residents of the area. Those whose homes and property would be taken for this park have indicated that such land acquisition would cause them great inconvenience and hardship in terms of the loss of revenue and property as well as the uncertainty of future acquisition plans by the Park Service. Numerous protests have come to my office requesting action that would alleviate such hardship and uncertainty.

After investigation and study into this

matter, I have decided to introduce a bill into the House to define more clearly the boundaries of the Indiana Dunes National Lakeshore, within the lines drawn on the proposed map of the Park Service. My goal is to provide for a Federal park in the industrial area of Indiana that would be feasible, desirable, and practical. The boundaries, which are clearly defined in my bill in legal terms, encompass those undeveloped areas remaining in the community which have historic value and conservation significance, and which lend themselves to development as recreational facilities. The areas indicated in my bill as the boundaries of the national lakeshore would be: The area lying west of Ogden Dunes known as the Inland area; The area lying south and west of Dunes Acres known as the Dunes Acres area; and the area known as Pinhook Bog.

These areas encompass approximately 3 square miles, including almost 2 miles of Lake Michigan shoreline. Exempted from my bill are those highly developed areas which encompass several hundred homes, bus and railroad lines, highways, public utility lines and services. Not only would confiscation of those homes and businesses result in substantial hardship to the present occupants, but would result in permanent loss of local tax revenues so badly needed to provide education, transportation, protection, and other services of vital importance in a fast growing community.

I would like to point out further that within the confines of the existing 2,100-acre Indiana Dunes State Park, there are preserved some of Indiana's finest remaining dunes in addition to the flora and fauna peculiar to this area. Access to the beaches of that park is provided to the general public at a very nominal fee.

It is my sincere opinion that the Federal park as defined in my bill plus the Indiana Dunes State Park will provide adequate and reasonable recreational facilities as well as retention of areas of education and conservation value.

The Federal Government now owns about one-third of the land area of the United States or about 765,000,000 acres. While I agree that we have an obligation to preserve for posterity certain areas of great historical, recreational, and natural value, I still subscribe to the proposition of private ownership of property and feel that the destruction of hundreds of homes which would result from the development of this national lakeshore park as it now stands is both excessive and unnecessary. Further, I must make mention in this case of the extravagant waste of Federal funds which would be used to clear highly developed land, much of which is completely unsuitable for recreational purposes and has no historic or conservation value. At a time when we have an enormous national debt, serious domestic problems, and large obligations in Vietnam, surely a possible savings of \$50 million would be worthy of serious consideration.

I believe this legislation is needed and

imperative and I wish to encourage my colleagues to give it their careful consideration and attention. In this endeavor, I welcome their support and assistance.

#### FINANCIAL DISCLOSURE BY JUDICIARY

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

Mr. TAFT. Mr. Speaker, recent disclosures relating to fees received by a member of the Supreme Court suggest the immediate need for legislation to provide for financial disclosure by members of the Federal judiciary and employees of the judicial branch.

Studies in this field have been made for some time by our former colleague in the House, now a Member of the other body, the junior Senator from Michigan, Senator GRIFFIN, and he is introducing a bill today covering the subject. I expect, today, to introduce an identical bill in the House.

Hopefully, early consideration will be given on both sides of the Capitol. It is merited by the broad and justified public alarm and needed to help restore confidence in our Federal court system.

The effect of the bill will be to require all Federal judges, including Justices of the Supreme Court and the Chief Justice, and judicial employees compensated at a rate in excess of \$15,000 per year, to file, in confidence but subject to review by a majority vote of the Judiciary Committee of either Chamber, appropriate information as to income, sizable property holdings, gifts, honorariums and fees.

More limited information as to contributions over \$50, honorariums over \$300, and fees for service would be required to be filed for public inspection.

There is also included in the bill a section aimed at preventing conflict-of-interest situations through prior or later employment of judges and judicial employees.

#### SECRETARY FINCH "A DOVE" ON CAMPUS WARFARE

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

Mr. HARSHA. Mr. Speaker, for months, I have been warning that the national wave of campus-centered disorder and violence was leading to greater, more far-ranging problems.

As author of H.R. 10074, the Harsha bill to compel academic administrators to employ enough of their own backbone to control the uprising on their own campuses, I have been asked, many times, to comment upon the reported statements in which Health, Education, and Welfare Secretary Finch has objected to enactment of simple laws designed to deal with this problem even as he has complained that present laws are too complex to enforce.

Through yesterday, following my own

testimony before the Subcommittee on Education, I chose to decline to comment on the Secretary's position as a "dove" in the campus warfare. I did so despite the fact that, by that time, Mr. Finch was so far out of line with the positively uttered statements by such well-advised and properly concerned officials as the President, Vice President, and Attorney General that he was presenting that which, at best, was the embarrassing problem which I assume the administration would quickly repair.

But now, Mr. Finch reportedly is demonstrating himself no longer content to criticize efforts by Members of Congress who seek restoration of law and order, individual rights, and academic freedom. He is publicly reported as indulging himself in pique, not only that the President, Vice President, and Attorney General have publicly demanded law and order and commonsense, but because he was not consulted before their statements were made.

Among the many things which Mr. Finch seems to ignore are these:

Those statements, by those high, well-informed, properly concerned officials, were not only necessary, but were widely applauded by the American people and, certainly, by the majority of the American students whose rights continue to be severely violated by an offensive minority.

The alien-inspired hard-core revolutionaries directing this violence have already begun to extend it beyond the campuses into the streets which already have enough violence.

Some of those revolutionaries, principally, the leadership of the far-left radical outfit, SDS, have already boasted that they are preparing to move their efforts from the campuses and the streets into the heart of American industry this summer.

Mr. Finch, apparently, has lost sight of the fact the anarchy that is presently prevailing on some campuses is caused by a very small militant minority that in some cases have no right nor business on these campuses whatsoever.

I would, therefore, put this question to Mr. Finch: "Why should the right of the majority to pursue learning in an atmosphere conducive to academic freedom, be violated and destroyed for a militant minority delivering anarchy?"

Mr. Finch's latest reported statement to the effect that "the administration's hard-line rhetoric may actually inflame the situation on the campuses instead of calming it" is the typical reaction of the ultra-liberal, when, as a matter of fact, his own statements will serve more to inflame the situation than anything else.

A prime example of the fallacy of Mr. Finch's argument and that of other ultraliberals is the Cornell instance: There a complete capitulation to the demands of SDS and the militant minority resulted not in solution of the problems, but in escalation of the demands and of the violence attendant with those demands. This has likewise resulted in a growing resentment in the rest of the campus community and faculty.

Mr. Finch's remarks serve no useful purpose whatsoever. His reluctance to administer those laws already on the books dealing with campus disorders does

not enhance his position with the administration nor with the American people.

Apparently he is of the same "ilk" as some of the university administrators.

#### PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE CERTAIN REPORTS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight Friday, May 9, 1969, to file certain reports.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. HALEY) is recognized for 30 minutes.

Mr. HALEY. Mr. Speaker, one of the serious issues to occupy the attention of the American people today is the subject of taxes. I do not recall a single mail delivery to my office since the 91st Congress convened that did not contain at least one letter complaining about the rate of taxation or the surtax. Not only are the people concerned about the rate of taxation, they are concerned also about how their taxes are being spent.

Certainly the people of my district and States have felt the pinch of inflation upon their pockets and pocketbooks as much as, if not more than, the people of other congressional districts or States because many of them are retired citizens who must live on fixed income. Recently the Secretary of Health, Education, and Welfare advised me that 124,302 of the residents of my congressional district receive some form of social security benefits. Many other residents of my district are retired under other programs. We of Florida are very much aware of burdens of taxation and the other forces which contribute to inflation and the loss of purchasing power that inflation brings.

Among those who have given considerable thought and study to our economic picture is editorial writer and newspaperman, Robert K. Pepper, who serves as the news editor of the Fort Myers News-Press, one of Florida's outstanding daily newspapers. As the result of his extensive research, Mr. Pepper has written an article entitled "We Can Cut Taxes." Through the article he suggests a new approach to the problem. He very carefully has documented the article with statistics and modern history.

Both Mr. Pepper and I believe that no reasonable approach should go unexplored in efforts to solve our fiscal problems. I have asked permission at this time to place the article, "We Can Cut Taxes," in the CONGRESSIONAL RECORD. I commend his writing to the attention of my colleagues and to all readers of the CONGRESSIONAL RECORD. It is worthy of your attention:

#### WE CAN CUT TAXES

(By Robert K. Pepper)

Most Americans are concerned over the steady increase in taxes. There seems no end

in sight, no hint that this trend will be reversed.

The only alternatives suggested are quite elusive economies in government, unrealistic in the face of the needs and demands for better schools, streets and sanitation. There is also the rising cost of armaments and the fact that Congress appears unwilling to reject any appropriation asked in the name of defense.

There is a possible solution and it should be given the most careful consideration, although it defies our current way of thinking. It is for the United States government and the American people to enjoy the benefits from an orderly and continuous increase in the nation's monetary wealth.

The program would be as follows: After the preparation of the federal budget the decision would be made as to how much should be raised by taxation, and how much through the issuance of government bonds or new currency. It is suggested that the latter figure be not less than 10 or more than 20 per cent of the planned government spending.

Thus in a budget of say \$150 billion the cost to the taxpayers would be reduced to between \$120 and \$135 billion.

The immediate reaction is, why this is inflation! It will debase our currency, result in an endless price spiral and bring financial ruin to the nation!

Well, will it? What examples, what statistical facts do we have to go by?

Let us consider the case of World War II. During the five peak years, 1942 through 1946, total government outlay for all purposes was \$366 billion. More than half of this, \$197 billion, was raised through the issuance of federal securities.

If disaster struck afterwards, it was in extremely pleasant form. America swung into the greatest and most sustained era of industrial prosperity it has ever known, with amazing records set in income, productivity and new home building. It was in this manner that the nation displayed its "loss of confidence" in the dollar after the national debt had soared from \$50 billion to over \$250 billion over the entire war period.

The theory that if we increase our money supply, prices will rise accordingly, does not correspond with the facts. In the 40-year span from 1929 through 1968 the federal debt increased 21 times and government spending 42, while the cost of living index which we take as the measure of inflation had a ratio of only 2 to 1. National income is now eight times as great as in prosperous 1929, and 17 times as high as in the depth of the depression in 1933. In this "spiral" the benefits have assuredly gone to the people.

A reasonably accurate yardstick of progress may be gained by dividing the per capita income by the cost of living index. In 1933 the average American earned around \$300, today more than \$3,000. Thus despite the fact that prices are doubled, we are better off by a 5 to 1 ratio.

In the decade of 1930-39 the money supply was increased by deficit financing, the government debt rising from \$16.1 billion to \$45.8 billion. During this period the consumer price index actually declined, dropping from 58.2 to 48.4. In President Eisenhower's term the cost of living rose steadily despite some years of budget surpluses.

This brings up the question: If the money factor is not to blame, why are prices climbing now?

The answer is that prices are determined fundamentally by the costs of production and distribution. Labor is demanding and making well-deserved gains with most contracts calling for steady wage escalation. In many cases businesses cannot survive unless part or all of these added costs are passed on to the consumer. Insurance rates are being boosted and rising Social Security contributions now add almost five per cent to industrial payrolls.

Price increases are not necessarily an economic evil; in fact, they may be a sign of progress. Food prices were low in the 1930s, but the nation's farmers were going bankrupt. If machine tools and steel tubing go up, it is reflected in higher salaries and better living for factory workers. And how can we expect to win the war on poverty unless the millions on the lowest economic level gain more income?

Here is an unpleasant case of what happened when the price trend was reversed. From 1929 through 1933 the consumer index declined from 59.7 to 45.1. But during this period the national income was cut in half, tumbling from \$86.8 billion to \$40.3 billion!

Despite propaganda to the contrary, rising taxation is one of the major inflationary forces working on the economy today. When levies are imposed on gasoline, cigarettes and general sales the prices go up right before our eyes. On the other hand if the government reduces the income tax the effect will be the same as a nationwide pay raise, and perhaps temper the insistence of labor for increases.

In a specific example of the inflationary effect of taxes, the Florida Public Service Commission recently granted rate increases to Southern Bell and General Telephone. A commission spokesman said the federal surtax can be considered a key reason behind the decision, because it had caused the companies' returns to fall below a fair level.

Congress was badgered into voting the 10 per cent surtax on the theory that to halt inflation it was necessary to reduce demand (money in the pockets of consumers.) That this theory is fallacious is evidenced by the fact that the cost of living during the last half of 1968 took the biggest jump in seven years.

It might also be well to review the notion that the American public is overloaded with buying power. Let us take a typical young family in the \$10,000 income bracket. They could readily drop \$2,000 to \$2,500 in taxes— income, Social Security, property, sales and excise levies; up to \$1,000 on insurance, auto, liability, property, life and health, and \$500 to \$1,000 on interest for home mortgage, auto finance, credit accounts and loans. Here is approximately 40 per cent of income erased before the family even starts on the assorted items in the cost of living index!

Moreover, the notion that anyone now, no matter how wealthy, would go around bidding up prices is completely absurd. Imagine anyone offering \$895 for a used car tagged at \$795, or insisting on paying \$1 for a pound of 90-cent butter! Only when there is a scarcity of merchandise, such as in World War II, do consumers compete for steaks and automobile parts. If anyone is of the opinion that America is in short supply of goods today, he should view the jammed shelves in stores and supermarkets. If such a tremendous demand exists, why are such huge advertising campaigns being conducted by pulp and air in an effort to peddle soaps and washing machines and garden tractors?

When motor manufacturers paste the label on the window of a new car, some consideration is given to the selling price of rival models; none to statistics on the per capita income of the nation. Grocers do not check the rise and fall of the national debt in marking the prices on pork chops and canned corn. When some years ago a freeze damaged the Brazilian bean crop coffee soared to more than \$1 a pound. Now with full production restored the price has declined to around 75 cents, although every monetary factor in America has been on the rise.

In this era of mass merchandising prices are practically uniform across the nation. Rich and poor alike pay the same for a waffle iron or a can of orange juice. And as long as business competition exists any dangerous inflation is impossible here today.

We are constantly being told that the economy should be cooled off, that the gross national product is advancing at an unwelcome rate. Some even suggest that a business recession would be advisable, which seems about as logical and necessary as putting up with infantile paralysis now that we have a vaccine to combat it.

The nation is growing steadily in population and assuredly output and monetary wealth should also rise. A gain of a percentage point or two in the GNP may just be another sign of progress, not an alarm signal. We still have millions of jobless; the goal of full employment unattained.

There are many who insist that our problems will be solved if the government practices economics and reduces outlay. Since the spending trend has been steadily upward, we will have to reverse the reel to determine what could happen. Here is the picture:

[In billions]

Year	U.S. spending	National income
1962.....	\$87.7	\$457.8
1952.....	65.3	291.4
1942.....	34.0	137.1
1932.....	4.6	42.5

Now that the medieval shackles of a metallic based currency have been broken, it will facilitate a studied program of monetary expansion. It is interesting to note that when Congress recently lifted the gold cover requirement it did not cause the faintest ripple in the economy. When silver was "debased" the only question raised was whether the sandwich coins would work in the vending machines.

Modern banking is done on paper, with paper. More than 90 per cent of the nation's business is transacted by check, and currency is only the small change issued to supply the needs of trade.

We come to this question: Should the wealth of the nation be increased by the issuance of government bonds (deficit financing) or by the printing of new currency?

In a hypothetical case (which is not advocated here) Congress would exercise its constitutional rights and authorize the issuance of \$350 billion in \$10,000 bills. These would be deposited in the Treasury's account and we proceed to pay off the national debt.

Then government bonds and notes, which represent the debt, would be called in and checks issued for their redemption. With the transaction completed not one American would be a cent richer, for federal securities are as valuable as cash. The poor and spendthrift, who presumably would go on wild spending sprees, would not get any money because they do not own any government bonds.

Investors such as banks, corporations, governmental agencies and trust funds hold the preponderance of federal issues. They have no interest in, nor desire to bid up the prices of beans and bicycles. If individuals now holding bonds had cash instead it does not necessarily mean they would spend it. For if they wanted money for any purpose the bond could be posted as security for a bank loan at approximately its face value.

Afterwards business would go on exactly as usual. Freight rates would still be controlled by the Interstate Commerce Commission; the supply of goods, distributive facilities and productive plants would be unaffected. This suggested issue would simply remain in nation's vaults and a \$10,000 bill would still be a major curiosity.

If it's all so easy, why don't we go ahead and wipe out the national debt? The answer is that it would bring catastrophe to the financial world.

The stability and livelihood of banks, trust funds, insurance companies and many indi-

viduals depends on holding interest bearing issues. Pension and retirement accounts, with large portfolios of federal securities, place heavy dependence on this safe and secure retreat. To compel them to trade government bonds for cash would result in extreme hardship for nothing now exists in the investment field to absorb this huge sum.

Thus the issue of bonds vs currency boils down to (1) The needs of the investment and banking world, and (2) The question in interest rates.

One of the inflationary factors in the economy today is the high cost of borrowing money. This is felt especially in the housing field. If a contractor pays eight per cent for operating expenses rather than the customary six, this extra must be passed on to the buyer to maintain the margin of profit necessary to stay in business. Any repayment chart will reveal that financing a mortgage at seven per cent is much more expensive than at five.

If the government adds to the national wealth by issuing and depositing money in the banking system it will expand the base for loans. That America is short of investment money is evidenced by the fact that interest rates are generally higher than at any time since World War I, 50 years ago. Surely the banking field will be as well off as now if given the opportunity to make more loans, even at somewhat lower rates. American bankers are a shrewd and crafty lot, they are not inclined to fling money around and no matter how much they have on deposit make loans only with adequate security, and the assurance of repayment.

If the Government prints some currency, which requires no interest, in the place of securities, it will mean a saving to taxpayers in servicing the national debt. This figure is now a formidable \$15 billion annually, and will leap ahead unless action is taken to curb soaring interest costs.

A program of monetary expansion would not be advised for Latin America, a land of unstable governments and scarcities of goods. What the Confederacy needed was not more currency, but more iron, food and gunpowder. Our dollar is sound, and will stay that way both here and abroad, because of America's huge storehouse of goods and the world's best productive facilities.

At the local level costs of government are rising swiftly and there is no alternative but to increase taxes or add to bonded debt. On the other hand the financial resources of the United States government are in a sense unlimited. This is due not only to the constitutional right to issue new money but also to the fact that the banking system is geared to provide an assured market for all federal securities offered.

So it is suggested that as we increase the national wealth, part of this is turned over to cities, counties and states as an outright grant for use in public projects. Throughout the country a grim battle is raging in an effort to provide the governmental services demanded by this rising, complex civilization.

There is a tremendous economic lesson to be learned from World War II. Before its outbreak we were assured that the government was in a perilous financial condition, with a national debt of almost \$50 billion. But when the fighting started financial problems vanished, the money needed was always forthcoming. And suppose a nuclear war, costing \$200 billion annually, should erupt tomorrow? Would anyone stand up and advise surrender, because "we can't afford to fight?"

This proposal opens a magnificent vista for the immediate future: That taxes can be cut and outlay increased to battle poverty and pollution, to build new highways and needed airports, schools and universities, increase social services, preserve forests and add to parklands.

To do this, all that is required is to dis-

card old economic theories and teachings which do not apply to the America of today, and tomorrow.

[Dollar amounts in billions]

Year	National debt	National income	Government spending	Consumer prices 1957-59=100
1929	\$16.9	\$86.8	\$3.1	59.7
1930	16.1	75.4	3.3	58.2
1931	16.8	59.7	3.5	53.0
1932	19.4	42.8	4.6	47.6
1933	22.5	40.3	4.5	45.1
1934	27.7	49.5	6.6	46.6
1935	32.8	57.2	6.4	47.8
1936	38.4	65.0	8.4	48.3
1937	41.0	73.6	7.7	50.0
1938	42.0	67.4	6.7	49.1
1939	45.8	7.26	8.8	48.4
1940	48.4	81.1	9.0	48.8
1941	55.3	104.2	13.2	51.3
1942	76.9	137.1	34.0	56.8
1943	140.7	170.3	79.3	60.3
1944	202.6	182.6	94.9	61.3
1945	259.1	181.5	98.3	62.7
1946	269.8	181.9	60.3	68.0
1947	258.3	199.0	38.9	77.8
1948	252.3	224.2	32.9	83.8
1949	252.7	217.5	38.4	83.0
1950	257.3	241.1	39.5	83.8
1951	255.2	278.0	43.9	90.5
1952	259.1	291.4	65.3	92.5
1953	266.1	304.7	74.1	93.2
1954	271.3	303.1	67.5	93.6
1955	274.4	331.0	64.3	93.3
1956	272.8	350.8	66.2	94.7
1957	270.6	366.1	68.9	98.0
1958	276.4	367.8	71.3	100.7
1959	284.8	400.0	80.3	101.5
1960	286.4	414.5	76.5	103.1
1961	289.2	427.3	81.5	104.2
1962	298.6	457.7	87.7	105.4
1963	306.4	481.9	92.6	106.7
1964	312.5	518.1	97.6	108.1
1965	317.8	562.4	96.5	109.9
1966	320.3	616.7	106.9	113.1
1967	326.7	649.6	125.7	116.3
1968	351.5	695.0	137.1	120.8

† Estimates.

Sources: Bureau of the Budget and Treasury Department; Department of Commerce; Bureau of Labor Statistics.

Note: The figures on Government spending are the "old concept" administrative budget, and do not include social security outlays.

### HAPPY BIRTHDAY, MR. TRUMAN

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

Mr. RANDALL. Mr. Speaker, today we honor in the American tradition one of America's great Presidents, Harry S. Truman, our 33d President, upon the occasion of his 85th birthday.

Prof. Clinton Rossiter, this country's leading scholar on the Presidency, has written:

I am ready to hazard an opinion that Harry Truman when history is written will win a place not only as a truly great President, but even as a national hero alongside Thomas Jefferson and the immensely popular Teddy Roosevelt.

By most impartial and objective observers, Mr. Truman has been consistently ranked within the top half dozen from among all of our Presidents in terms of wisdom in office and courage to do that which he believed to be right for the country.

His courage and his honest conviction, his outspoken determination to respond to necessity have earned him a place of enduring fame in the annals of the American Presidency. I shall not take the time to detail all of the events of his earlier life, first at Lamar, where he was born, and then at Grandview, Mo., where he made his home as a youth.

I recall a speech he made at the place of his birth in Lamar when he came to accept the Democratic nomination for Vice President. There he sounded the prophetic note which showed he had a grasp of world affairs by expressing his concept of the Presidency. He said:

The end of hostilities can come suddenly. Then decisions will have to be made that will determine our future for years and even generations to come. America is going to have to guide the way for the world with wise counsel and advice.

It was these very remarks which gave evidence of future courage, firmness, and independence of a man on whose shoulders was soon to be thrust the burdens of the Presidency, far sooner than he expected when he made those remarks.

Just 83 days after the 1945 inauguration of Franklin Delano Roosevelt the tragic news came from Warm Springs. Harry S. Truman succeeded to the Presidency. There was not very much in Mr. Truman's earlier background to suggest that he would someday achieve the heights of being President. He was born on May 8, 1884, in modest surroundings in Lamar, Barton County, Mo. At the age of 4 he moved to Jackson County, just outside of Grandview, where as a young farmer, you will recall his mother said, "Nobody can plow a straighter furrow than Harry."

It was because of financial crises in the family that young Truman had to take a job. He had no choice but to go to work. He did not have the chance to go to college. He desired to attend the Naval Academy. But then there was that severe case of diphtheria, which left him with such poor eyesight that he could not qualify.

His real capacity for leadership was first clearly demonstrated when he became captain in command of Battery D, 129th Field Artillery. It was here that there rose to the surface the fact that he was a leader of men. He took command of a poorly disciplined unit and made it one of the best in the American Expeditionary Force in World War I.

During the 8 years, less 83 days, that his administration was in power his conduct was marked by great decisions that were landmarks of historical significance. They are so well known that they are easy to review.

Remember, it was only minutes after he took the oath of office that he made his first great decision, and that was to authorize the full support of the U.S. Government in the San Francisco Conference which created the United Nations.

Of course, we all hope that the 85th birthday will be a happy one for our former President. It seems only yesterday, in spite of the fact that it was exactly 10 years ago tonight, that it was my privilege as a freshman Member of Congress to be with him at the Waldorf-Astoria in New York upon the occasion of his 75th birthday. On that occasion the principal speaker was the late Sam Rayburn.

Then on another birthday it was my honor to be present with Mr. Truman down at Lamar, Mo., when his birthplace was made a national shrine.

Because President Truman once said

he wanted to be known as a man of peace, I suggest to you that perhaps the happiest birthday of his life, by his own account, was when he turned 61 on May 8, 1945, because it was on that day that he was able to announce to the world that the war with the Axis was over and all hostilities in Europe would cease. Our Nation went into ecstasy at the announcement.

The war with Japan was not over. Perhaps his greatest decision—and certainly his most painful one—was to face head-on the question whether to use the atomic bomb against Japan in order to hasten the end of World War II.

No man in all of history has ever faced so many problems in such a short time. Think of it. Before he had been in office 4 months, Germany and Japan had surrendered, the United Nations had been chartered and the Potsdam conference had been held. In this short time he had proven himself possessed of the admirable attribute of a truly great leader—the ability to make important, quick decisions with wisdom and with a maximum of understanding of the issues at hand.

Mr. Truman loved to play the piano. In a cartoon which adorned the cover of the book "The Truman Presidency" by Cabell Phillips, he is shown sitting at his piano with the sheet music in front of him marked "Post-War Problems." His hands are not on the keyboard, because he is scratching his head with puzzlement at the sour notes in the music in front of him.

Notwithstanding, history will show that Harry Truman performed almost a miracle when he established post-war stability in such a short time. On August 8, 1945, we became the first major power to ratify the U.N. Charter.

Just after World War II, Communist insurgency threatened the freedom of the people of Greece and Turkey, and the response was the Truman doctrine sending technological and military aid that kept them free from the Communist conquest.

Then, as a corollary to the Truman doctrine, the 33d President resolved to create the North Atlantic Treaty Organization to become the bulwark to contain the postwar Soviet imperialistic fronts. He had vision to realize that the greatest protection for postwar Europe lay in the rebuilding of the war-torn countries. For this purpose he conceived the Marshall plan which lifted Europe from the rubble of war to communities of prosperous people who could share fully in the postwar world.

He did not stop there. Mr. Truman argued his point 4 program for developing nations who were emerging from colonialism and who, with help, could know the dignity which comes from creating and guiding their own destinies.

A little later the Soviets were to test the courage of this man to maintain a free Berlin, by closing the land corridors. But they did not know Mr. Truman. Instead, he acted quickly and avoided an armed conflict by the ingenious Berlin airlift. The people of West Berlin remained free because the blockade was thwarted.

After World War II we were in an uncertain world. Yet it took a Harry S. Tru-

man, against the wishes of his advisers, only 11 minutes to recognize the State of Israel when he learned she had issued her declaration of independence. As a testimony to his action, the Israeli people today are building an international center for the advancement of peace on Mount Scopus.

By his own statement, the hardest decision he ever made as President was to enter the Korean conflict. This was the first time the United States had acted in concert with others to preserve the principles of international law, and we did so successfully. Mr. Truman's own Executive decision to use U.S. troops to defend South Korea was later endorsed by the Congress and by the United Nations Security Council. These two things we have never been able to achieve in the Vietnam war.

As a footnote to Korea, Mr. Truman was required to exercise the monumental courage to fire a popular wartime hero whose long years of absence from the United States had dulled his perception of the relation between military and civilian authority.

All he did as to Korea and for that matter, in each of his major decisions, was to follow the theme or principle of a common factor which was to work toward the goal of a better world.

Let us not forget that it was Harry Truman that changed the Presidential seal, turning the eagle's head from the left and the symbolic arrows of war in its left talon to the right, as Mr. Truman said, a direction of honor facing the olive branches of peace.

His unblemished record of success in foreign affairs was not always equaled in legislative and domestic affairs. Many of his Fair Deal bills were rejected by the Congress, but he never lacked in perseverance; even if one of his measures was defeated, he would come up with a new proposal of similar scope. Mr. Truman once said that any President who did not get in a fight with Congress or the Supreme Court had not done a good job.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I am delighted to yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Is it not true that President Truman first suggested the great program of medical care, which at the time he suggested it was criticized by opposition Members of the Congress and by reactionary forces all over the country?

Mr. RANDALL. The gentleman is so eminently correct.

The 33d President lived to see the medicare bill assigned in his presence by President Johnson at the Truman Library in Independence, Mo.

As you recall, Mr. Truman labeled the 80th Congress the "Do Nothing Congress" and called it back into session. When once again the Congress obliged him by doing nothing, during the 1948 campaign which followed he blasted it as "That good-for-nothing Congress."

I think it is important to note, as the gentleman from West Virginia suggested, that in the years since he has retired many of Mr. Truman's proposals have

become law. Most noteworthy is the one we have just mentioned, the health program for the aged which we call medicare today. Others are the voting privileges for all Americans, and a measure which we considered the extension of in this body only last week or the week before, and that is aid to elementary and secondary schools.

One of the marks of greatness of Mr. Truman was that during all the days of his Presidency he never became a stuffed shirt. He never succumbed to what he called "that ludicrous disease known as Potomac fever." His down-to-earth good humor was always in evidence. At one time, when he was told that a speech to the American people, containing his report on the Potsdam Conference, had been well accepted as a popular statement, he remarked:

It shows you never can tell; I thought it was a rotten speech.

One of the most interesting years of the Truman Presidency is the never-to-be-forgotten campaign of 1948. It was that year Mr. Truman did not choose the political safety of polished phrases, speeches delivered in cathedral tones and with the sort of above-politics image. It was almost inconceivable that any President would ever have to humble himself as did Mr. Truman in the 1948 campaign. Once he had to stand on a chair and plead for money to move his campaign out of the city of Washington, over at Union Station.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I am glad to yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Does the gentleman recall the famous headline in the Chicago Tribune, the early edition on 1948's election night, that President Truman so joyfully held up, "Dewey Defeats Truman"?

Mr. RANDALL. I certainly do. It is one of our prize possessions to have a copy of that, along with the picture taken at the Mulebach Hotel when the announcement was made that Dewey had finally conceded defeat.

The campaign of 1948 was certainly one of the most colorful in all campaign history, because in that campaign Mr. Truman captured the affection of the American people. It was that campaign that showed the completely delightful side of the man that Americans could understand.

He became the indefatigable campaigner. He won the election in his own right by his no-nonsense, straight-talking, deliciously partisan, hard-hitting "Give 'em hell" style. He made a 36,000-mile tour across the country from the platform of a Pullman railroad car and told his message to the American voters. The crowds that came to hear him discerned that Harry Truman was not a "do-nothing" man. Instead they saw a worker and a fighter, a man who knew where we should be going as a nation. They saw a man with the firmness of conviction that comes from loyalty to principle. American citizens could see the fervent loyalty in this man, even in his partisan speeches. They could see the fabric of the man. They believed he was

a man who could be trusted, because they believed that his loyalty was to them, all of them, regardless of party. On election night so complete was his confidence that he went to bed after dinner, awaiting the results, and was awakened several hours later a little impatient when some of his associates expressed surprise that the announcement was made that there was a turning of the tide and he was going to win reelection.

For a long time it was said, although with the passage of time it is said much less frequently, that he was a good President. It is a fact almost universally conceded now. However, it was also said that he was nonetheless no more than an ordinary man. Now, nothing could be further from the truth. Harry Truman possessed a most keen sense of history and politics and a remarkable ability to decide. He possessed sensitivity which inspired those about him with a devotion to his person and his policies. Beneath all of these qualities and underlying his whole being was a strong faith in the power of his God to lead those of his servants and those who trusted in his leadership.

Harry Truman's greatness was partly due to the unshakeable confidence in his abilities, but it was a confidence that was indivisible from his acceptance of his own limitations. He was a great President precisely because he was an accurate judge of himself, wisely utilizing the belief that he always trusted in a power greater than himself. Since ancient times this wisdom and knowledge has not been the mark of just an ordinary man.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, all of us join in wishing Harry Truman a happy birthday, his 85th birthday. I think each year that passes raises his stature in history as we reflect on his courage and the many landmark decisions which he made. Harry Truman had a unique sense of how to make a decision and he had a sixth sense and an instinct for leadership. He knew exactly when to make these strategic decisions which the gentleman in the well has outlined. He knew precisely when all of the facts and arguments were in and when it was necessary to slap the top of the conference table and say, "This is it." As everyone knows, the sign on his desk was, "The buck stops here." He certainly carried it out in everything he did and in the way he lived. Other men vacillated and other men worried or lost sleep, but Harry Truman always had the power of decision. He also believed as President that the power of national leadership should be used on behalf of those average people who have no other spokesman.

I had the great honor to work on the staff of President Truman and to travel with him on many of his whistle-stop trips.

Mr. Speaker, many instances splash across my mind. I recall one occasion when inflation was gripping this Nation to the detriment of the consumers of the country. President Truman called a number of the Members of the Senate and the House of Representatives down to the White House to ask their advice

on what could be done. One Senator spoke up said, "I do not think there is anything really the trouble. I am not hearing from many consumers."

President Truman's jaw stiffened as he said, "I represent the consumers. That is why I called you down here." He proceeded to exert his national leadership on behalf of the unorganized, unrepresented people who do not have great high-paid lobbyists to speak for them.

Mr. Speaker, Harry Truman was a great campaigner, as the gentleman from Missouri has indicated. But even more he was the author and presided over truly great decisions like the creation of United Nations, the NATO, the Truman doctrine, the Marshall plan, the Berlin airlift and the many other world-shaking decisions.

I also marveled at his ability to clarify extremely complex questions. This was not a case of oversimplification. It was an ability to communicate in down-to-earth terms that everyone in this Nation could understand. He also had an ability to look into the future.

I recall in March 1952 when he made at that time the very stunning announcement that he would not run again for reelection. We assembled in the Cabinet Room, the members of his staff, to work with him on the next speech that he was to deliver. He pushed the speech aside and said:

We must start thinking about the transition, whoever is President after 1952. I want to be sure that the next President of the United States is very well briefed on the problems that confront the world and the Nation so that he does not have to come in the way I did, unfamiliar with these problems.

So, Mr. Speaker, we honor President Truman as a man of decision, a man of compassion, and a man who could look into the future and plan for the future.

All of us join in saying, "Happy birthday, Harry S. Truman."

Mr. RANDALL. I thank the gentleman from West Virginia.

Missourians will always remember the 33d President for his loyalty to the show-me State. During his term of office in the White House "The Missouri Waltz" almost replaced "Hail to the Chief" as the official song. Truman lore is easy to find here in Washington. An example is the Truman balcony added to the White House during its renovation. Then in Missouri in the form of the famous equestrian statue of Andrew Jackson, who was Mr. Truman's favorite President. That statue stands in Kansas City, and a replica in Independence, which Mr. Truman described as the finest equestrian statue in America.

Of course, there was another side of the coin. Some few people regarded Mr. Truman's Presidency as a national disaster. Some said that if Mr. Truman had been defeated in 1948, we would have been spared the trauma of the McCarthy era. But the man of Independence to such critics once remarked, "I do not care a hoot what history says about me. I know what I have done and that is good enough. I did what had to be done."

Mr. Truman faced many difficult days. Lesser people would have wanted to quit,

but he persevered. Thomas Paine once referred to a person in a crisis having a tendency to act like a "summer soldier and sunshine patriot."

Harry Truman was neither. He was a man who did not hesitate to harness the floodtide of history by which lesser men would have been overwhelmed. He is truly an individual in whom the elements were so mixed that all the world may say, "This is a good man—this is a great man."

Today we could not present President Truman with any gift that would adequately tell him what is in our hearts. It is a joy to witness and share this, his 85th birthday. Mr. Truman is of strong stock. By his own statement he said he was going to live to at least 90. It is a privilege to have him as the first citizen of Independence, Missouri—our home city—where he lives in the large beautiful home at 219 Delaware Street with his beloved Bess. On June 28, 1969, he will have been married 50 years. While it may be a little over a month premature, we congratulate the President and his lady of their upcoming 50th wedding anniversary. Today we salute this great man on his 85th birthday. Happy birthday, Mr. Truman. It is a joy to wish you happiness on your birthday. Congratulations on a happy 85th. Many happy returns of the day.

Mr. McCORMACK. Mr. Speaker, in keeping with the purposes of House Concurrent Resolution 216, unanimously agreed to April 24, 1969, I should like on this occasion to extend to Harry S. Truman, 33d President of the United States, best wishes on his 85th birthday.

To honor such a man is an honor in itself and to be able to say, when he passes by, "There goes a friend of mine," that surely is a first-class honor if ever there was one. This I know for a fact, because Harry S. Truman is one of my closest and dearest friends: He is a gentleman of the highest type, the essence of honor and integrity, a dedicated scholar, and a man of astonishing intuitive ability and penetrating intellect.

The life and times of Harry S. Truman will read in future ages something like the career of Horatio Alger, the prototype of American fictional heroes. Born of Kentucky stock, in the wake of the Civil War, Harry Truman entered the world under inauspicious circumstances. Times were hard in Barton County, Mo., where he spent his early years, and opportunity for advancement was slight. The so-called Gilded Age failed to bring prosperity to Missouri, and even after the Truman family removed to Independence, in 1891, the specter of poverty was never totally removed from their surroundings.

There is something to be said for knowing the pain of poverty, if you are ever going to enter the political field. Nothing is more disturbing than to witness the complacency of those who have never experienced poverty, shrugging off the need for economic improvement, on the grounds that it can wait for awhile, just so long as their own inconsequential projects are instantly enacted and their own interests constantly protected.

Harry Truman knew a lot about poverty, and fought all his life to prevent it

among his fellow Americans on the district level, the State level, and the National level—and with remarkable results.

As a student, he became accomplished at an early date in matters such as agriculture, banking, and military tactics. He joined the National Guard in 1905 and served 6 years, rising to the rank of corporal. In World War I he served in France as captain of Battery D, 129th Field Artillery, 35th Division, engaging in the famed Saint-Mihiel and Meuse-Argonne offensives, from which he returned in 1919 to reenter civil life as a haberdasher, and to get married. As his wife he selected Bess Wallace, his childhood sweetheart, whom he described as "the only girl I ever went with."

As an entrepreneur, Harry Truman encountered the deflationary troubles of 1921 which quickly ruined his small business. But this was his last defeat. From there on, he was out to win, and win he did.

Turning to politics, he placed his name in contention, in 1922, for the Democratic nomination for the office of judge of the Jackson County Court. The court was not judicial, despite its title, but more in the nature of a commission. He captured the nomination, following a spirited campaign, and also carried the election.

Jackson County, embracing Kansas City, had an unfortunate reputation in this period, and many people associated with it tended to arouse the public's indignation through the sudden acquisition of wealth, far in excess of their official salaries. Not so, however, in the case of "Judge" Truman. Of all the political leaders in Missouri, he was known from the outset as a paragon of honesty; the man who would never take a bribe or do a favor for a friend at the expense of simple justice. Word of this astonishing phenomenon spread rapidly in a region long familiar with rather different ways of doing business and performing the duties of public office. An honest man was on hand in Kansas City, and he seemed determined to establish honesty as a part of the machinery of government. Duly appreciative, the Democratic Party nominated Harry Truman for U.S. Senator in 1934, and he was subsequently elected.

The record of crusader, established in the Jackson County court, followed Harry Truman to Washington, and in a short time he was established as one of the leaders of liberal reform. Concerned about increasing transportation problems, he helped conceive the Civil Aeronautics Act and the Railroad Transportation Act of 1940. None of this was seriously opposed, because everybody is in favor of transportation progress. But Mr. Truman was chairman of a subcommittee investigating matters in Missouri, preceding construction of the Transportation Act, and under his direction improprieties were discovered in Kansas City, to the great embarrassment of many of his political associates. Pressure was exerted to stop the investigations, but Mr. Truman refused to let them be stopped. In consequence of his exposés in Washington, other investigations were inaugurated in Missouri, revealing—among other things—the existence of a bogus registration list, containing the

names of 47,000 nonexistent voters. All of these names had been voted for Mr. Truman in 1934 and they would now be voted no longer. It began to look as though his honesty had paid off in the form of his own political demise. But when he sought reelection in 1940, he received the rousing endorsement of his constituents, with a margin of 40,000 votes to spare.

The war years, 1941 to 1945, found Mr. Truman at the head of the Special Committee To Investigate Contracts Under the National Defense Program—a title that was shortened in the press to the more concise “Truman committee.” In its first annual report, the Truman committee exposed the waste of \$100 million in Army construction work and detailed the “extraordinarily poor judgment” shown in many other wartime expenditures.

Truman committee reports were responsible for the abolition of the Supply Priorities and Allocation Board, in 1942, in favor of the Office of Production Management. Further exposés by the committee brought about the establishment of the highly efficient War Production Board; broke up cartel agreements between American and German industries; ended the scrap shortage that was hampering the war effort; cut down on malpractice by labor unions and faulty production on the part of several major manufacturers; and forced the better coordination of the entire American war program.

At the Democratic National Convention, Mr. Truman was nominated for Vice President, on the strength of his work as head of the Truman committee. In November of that year he acceded to the second highest office in the land, and with the death of President Roosevelt on April 12, 1945, Harry Truman became President of the United States.

It has been said that President Truman assumed office at one of the most unpropitious moments in history for a change of leaders. At this point, without experience in the field of national administration, he was required to take a leading part in winning World War II, making the peace, establishing the United Nations, reconverting from a wartime to a peacetime economy, and helping the wartorn lands. Moreover, in moving into the White House at this juncture, Harry Truman had to follow Franklin D. Roosevelt, the most colorful and popular President to hold office since Theodore Roosevelt, a half century before. Franklin Roosevelt had already been classed among the political immortals in American history. How, then, could Harry Truman be expected to make a fair showing? Could he, walking in the shadow of his predecessor, dare aspire to greatness?

The facts, I think, are clear enough today. Indeed, Harry Truman was able, in his two terms as President, to establish himself among the list of the great American Presidents. The fact, I think, is undeniable, on its face, and easily supported by the record.

It is a notable fact that the greatest of American Presidents have been inclined to arouse the greatest storm of activity while they are in office, both in favor of, and in opposition to, their policies. It is also a notable fact that the greatest of American Presidents have departed from office with their outraged

opponents dedicated to undoing their policies. This was the case, certainly, so far as Harry Truman was concerned. It was also the case with regard to George Washington.

When Washington left the White House, following 8 years of firm Federal control over the infant American Republic, he could hear on every side the voice of his critics. Was he right in following Hamilton's conservative lead in the establishment of the original Federal economic program? His critics did not think so. Was he right in suppressing the Whiskey Rebellion? His critics did not think so. Was he right in avoiding further conflict with England? His critics did not think so.

They would show him. They would undo the National Bank, weaken the Federal authority in behalf of States rights and drive the British out of Canada. Or so they said. But when all was said and done, none of this occurred. As it turned out, the National Bank was left standing, the Federal authority remained strong and the British—though nudged a bit in the War of 1812—retained control of Canada. In the end it had to be conceded that George Washington's program was, in fact, good enough to keep.

The same, you will recall, was the reaction of many of Harry Truman's opponents to his departure from the Presidency in 1953. Much was said about the changes that were going to take place. Much was prophesied as to the whirlwind revamping that would be required once “the man from Missouri” was out of the White House. But what occurred along this line? Not very much, as I recall. In fact, it seemed as though those, who were going to undo Harry Truman's policies, wound up letting them alone, to an extraordinary extent. Why? Because those policies were good ones—good for the Nation and good for the world.

It was President Harry Truman who linked the American destiny with that of West Europe, under the terms of the NATO alliance. It was he who inaugurated the Marshall plan, which stopped the spread of communism across the European continent. It was he who called the bluff of communism in Asia, by meeting the Red menace in Korea. It was he who desegregated the U.S. Armed Forces. It was he who brought the Nation through 7½ years of prosperity, without let-up.

Under the circumstances, it will be necessary for history to accord a high place to this remarkable man—Harry S. Truman, of Independence, Mo.—just as the American people accord him a high place in their hearts today on the occasion of his 85th birthday.

He saw his duty and performed it, with a will and with the energy and ability required of his great office. You can well imagine the pride that is mine in knowing that this man—of great mind, great heart and great accomplishments—is my friend.

It is therefore my distinct pleasure to salute my friend and my former President on this day, and to wish him more happy birthdays in the future, birthdays in a world that has been made a better one by his leadership.

Mr. BOLLING. Mr. Speaker, we ob-

serve today the 85th birthday of former President Harry S. Truman. Less than a quarter of the men and women who now serve in the House of Representatives served here when Harry Truman was President. But his good qualities as a President are known to all and acknowledged by most. Harry Truman when confronted with vital matters made policy choices. He did not play politics with vital issues. He was doughty and candid in an era when the soft-sell and the soft-soap and the public relations too often dominate our public men. He was not always correct. No President is. But no one had to look behind the political bushes to find out where Harry Truman was located on civil rights, fair housing, unification of the armed services, desegregation of the military forces, foreign aid, Korea, West Berlin, Taft-Hartley, and development of the atomic bomb. On all the wide range of burdensome problems confronting any President, Harry Truman was there—identifiable and taking the heat in the political kitchen. He needed no special assistant to run to the Hill and tell Members of Congress what “the President really meant.” It was all there in the morning newspaper. He solicited and received indispensable Republican support for his determined and firm policies in respect to foreign affairs. When Truman did not receive such support from a member of his own party, he fired him—I refer to Henry Wallace, Secretary of Commerce. The foreign assistance program, about which some Johnny-come-latelys often complain, was inaugurated during the Truman administration following Secretary of State Marshall's landmark speech at Harvard College in June 1947. The Marshall plan helped to reconstruct ravaged and vulnerable nations in Western Europe—notably Italy and France. Great Britain was a beneficiary. President Truman, with the support of his courageous Secretary of State, Dean Acheson, firmly set out to counteract the probing aggression of the Soviet Union and China in both Europe and Asia.

His firm declarations, such as the Truman doctrine and subsequent supportive actions, helped fend off Soviet Union aggression in such vital locations as Iran, West Berlin, and South Korea. But Harry Truman used a plowshare, too. His inaugural address in 1949 set forth a so-called point 4 program of technical assistance to developing nations who have benefited in their struggle to create stable, healthy and representative conditions for their people.

Some would tell us that Harry Truman was partisan. Well, there is room for partisanship in some aspects of the Presidency. But these were the opening words of Harry Truman when he accepted his party's nomination in Philadelphia in the summer of 1948:

We meet in this convention not only as Democrats but as Americans to promote the welfare of our country and the happiness of our people.

Health care, equal opportunity, fair employment, better housing—these and other programs he offered to a Congress that was most often heedless.

In January 1953, President Truman left the White House—just as rugged

and hard-fighting as ever. He left behind a Presidential record, a reading of which indicates his policies diverted and dammed the totalitarian tides that were lapping at free countries in the tumultuous years immediately following the conclusion of World War II in September 1945.

Mr. HULL. Mr. Speaker, it is an honor for me to join with my colleagues on this occasion in paying tribute to former President Harry S. Truman on his 85th birthday anniversary.

It is our sincere hope and prayer that Harry Truman and his devoted wife will be with us for many more years to come and that they will continue to enjoy health and happiness.

Because of President Truman's many major contributions to this country as one of our most effective Chief Executives, his presence among us remains as an inspiration to those who believe in a government of law and who are opposed to the vicious concept of a government represented by tyrants.

I know that I speak for all the people in the State and congressional district which I represent when I extend birthday greetings to this great American and Missourian.

Mr. FINDLEY. Mr. Speaker, it is a pleasure to join my colleague in saluting former President Truman on his birthday.

As President he exhibited rare courage in prosecuting the war in the Pacific in World War II, and rare vision in launching programs which made possible the reestablishment of free institutions in most of Western Europe. I also salute him for his leadership in the construction of NATO, a free-world community which has just observed its 20th anniversary. Many happy returns.

#### GENERAL LEAVE TO EXTEND

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the subject matter of this special order.

The SPEAKER pro tempore (Mr. BURKE of Massachusetts). Without objection, it is so ordered.

There was no objection.

#### IMPROVEMENTS NEEDED IN SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on Wednesday, May 6, I addressed a letter to the gentleman from Arkansas, the Honorable WILBUR MILLS, the distinguished chairman of the Committee on Ways and Means, on the subject of social security legislation in the first session of the 91st Congress. Today I received a reply from Chairman MILLS that I would like to place in the RECORD.

My letter to Chairman MILLS on May 6, 1969, is as follows:

HON. WILBUR MILLS,  
Chairman, Committee on Ways and Means,  
House of Representatives.

DEAR MR. CHAIRMAN: In recent newspaper articles, it was reported that the Ways and

Means Committee will not consider social security legislation in the first session of this Congress. The articles further stated that due to the pressing business before the Ways and Means Committee, including tax reform legislation and the surtax, coupled with the need for action this year on important trade legislation which will be considered later by the Committee, that it would be impossible for the Committee to consider any social security proposals during this first session.

The articles also indicated that you as Chairman favored a 10 percent increase in social security benefits instead of the 7 percent increase which was proposed by the Administration.

As a member of the 91st Congress and as a member of the Ways and Means Committee, I am very concerned at these reports which point up a delay in adequate increases in social security benefits to the 22 million social security beneficiaries who are feeling the cruel effects of the inflationary impact of the last several years. Their needs cannot face any further delay. As a matter of fact, several million senior citizens on social security have been forced into below poverty levels because of the inflationary impact and the spiraling cost of consumer goods and health care.

Under the circumstances, I urge that the Ways and Means Committee consider this important legislation in this session of the Congress so that we can respond to the urgent needs of our senior citizens who must not be overlooked.

Sincerely yours,

CHARLES A. VANIK,  
Member of Congress.

Today I received the following letter from Chairman MILLS:

HON. CHARLES A. VANIK,  
U.S. House of Representatives.

DEAR CHARLES: I appreciate receiving your letter of even date strongly urging that the Committee on Ways and Means consider Social Security legislation during this Session of the 91st Congress.

As you know, since the opening days of this Session, the Committee on Ways and Means, in accordance with the schedule determined by the Committee at that time, has been engaged daily in public hearings, and is now in executive sessions, on the subject of broad tax reform. Not only is this in accordance with the schedule as determined by the Committee at the outset of this Session, but it is in fulfillment of commitments which were made on the Floor of the House last year in connection with the passage of the surcharge legislation.

It is my firm belief that the Committee should continue to complete the tax reform legislation on which we have embarked so that we can attain a greater degree of equity for all of our taxpayers. As you know, particularly since you have been such an effective Member of the Committee on Ways and Means, the development of sound and equitable tax legislation is a time-consuming and complex process, affecting as it does significant sectors of our economy and millions of citizens throughout this country. It cannot quickly be done.

I stated publicly during the course of the public hearings, and on the television and to the press since then, that I hope the Committee can complete its consideration of tax reform legislation so that legislation can be developed and passed through the House of Representatives by the early part of August. Considering the scope of this legislation, I do not see how it will be possible to complete action on all these items before that time.

As I have also indicated both in the Committee and publicly, the Committee may well have before it before this Congress is completed the very important issues of foreign trade and unemployment compensation. These likewise are subjects which affect millions of American consumers, producers,

and, in the case of trade, our relationships throughout the world. There are also other matters pending involving expiration dates, such as the surcharge, and the Interest Equalization Tax, etc.

Finally, I have repeatedly stated that the development of the further schedule of the Committee on Ways and Means will be accomplished by the Committee itself when we complete action on the pending business, namely, tax reform. In other words, when we complete action on these items, the subject of our further schedule will be open for consideration in the Committee.

Social Security matters are always given high priority in the Committee. Let me point out, however, that there are issues involved in the Social Security program in addition to a benefit increase which need to be considered, including such things as the proposal to extend hospital benefits to the disabled. I know you also agree that we must develop a greater benefit increase than the 7 percent which has been proposed.

As I have assured you and other Members, we will move from one major subject to the next just as soon as we possibly can, considering the necessity to legislate carefully and soundly. We cannot consider everything at the same time. We obviously have not ruled out the possibility of consideration of Social Security legislation in this Session, but looking at the problems realistically, our task will be difficult. In any event, it would be my hope that the Social Security beneficiaries would be able to receive a really meaningful benefit increase at the earliest practicable date.

Sincerely yours,

WILBUR D. MILLS,  
Chairman.

Mr. Speaker, these letters are submitted for the information of the Members of this body on the issues which have been raised.

#### SOCIAL SECURITY BENEFITS SHOULD BE INCREASED

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute.)

Mr. HECHLER of West Virginia. Mr. Speaker, I would like to commend the gentleman from Ohio (Mr. VANIK) for bringing the issue of increased social security benefits to the attention of the House.

I would like to ask the gentleman—and I am not presuming to second guess the action of the Committee on Ways and Means—but would it not take far less time to consider the issue of social security than it would tax reform?

I think it would be unconscionable if this session of Congress, after raising its own salaries, adjourned without taking action to raise the benefits of the many people in the gentleman's State and in my State and in other States who are hit by inflation and the rising cost of living. Social security benefits should be tied to the cost of living, and should not be allowed to lag behind the rising cost of living.

Mr. VANIK. I concur as to the impact of inflation on the elderly retired citizens of America.

But I might say to the gentleman that I have been in this Congress for almost 15 years and I have been waiting all of this time for an opportunity to do a real job on tax reform. We cannot suspend this effort. We are very deeply involved in it.

It is my hope that we can complete our

work on tax reform by early August and then certainly there will be time to work on the very important social security matters.

I would imagine, and the chairman indicated by his letter, that we can expect there will be a tax reform bill through the House by early August so that it is my hope that immediately after that we might move on into this matter of social security.

Mr. HECHLER of West Virginia. Mr. Speaker, I share the concern of the gentleman from Ohio and the chairman of the Ways and Means Committee as to the paramount importance of meaningful and effective tax reform. I hope too that not only can social security benefits be raised by 10 percent but also that reforms be written into the social security system to make it work in a fairer fashion. I am sure the gentleman from Ohio will not relax in his efforts to try to bring this issue of the need for reform as well as an increase under the social security law forcefully to the attention of his committee and of the Congress.

Mr. VANIK. I pledge to work toward that goal.

Mr. HECHLER of West Virginia. I thank my colleague, the gentleman from Ohio.

#### VIOLENCE ON THE CAMPUSES

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

Mr. BEVILL. Mr. Speaker, the patience of the administrators and faculties of many colleges and universities in this country must be running pretty thin by now. For it is obvious to most that they are losing the battle of the campus. They are, in many instances, failing to retain any semblance of discipline and dignity.

Seldom a day goes by without the buildings on some college campus becoming the bastion for a mob of unruly, unkempt young militants bent on creating violence.

I realize, Mr. Speaker, that these beleaguered school administrators are attempting to cope with the crises in an adult, civilized manner. But from my point of view, it appears that they are losing ground daily and have no desire to put forth enough effort to reverse the trend.

The intriguing and unanswered question is "Why"? Why have our college students become so violent, so bent on destruction? Why, when they obviously have plenty of outlets to air their complaints, why, when they obviously have so much to lose by their acts of violence.

I know, Mr. Speaker, that much rhetoric has already been expounded on this one question and I do not plan to compound the situation with more of the same. With you, I have listened to and read the statements referring to our youth as restless and frustrated, as being exasperated with the establishment. But this has been the case, I believe, in one form or another, with each generation, and probably always will be. However, seeking relief from these frustrations through violence is tearing down the very fabric of our society.

There was a time when a young person looked upon going to college as an opportunity. He realized that it involved a good deal of study and self-discipline and fully expected to live within certain reasonable bounds and conduct himself in such a manner as to not intrude on the rights of others.

I am confident, Mr. Speaker, that the majority of our young people still approach academic life with this philosophy.

President Nixon recently made the statement that administrators and trustees "should have the backbone to stand up" against acts of violence.

In addition, Attorney General John Mitchell and other administration officials have spoken out forcefully on the need for school officials to take control and put an end to the strife and chaos.

I am in agreement with the positions taken by these officials and urge them to follow through on their recommendations.

The great majority of our college students are sincere, hard-working young people who are trying to prepare themselves for the future. But in many places, these students have had their education disrupted and delayed for months by those who are intent on promoting discord and violence.

I say the time has come for our colleges and universities to adopt a get-tough policy in dealing with these troublemakers.

The needs of the majority should be given immediate consideration. The troublemakers should be dealt with in accordance with their individual actions. If arrests are needed, then arrests should be made. If expulsion is in order, then expel the troublemakers.

People everywhere are profoundly concerned about this problem and feel that unless some corrective steps are taken, our whole educational system may be endangered.

The people of this Nation are still looking to the college administrators and academic authorities to take control of their schools.

If they fail to meet these responsibilities, then I believe it is the duty of Congress to take action. I feel that Congress should give full consideration and careful study to even going as far as withdrawing Federal assistance to those schools which will not maintain order.

We cannot postpone facing up to the problem much longer. We must be prepared to take appropriate legislative action, if necessary.

#### A BILL TO REFINANCE THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I today introduce H.R. 11101 to assure the solvency of the St. Lawrence Seaway—a transportation facility of fundamental economic importance to this Nation, and especially to its industrial heartland in the upper Midwest and Great Lakes region. Cosponsoring the bill are Representatives FRANK ANNUNZIO, JOHN A.

BLATNIK, JOHN BRADEMAS, JOHN D. DINGELL, THADDEUS S. DULSKI, WILLIAM D. FORD, DONALD M. FRASER, JOHN C. KLUCZYNSKI, RICHARD D. MCCARTHY, WILLIAM T. MURPHY, and J. WILLIAM STANTON. All of these Members joined in introducing similar legislation last session.

The bill provides that the \$148 million of outstanding St. Lawrence Seaway Development Corporation indebtedness to the U.S. Treasury shall be converted into permanent U.S. investment in the Seaway Corporation. This is very simply accomplished by exchanging preferred stock of the Seaway Corporation for its \$129 million of outstanding 50-year bonds and \$19 million of accrued interest debt.

In dollars and cents terms, the Seaway Corporation would no longer be obligated to repay its \$148 million debt, which it must now pay by the year 2009. Instead, it would continue to pay, and would pay forever, to the U.S. Treasury a fair dividend return on the Government's equity investment. This dividend would be the same amount which the Seaway Corporation is now paying to the U.S. Treasury in interest payments.

On the basis of the Seaway Corporation's own estimates of cargo to be shipped on the Seaway over the next 4 years, the Corporation will fall hopelessly behind in meeting its present statutory financial obligations. The St. Lawrence Seaway Act of 1954, as amended in 1957, requires that the Seaway Corporation pay from toll revenues its operating expenses, maintenance expenses, interest on its indebtedness, and that it repay in 50 years' time the capital which it borrows from the U.S. Treasury.

In the next four shipping seasons the Seaway Corporation, after paying operating and maintenance costs, is likely to fail to pay \$2 million in interest on its outstanding indebtedness. It will, moreover, be unable to make any repayment of the \$19 million of back interest which has accrued since the seaway's opening in 1959, nor will it be able to repay a single dollar of its \$129 million bond indebtedness, either in the next 4 years or in the foreseeable future.

It is therefore necessary now, once and for all, to come to grips with the gloomy reality which is the Seaway Corporation's financial statement. The largely book-keeping difficulty of the Seaway Corporation will not fade away. It must be tackled.

In its first 10 shipping seasons the seaway has been more responsible financially than any other waterway in the continental United States; it has paid the entire costs of its operation and maintenance, totaling nearly \$15 million. In addition, over this period, it has paid to the Treasury over \$29 million of interest, approximately 60 percent of its total interest obligation.

If this bill were enacted, the seaway would continue to pay its own way. The only significant change which the bill would make is to make the Federal Government investment in the Seaway Corporation permanent, thus relieving the Seaway Corporation of its obligation to repay its \$148 million indebtedness.

Toll revenues would continue to pay operating and maintenance expenses and

to yield in dividends the same return on the Treasury's invested capital that the Seaway Corporation now is obligated to pay in interest. In the next 40 years the Seaway Corporation, in addition to paying for its operating and maintenance expenses, would return to the U.S. Treasury some \$220 million in dividends.

In short, under this bill the seaway would continue to operate without Federal subsidy.

Since the seaway together with the Great Lakes is quite literally a fourth seacoast of the United States, the Federal Government should retain ownership of the U.S. share of the seaway in perpetuity. The Government should not try to amortize the costs of its investment over 50 years—it should, instead, seek to be paid a fair annual rate which in time will repay its investment many times over.

The U.S. Government has made a long-term, if not permanent investment in every other major U.S. transportation system.

#### OCEAN SHIP CHANNELS PAY NEITHER CAPITAL NOR OPERATING COSTS

The seaway is very much like an ocean ship channel for it serves a particular geographical area, yet ocean ship channels have not had to repay invested capital or to pay interest, and, in fact, have not even had to pay their operating and maintenance costs.

For example, through fiscal year 1965, the Federal Government has paid on behalf of the Delaware River channel from Philadelphia to the sea, \$54,631,336 in construction costs and \$113,346,844 in operating and maintenance costs; the Houston ship channel \$34,449,257 in construction costs and \$32,605,276 in operating and maintenance costs; the Sacramento deep water channel, \$39,551,254 in construction costs and \$10,740,586 in operating and maintenance costs; and the Mobile, Ala., channel, \$14,275,026 for construction costs and \$15,221,599 for operating and maintenance costs.

#### INLAND WATERWAYS PAY NO CAPITAL COSTS AND GET SUBSIDY FOR OPERATING COSTS

Over \$2 billion of Federal funds have been invested in inland waterways in addition to some \$113 million annual appropriations for their operation and maintenance. The Northwest Ordinance of 1787 established the principle, specifically reaffirmed in the Rivers and Harbors Act of 1909, that tolls will not be charged for use of these waterways. As a result, not 1 cent of this huge capital investment has been repaid.

#### LAND GRANTS TO RAILROADS A FORM OF SUBSIDY

In the period from 1850 to 1871 the Nation's railroad companies received Government land grants of about 183 million acres. According to a joint economic committee study, the value of this aid given to railroads came to nearly \$1.3 billion. The arrangement was that this subsidy would be paid off over time by giving the Government special low shipping rates. This form of long-term payment, still being made to the Federal Government, cannot be considered analogous to the seaways' interest burden and requirement to repay invested capital. There is no way

to measure its adequacy in terms of a return on Federal investment or in liquidation of the investment itself.

#### CHARGES ON AIRLINES DO NOT COVER COST OF FACILITIES AND SERVICES

The Nation's commercial airlines are beneficiaries to the extent of at least \$250 million of the \$750 to \$800 million appropriated each year to build airports, maintain, and operate airways, provide navigation and landing aids, communications facilities, and weather advisory services. For all of this, commercial prop transport planes pay only a 2-cent-per-gallon tax on gasoline, and jets, which do not use gasoline, pay nothing. Air passengers pay a 5-percent excise tax on their tickets but no toll or charge is assessed on airfreight.

#### CHARGES ON TRUCKING LINES DO NOT COVER THEIR SHARE OF ROAD COSTS

While trucking lines, like other users of federally financed toll highways and bridges, presumably pay for their share of these new facilities, they are free to use all other highways, streets, and bridges in their business operations. It seems highly debatable whether their present payments in license fees, gasoline taxes, and other taxes would adequately cover their share of the interest and capital costs of past public investment as well as current operating and maintenance costs.

#### MERCHANT MARINE RECEIVES EXTENSIVE FEDERAL SUBSIDIES

U.S. shipping lines receive about \$330 million annually in Government subsidies. About one-third of this money is capital investment, spent for ship construction, and the other two-thirds is used to subsidize operating and maintenance costs.

Mr. Speaker, by any measure the bill which my colleagues and I have joined in introducing today is truly a modest proposal. It is in keeping with the principle of the 1954 St. Lawrence Seaway Act—that the St. Lawrence Seaway is to pay the full costs of its construction and operation. No Federal subsidy is provided for in this bill.

The bill in no way puts the seaway on a comparable footing with other major U.S. transportation systems, all of which continue to enjoy large direct or indirect Government subsidies of capital expenses, operating and maintenance expenses, or both.

In terms of the seaway's financial dilemma, the bill works no miracles. The Seaway Corporation would continue to be financially responsible for all major costs of the great waterway. As a result, the Seaway Corporation would probably continue to operate in the red until some 56 million tons of cargo annually are carried over the seaway. Last year 48 million cargo tons were shipped. It is estimated that the 56-million-ton level will be reached sometime in the early 1970's.

The bill, however, is clearly sufficient to achieve its objective: it would eliminate any foreseeable need for increasing seaway toll rates above their present levels, either in the next four shipping seasons, 1969 to 1972, inclusive, or thereafter; and within the next decade it would probably make possible a decrease in the present toll rates.

It is my hope that early hearings will be scheduled on this bill. I could hope also that the President and the new Secretary of Transportation, John A. Volpe would support this legislation.

The text of the bill follows:

H.R. 11101

A bill to provide for a more conservative capitalization of the St. Lawrence Seaway Development Corporation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5 of the Act of May 13, 1954 (Public Law 358, Eighty-third Congress; 33 U.S.C. 985), is amended (1) by inserting "(a)" immediately after "SEC. 5." and (2) by inserting in the first sentence ", prior to the date of enactment of subsection (c) of this section," immediately before "revenue bonds".

(b) Such section is further amended by adding at the end thereof the following new subsections:

"(b) The Secretary of the Treasury and the Corporation are authorized and directed to convert the revenue bond obligations referred to in subsection (a) hereof to capital stock in an amount equivalent to the outstanding principal amount of said revenue bonds and accrued interest. The Corporation shall pay a cumulative dividend on such capital stock of 3.85 per centum per annum.

"(c) To finance its activities, the Corporation may issue to the Secretary of the Treasury, after the date of enactment of this subsection, capital stock with cumulative dividends payable from corporate revenue. The Corporation shall pay a cumulative dividend on such capital stock at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate as of the last day of the month preceding the issuance of the capital stock on current marketable obligations of the United States maturing more than five years thereafter.

"(d) The capital stock of the Corporation may be redeemable at the option of the Corporation in such manner as may be stipulated in such obligations."

SEC. 2. Subsection (a) of section 12 is amended by adding after the first sentence thereof the following sentence: "The division of the revenues of the seaway may be based on the respective annual costs of the Corporation and the St. Lawrence Seaway Authority of Canada only if comparable costs are used in arriving at the division."

SEC. 3 (a) Paragraph (4) of section 12(b) of such Act (33 U.S.C. 988(b) (4)) is amended to read as follows:

"(4) That the rates prescribed shall be calculated to cover, as nearly as practicable, the costs of operating and maintaining the works under the administration of the Corporation, payment of cumulative dividends on the capital stock of the Corporation, and payments in lieu of taxes."

(b) Paragraph (5) of such section (33 U.S.C. 988(b) (5)) is repealed.

#### A NEW AMERICAN INDIAN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 10 minutes.

Mr. KASTENMEIER. Mr. Speaker, Indian reservations, as alienated socially as urban ghettos and far more isolated geographically, are the purest examples of underdeveloped enclaves within American society.

Reservation Indians today cling by choice to the remnants of forest and plain that once they roamed without bounds. They eke out an existence from

a land base too small to support their numbers. They cherish and maintain the unique traditions of the first American civilizations, traditions distinct for the recognition of the oneness of mankind with nature.

The price of preserving traditions need not be poverty, although poverty is the price that reservation Indians have paid, generation after generation, for nearly a hundred years. Fifty thousand Indian families today live in unsanitary, dilapidated dwellings. The unemployment rate among Indians is nearly 40 percent, more than 10 times the national average. Of the Indians who do work, a third are underemployed in temporary or seasonal jobs. Fifty percent of Indian families have cash incomes below \$3,000. With rare exception, Indian communities are so underdeveloped that there is little, if any, opportunity for significant social or economic progress.

Fifty percent of Indian schoolchildren, double the national average, drop out before completing high school. Ten percent of American Indians over age 14 have had no schooling at all. Nearly 60 percent have less than an eighth grade education. Even those Indians attending school are plagued by language barriers, by isolation in remote areas, by lack of a tradition of academic achievement.

The health level of the American Indian is the lowest of any major population group in the United States. The infant mortality rate among Indians is 34.5 per 1,000 births, 12 points above the national average. The incidence of tuberculosis among Indians and Alaska natives is about five times the national average. Viral infections, pneumonia, and malnutrition are common among Indian children.

For more than a century, the Federal Government has exercised close control over every aspect of the reservation Indian's life. This paternalistic policy has resulted in maintaining the Indians at a subsistence level while attempting to destroy distinctive Indian culture as a preparation for rapid assimilation, a goal most Indians rejected. There is no group of American citizens which finds it harder to adjust to today's world. Nothing is more rural and isolated than the backlands of Indian country, where paved roads, electricity, and plumbing are as unfamiliar as they were 50 years ago. As a result, much of the reservations' natural resources were wasted and their human resources became disabled. At the present time, Indians, unlike all other Americans, do not yet enjoy self-government. They are still governed not entirely unlike colonial subjects.

There are those individuals who believe that this serious Indian problem can be best solved through a termination policy, generally cloaking such a program in terms of setting the Indian free, but this rhetoric is often a mere disguise for the rather callous desire of some people simply to be rid of the Indians and their problems. Many Indians, however, recognize that they cannot sustain themselves without Government assistance, a view reinforced by the experience of tribes

whose reservations have been terminated. For example, after termination of the Menominees in my State of Wisconsin, a county controlled by the Indians replaced the reservation. Due to the low income level of the Indian inhabitants, Menominee County has an insufficient tax base, which necessitated the drastic curtailment of social services and a solicitation of outside investment that could erode Indian control of tribal enterprises.

In recent years, with an increasing Indian population and a growing complexity of reservation problems, appropriations for Indian programs have risen, but consistently have stayed well below a level needed to carry out intentions. Indian programs will continue to limp along, and development will proceed at an unsatisfactory pace. In addition, because of the rapid increase in the Indian population, there is every prospect that their economic, education, and health levels will drop steadily behind those of the rest of the population.

For Indians on the reservations, any program for social and economic development must be specifically tailored to Indian needs and culture. The Indian culture is based on a man-to-land ethic the country cannot afford to disregard. The Indian people must not be asked to abandon this part of their culture in their striving toward social and economic equality. Many Indians have long asserted, but usually to deaf ears, that the individual tribes know better than the Government what kinds of programs they need and want, and that if they could play decisive roles in the planning of such programs, they could, with technical and financial assistance, demonstrate an ability to learn quickly to administer and execute them successfully.

I might also add that the number of Indians living in towns and urban centers has increased to some 200,000. These Indians, too, have urgent needs for education, adequate housing, health, welfare, and rehabilitation services.

The greatest hope for Indian progress, I believe, lies in the emergence of Indian leadership and initiative in solving Indian problems. Indians must have a voice in making the plans and decisions in programs which are important to their daily life.

Mr. Speaker, I am introducing today a House concurrent resolution which states that the deplorable conditions of American Indians and Alaska natives can only be alleviated through a sustained, positive, and dynamic Indian policy with the necessary constructive programs and services directed to the governing bodies of these groups for application in their respective communities, offering self-determination and self-help features for the people involved. Also, this resolution asks that our Government's concern for its Indian citizens be formalized in a new national policy so that the beneficial effects may be continued until the day when the Nation's moral and legal obligations to its first citizens are fulfilled. Another feature of the resolution points out the desirability of new and innovative approaches in the planning, implementation, and adminis-

tration of the Indian programs and the need for adequate Federal funds to assist this progress. I am also pleased to announce that a number of my distinguished colleagues have agreed to cosponsor this concurrent resolution. They are Messrs. ANDERSON of California, BROWN of California, BURTON of California, FRASER, HELSTOSKI, KOCH, MIKVA, OTTINGER, POLLOCK, ROSENTHAL, and RYAN.

Mr. Speaker, if the American Indians are to escape from the economic and psychological depression created by past policies, the Federal Government must cease attempts to determine the course of development and undertake a commitment to assist Indian communities to advance toward goals of their own choosing. The best hope for Indian progress lies in the emergence of Indian involvement and leadership in solving Indian problems.

#### DR. C. PAUL VICKERS—TRIBUTE TO A FRIEND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

Mr. FUQUA. Mr. Speaker, a man who has friends is fortunate indeed.

Those of us who were privileged to call Dr. C. Paul Vickers our friend were doubly fortunate.

Doc is gone from our midst, but not from our hearts.

A heart attack at 57 stilled the earthly life of my dearest friend on December 30, 1968. He lived life more fully and enjoyed his family and friends more than any man I have ever known.

He was proud of his profession—veterinary medicine. I do not suppose any other man in the profession has ever enjoyed his work with his animal patients and their owners more than Doc.

He was intensely proud of being a graduate of Auburn University and of his hometown of Chipley. He moved to Tallahassee in 1937, and it was there he established the successful practice he was to enjoy so much.

Doc did a great many things—and everything he did, he did well. He had tremendous drive and determination. He was Florida's State veterinarian, served the Florida Veterinary Medical Association as one of its most outstanding presidents, and had served as secretary of the State board of veterinary examiners.

But, it is not those honors about which I wish to speak. I want to talk about a man, a husband, a father, an intensely proud grandfather and my friend.

For those who have the privilege of serving in public office, we are mindful of those who have made it possible. I say with all sincerity that without Doc Vickers I would never have been privileged to serve in the Congress.

He joined me in my first campaign for Congress back in 1962, and I could never adequately express my appreciation for what he and his family did for me. Doc was a man who got things done and his enthusiasm affected us all.

When things seemed the darkest, it was his quick wit that made the day a

little brighter—the future a little more certain. No one will ever know how many people Doc encouraged and inspired with his humor and his example.

Whenever I needed him, he was there and things will never be quite the same for us again. I cannot conceive of having to go through a political campaign without Doc Vickers at my side.

He was married to the former Margaret Stoutamire, daughter of long-time Leon County sheriff and Tallahassee chief of police, Frank Stoutamire. He was devoted to his daughter, Mrs. Larry C. Watts, and so completely proud of his grandson, Paul Vickers Watts, that he received a new lease on life at the birth of this young man.

He loved Tallahassee and its people, and they loved him. Doc could count his friends almost by the thousands. He was that kind of man.

I know of his work in the veterinary medical profession from having talked to other veterinarians through these past 7 years. Doc wanted the highest of standards and he felt that every man who practiced must certainly share the love and concern he felt for his chosen field.

Veterinary medicine is poorer for his having passed, but it is richer for his having lived.

I suppose that is what I wanted to say about Doc. He was such an intensely happy man that he would not want us to be sad. He would be the first to want us to pick up and move forward, enjoying every day as it comes.

His family misses him, but I am sure their sorrow is lightened in knowing of the esteem and affection in which he was held by his fellow veterinarians and his friends.

I think I speak for all of us when I say that the highest privilege of my life is that I could call Doc Vickers my friend.

And I know full well that I was just one of many.

Somehow I think he would have liked that.

#### SHIPPING TO VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CHAMBERLAIN) is recognized for 5 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, the Department of Defense has advised me that during the month of April there were nine more free world-flag ship arrivals in North Vietnam. Of these seven flew the British flag, with one of each under the registry of Japan and the Somali Republic. This brings the total so far for 1969 to 37 free world arrivals and while it is encouraging to note that this amounts to a reduction from the 43 arrivals during the same period in 1968 this traffic must remain a matter of deep concern so long as American soldiers are fighting and dying in South Vietnam. I urge the new administration to continue its efforts with respect to this unconscionable situation.

At this point, I insert a chart and report No. 26 "List of Foreign-Flag Vessels Arriving in North Vietnam on or After January 25, 1966," issued by the U.S. Maritime Administration on April 11,

1969. As I have pointed out before, this so-called blacklist does not contain the names of all free-world or Communist flagships trading with North Vietnam, but only those which are considered po-

tential visitors to U.S. ports. In addition, there is no information provided about the number of trips that each vessel has made to North Vietnam.

The material follows:

#### 1969 FREE WORLD FLAG SHIP ARRIVALS IN NORTH VIETNAM

	United Kingdom	Cyprus	Singapore	Japan	Somali Republic	Total
January.....	8	1			2	11
February.....	6	1	2	1		10
March.....	6				1	7
April.....	7			1	1	9
Total.....	27	2	2	2	4	37

[Department of Commerce, Maritime Administration, Report No. 26]

#### LIST OF FOREIGN FLAG VESSELS ARRIVING IN NORTH VIETNAM ON OR AFTER JANUARY 25, 1966

Section 1. The President has approved a policy of denying the carriage of United States Government-financed cargoes shipped from the United States on foreign flag vessels which called at North Vietnam ports on or after January 25, 1966.

The Maritime Administration is making available to the appropriate United States Government Departments the following list of such vessels which arrived in North Vietnam ports on or after January 25, 1966, based on information received through April 11, 1969. This list does not include vessels under the registration of countries, including the Soviet Union and Communist China, which normally do not have vessels calling at United States ports.

Flag of registry and name of ship	Gross tonnage
Total, all flags, 55 ships.....	370,959

#### Polish (32 ships)..... 243,514

Andrzej Strug.....	6,919
Beniowski.....	10,443
Djarkata.....	6,915
Emilia Plater.....	6,718
Energetyk.....	10,876
Florian Ceynowa.....	6,784
General Sikorski.....	6,785
Hanka Sawicka.....	6,944
Hanoi.....	6,914
Hugo Kollataj.....	3,755
Jan Matejko.....	6,748
Janek Krasicki.....	6,904
Jozef Conrad.....	8,730
Capitan Kosko.....	6,629
Kochanowski.....	8,231
Konopnicka.....	9,690
Kraszewski.....	10,363
Lelevel.....	7,817
Ludwik Solski.....	6,904
Marceli Nowotko.....	6,660
Mickiewicz.....	4,344
Montuszek.....	9,247
Norwid.....	5,512
Nowowiejski.....	9,186
Pawel Finder.....	4,911
Phenian.....	6,923
Przyjacn Narodow.....	8,876
Stefan Okrzeja.....	6,620
Szymanowski.....	9,203
Transportowiec.....	10,854
Wieniawski.....	9,190
Wladyslaw Broniewski.....	6,919

#### British (15 ships)..... 86,595

Court Harwell.....	7,133
Fortune Glory.....	5,832
Golden Ocean.....	3,827
Greenford.....	2,964
Isabel Erica.....	7,105
Kingford.....	2,911

#### Flag of registry and name of ship—Continued Gross Tonnage

Meadow Court <sup>1</sup> (trip to North Vietnam under ex-name Ardrossmore—British).....	5,820
Rochford.....	3,324
Rosetta Maud <sup>1</sup> (trip to North Vietnam under ex-name Ardtara—British).....	5,795
Ruthy Ann.....	7,361
Shun On <sup>1</sup> (trip to North Vietnam under ex-name Pundua—British).....	7,295
Shun Wah (previous trip to North Vietnam under ex-name Vercharman—British).....	7,265
Shun Wing.....	6,987
Taipieng (tanker).....	5,676
Tetrarch (previous trips to North Vietnam under ex-name Ardrowan—British).....	7,300

#### Cypriot (4 ships)..... 14,481

Acme.....	7,173
Amfitha.....	5,171
Marianthi.....	2,137

#### Somali (2 ships)..... 13,531

Happy Dragon <sup>2</sup> .....	4,534
Yvonne (tanker).....	8,997

#### Greek (1 ship): Leonis<sup>1</sup> (trip to North Vietnam under ex-name Shirley Christine—British)..... 6,724

#### Panamanian (1 ship): Salamanca<sup>1</sup> (trips to North Vietnam under ex-name Milford—British)..... 1,889

#### Singapore (1 ship): Lucky Dragon..... 4,225

<sup>1</sup> Ships appearing on the List which have made no trips to North Vietnam under the present registry.

<sup>2</sup> Added to Report No. 25 appearing in the Federal Register issue of March 11, 1969.

Section 2. In accordance with approved procedures, the vessels listed below which called at North Vietnam on or after January 25, 1966, have reacquired eligibility to carry United States Government-financed cargoes from the United States by virtue of the persons who control the vessels having given satisfactory certification and assurance:

(a) That such vessels will not, thenceforth, be employed in the North Vietnam trade so long as it remains the policy of the United States Government to discourage such trade and;

(b) That no other vessels under their control will thenceforth be employed in the North Vietnam trade, except as provided in paragraph (c) and;

(c) That vessels under their control which are covered by contractual obligations, including charters, entered into prior to January 25, 1969, requiring their employment in the North Vietnam trade shall be with-

drawn from such trade at the earliest opportunity consistent with such contractual obligations.

*Flag of registry and name of ship*

a. Since last report: None.	Number
b. Previous reports:	of ships
British -----	1
Italian -----	1

Section 3. The following number of vessels have been removed from this list since they have been broken up, sunk or wrecked.

a. Since last report:	Gross
Antonia II (Cypriot) -----	tonnage
Dartford (British) -----	7,303
Shun Tai (Somali) -----	2,739
	7,085
b. Previous reports (broken up, sunk, or wrecked):	
British -----	4
Cypriot -----	5
Greek -----	1
Lebanese -----	2
Maltese -----	1
Polish -----	1

By Order of the Maritime Administrator.  
Date: April 11, 1969.

JOHN M. O'CONNELL,  
Assistant Secretary.

**LEAVE OF ABSENCE**

By unanimous consent, leave of absence was granted to Mr. LANDGREBE, for May 15, 1969, on account of official business in the Second District of Indiana.

**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. HALEY, for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. RANDALL, for 60 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. WHITEHURST) and to revise and extend their remarks and include extraneous matter:)

Mr. CHAMBERLAIN, for 5 minutes, today.  
Mr. HALPERN, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MCFALL) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. REUSS, for 30 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. FUQUA, for 10 minutes, today.

**EXTENSIONS OF REMARKS**

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PHILBIN in five instances.

Mr. GERALD R. FORD immediately following the special order of Mr. PATMAN today.

(The following Members (at the request of Mr. WHITEHURST) and to include extraneous matter:)

Mr. PETTIS.

Mr. STEIGER of Wisconsin in two instances.

Mr. SPRINGER.

- Mr. ZWACH.
- Mr. MINSKALL.
- Mr. MESKILL.
- Mr. CONTE.
- Mr. BLACKBURN.
- Mr. ASHBROOK in two instances.
- Mr. KLEPPE.
- Mr. GOODLING.
- Mr. MICHEL in two instances.
- Mr. TAFT in two instances.
- Mr. POLLOCK.
- Mr. HUNT.
- Mr. HARVEY.
- Mr. SCOTT.
- Mr. HOGAN.
- Mr. GUDE.
- Mr. HOSMER.
- Mr. WINN.
- Mr. BROYHILL of Virginia in three instances.
- Mr. MILLER of Ohio in two instances.
- Mr. SHRIVER.
- Mr. WYMAN in two instances.
- Mr. BOB WILSON.
- Mr. CUNNINGHAM in five instances.
- Mr. BROTZMAN.
- Mr. SNYDER.
- Mr. BROCK in two instances.

(The following Members (at the request of Mr. ANDERSON of California) and to include extraneous matter:)

Mrs. HANSEN of Washington in two instances.

Mr. JOHNSON of California in two instances.

Mr. LONG of Maryland in three instances.

Mr. BIAGGI.

Mr. WILLIAM D. FORD in two instances.

Mr. KOCH.

Mrs. GRIFFITHS in three instances.

Mr. SCHEUER.

Mr. VAN DEERLIN.

Mr. DOWNING in two instances.

Mr. BRASCO.

Mr. MONTGOMERY.

Mr. ALBERT.

Mr. MOORHEAD in two instances.

Mr. BURKE of Massachusetts in three instances.

Mr. BINGHAM in two instances.

Mr. RODINO.

Mr. ZABLOCKI in three instances.

Mr. ROGERS of Florida in five instances.

Mr. RARICK in three instances.

Mr. RYAN in three instances.

Mr. GALLAGHER in three instances.

Mr. MONAGAN in two instances.

Mr. ANDERSON of California in three instances.

Mr. CHARLES H. WILSON.

Mr. RIVERS.

Mr. PICKLE in two instances.

tion, the Commissioner of the District of Columbia, and the Chairman of the Washington Metropolitan Area Transit Authority, transmitting a draft of proposed legislation to authorize a Federal contribution for the effectuation of a transit development program for the National Capital region, and to further the objectives of the National Capital Transportation Act of 1965 (79 Stat. 663) and Public Law 89-774 (80 Stat. 1324), was taken from the Speaker's table, and referred to the Committee on the District of Columbia.

**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. JOHNSON of California: Committee on Interior and Insular Affairs. S. 1011. An act to authorize appropriations for the saline water conversion program for fiscal year 1970, and for other purposes; with amendment (Rept. No. 91-208). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 751. A bill to consent to the New Hampshire-Vermont interstate school compact; with amendment (Rept. No. 91-209). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONOHUE: Committee on the Judiciary. H.R. 4246. A bill to discontinue the annual report to Congress as to the administrative settlement of personal property claims of military personnel and civilian employees; (Rept. No. 91-210). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 4247. A bill to amend section 2734 of title 10, United States Code, to authorize the Secretary concerned to make partial payments on certain claims which are certified to Congress; with amendment (Rept. No. 91-211). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 10595. A bill to amend the act of August 7, 1956 (70 Stat. 1115), as amended, providing for a Great Plains conservation program (Rept. No. 91-212). Referred to the Committee of the Whole House on the State of the Union.

**REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS**

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of New York: Committee on the Judiciary. House Resolution 86. Resolution referring the bill (H.R. 1691) to the Chief Commissioner of the Court of Claims; with amendment (Rept. No. 91-191). Referred to the Committee of the Whole House.

Mr. MANN: Committee on the Judiciary. H.R. 1749. A bill for the relief of Eagle Lake Timber Co., a partnership, of Susanville, Calif. (Rept. No. 91-192). Referred to the Committee of the Whole House.

Mr. MANN: Committee on the Judiciary. H.R. 1808. A bill for the relief of Capt. John W. Booth III; with amendment (Rept. No. 91-193). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 1865. A bill for the relief of Mrs. Beatrice Jaffe (Rept. No. 91-194). Referred to the Committee of the Whole House.

**ADJOURNMENT**

Mr. ANDERSON of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until Monday, May 12, 1969, at 12 o'clock noon.

**EXECUTIVE COMMUNICATIONS, ETC.**

749. Under clause 2 of rule XXIV, a letter from the Secretary of Transporta-

Mr. SMITH of New York: Committee on the Judiciary. H.R. 2238. A bill to provide for the relief of certain civilian employees of the Air Force; with amendment (Rept. No. 91-195). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 1999. A bill for the relief of Mrs. Ali Kallio; with amendment (Rept. No. 91-196). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 4744. A bill for the relief of Mrs. Ezra L. Cross; with amendment (Rept. No. 91-197). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 5419. A bill to provide relief for Comdr. Edwin J. Sabec, U.S. Navy; with amendment (Rept. No. 91-198). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 3006. A bill to fix date of citizenship of Alfred Lorman for purposes of War Claims Act of 1948 (Rept. No. 91-199). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 6375. A bill for the relief of Amalia P. Montero (Rept. No. 91-200). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 6377. A bill for the relief of Lt. Col. Earl Spoford Brown, U.S. Army Reserve (retired); with amendment (Rept. No. 91-201). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H.R. 6581. A bill for the relief of Bernard A. Hegemann (Rept. No. 91-202). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 6850. A bill for the relief of Maj. Clyde Nichols (retired); with amendment (Rept. No. 91-203). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 8136. A bill for the relief of Anthony Smilko (Rept. No. 91-204). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 9088. A bill for the relief of Clifford L. Petty (Rept. No. 91-205). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 10149. A bill for the relief of Jack W. Herbstreit (Rept. No. 91-206). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 10153. A bill for the relief of Frances von Wedel; with amendment (Rept. No. 91-207). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 11064. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

Mr. ANDREWS of Alabama:

H.R. 11065. A bill to require the suspension of Federal financial assistance to colleges and universities which are experiencing campus disorders and fail to take appropriate corrective measures forthwith, and to require the suspension of Federal financial assistance to teachers participating in such disorders; to the Committee on Education and Labor.

By Mr. BIAGGI:

H.R. 11066. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means,

By Mr. BROTZMAN:

H.R. 11067. A bill to amend the Communications Act of 1934 to abolish the renewal requirement for licenses in the safety and special radio services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN:

H.R. 11068. A bill to afford protection to the public from offensive intrusion into their homes through the postal service of sexually oriented mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.R. 11069. A bill to authorize the appropriation of funds for Padre Island National Seashore in the State of Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 11070. A bill to adjust agricultural production, to provide a transitional program for farmers, and for other purposes; to the Committee on Agriculture.

By Mr. DEVINE:

H.R. 11071. A bill to amend title 13, United States Code, to increase the penalties for wrongful disclosure of information by employees of the Bureau of the Census; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 11072. A bill to amend the Land and Water Conservation Fund Act of 1965 to increase the amount of funds covered into the land and water conservation fund in the Treasury of the United States; to the Committee on Interior and Insular Affairs.

By Mr. DULSKI:

H.R. 11073. 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.

H.R. 11074. 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. FULTON of Pennsylvania:

H.R. 11075. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam; to the Committee on Ways and Means.

By Mr. GALIFIANAKIS:

H.R. 11076. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HICKS:

H.R. 11077. A bill to amend title II of the Social Security Act to provide that an individual adjudged permanently and totally disabled under State law shall be considered to have a "disability" for purposes of disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

By Mr. JOELSON:

H.R. 11078. 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.

H.R. 11079. 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. KOCH (for himself, Mr. ANDERSON of California, Mr. BELL of California, Mr. DULSKI, Mr. EDWARDS of California, Mr. EVANS of Colorado, Mr. FASCELL, Mr. FISH, Mr. GALLAGHER, Mr. HANLEY, Mr. HANNA, Mr. HAWKINS, Mr. HOWARD, Mr. JACOBS,

Mr. JOHNSON of California, and Mr. KARTH):

H.R. 11080. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

By Mr. KOCH (for himself, Mr. MCNEALLY, Mr. MINISH, Mr. O'NEILL of Massachusetts, Mr. PATTEN, Mr. PEPPER, Mr. PRICE of Illinois, Mr. RODINO, Mr. THOMPSON of New Jersey, Mr. TUNNEY, Mr. VAN DERLIN, Mr. VANIK, Mr. YATES, and Mr. YATRON):

H.R. 11081. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

By Mr. KOCH:

H.R. 11082. A bill to provide for the sharing with qualified local governmental institutions of a portion of the tax revenues received by the United States; to the Committee on Ways and Means.

H.R. 11083. A bill to amend the Internal Revenue Code of 1954 in relation to a credit for State and local income taxes; to the Committee on Ways and Means.

By Mr. LANDGREBE:

H.R. 11084. A bill to amend the first section of the act of November 5, 1966, to define the boundaries of the Indiana Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

By Mr. LATTA:

H.R. 11085. A bill to afford protection to the public from offensive intrusion into their homes through the postal service of sexually oriented mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LOWENSTEIN:

H.R. 11086. 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. MACGREGOR:

H.R. 11087. A bill to amend the Internal Revenue Code of 1954 to provide that any foundation which makes, or offers to make, a payment of any kind to a Federal or State official shall lose its tax-exempt status; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 11088. A bill to provide for the establishment and administration of a national wildfire disaster control fund; to the Committee on Agriculture.

H.R. 11089. A bill to amend the Agricultural Marketing Agreement Act of 1937 to authorize marketing agreements providing for the advertising of Hawaiian papayas; to the Committee on Agriculture.

By Mr. MONAGAN:

H.R. 11090. A bill to strengthen the anti-obscenity laws in order to protect minors against the distribution or sale of obscene materials through the mails or interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. MORSE:

H.R. 11091. A bill to amend title 39, United States Code, to prohibit the mailing of unsolicited sample drug products and other potentially harmful items, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOSS:

H.R. 11092. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to require notification to purchasers of defective tires; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN:

H.R. 11093. A bill to amend the Public Health Service Act to provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of regional and community pro-

grams for patients with kidney disease and for the conduct of training related to such programs; to the Committee on Interstate and Foreign Commerce.

By Mr. POLLOCK:

H.R. 11094. A bill to amend title 10 of the United States Code to permit the use of naval vessels and aircraft in the enforcement of State fishing laws; to the Committee on Armed Services.

H.R. 11095. A bill to designate the third Sunday in October of each year as "Foster Parents Day," and for other purposes; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 11096. 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. RARICK:

H.R. 11097. A bill to amend the Merchant Marine Act, 1936, as amended, by inserting a new title X to authorize aid in developing, constructing, and operating privately owned nuclear-powered merchant ships; to the Committee on Merchant Marine and Fisheries.

H.R. 11098. A bill to amend title II of the Merchant Marine Act, 1936, to create an independent Federal Maritime Administration, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 11099. A bill to prevent vessels built or rebuilt outside the United States or documented under foreign registry from carrying cargoes restricted to vessels of the United States; to the Committee on Merchant Marine and Fisheries.

H.R. 11100. A bill to promote and foster the development of a modern merchant marine by encouraging the orderly replacement and modernization of merchant vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. REUSS:

H.R. 11101. A bill to provide for a more conservative capitalization of the St. Lawrence Seaway Development Corporation, and for other purposes; to the Committee on Public Works.

By Mr. ROGERS of Florida (for himself, Mr. JARMAN, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER of North Carolina, Mr. NELSEN, Mr. CARTER, Mr. SKUBITZ, and Mr. HASTINGS):

H.R. 11102. A bill to amend the provisions of the Public Health Service Act relating to the construction and modernization of hospitals and other medical facilities by providing separate authorizations of appropriations for new construction and for modernization of facilities, authorizing Federal guarantees of loans for such construction and modernization and Federal payment of part of the interest thereon, authorizing grants for modernization of emergency rooms of general hospitals, and extending and making other improvements in the program authorized by these provisions; to the Committee on Interstate and Foreign Commerce.

By Mr. RUMSFELD (for himself, Mr. ANDREWS of North Dakota, Mr. BELL of California, Mr. BROOMFIELD, Mr. COLLINS, Mr. CORBETT, Mr. COWGER, Mrs. HECKLER of Massachusetts, Mr. HORTON, Mr. JOHNSON of Pennsylvania, Mr. McDADE, Mr. McEWEN, Mr. MCKNEALLY, Mr. MAYNE, Mr. POLLOCK, Mr. PRICE of Texas, Mr. SCHADEBERG, and Mr. SMITH of New York):

H.R. 11103. A bill to improve the operation of the legislative branch of the Federal Government, and for other purposes; to the Committee on Rules.

By Mr. RYAN:

H.R. 11104. 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. ST GERMAIN:

H.R. 11105. 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. ST. ONGE:

H.R. 11106. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H.R. 11107. A bill to exempt from the anti-trust laws certain combinations and arrangements necessary for the survival of failing newspapers; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin (for himself, Mr. BROCK, and Mr. COLLINS):

H.R. 11108. A bill to develop and strengthen a systematic National, State, and local manpower policy and provide for a comprehensive delivery of manpower services; to the Committee on Education and Labor.

By Mr. TAFT (for himself and Mr. GERALD R. FORD):

H.R. 11109. A bill to provide for financial disclosure by members of the Federal judiciary; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 11110. A bill to afford protection to the public from offensive intrusion into their home through the postal service of sexually oriented mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. UTT (for himself and Mr. BURTON of California):

H.R. 11111. A bill to amend part A of title IV of the Social Security Act to repeal the limitation upon the number of children with respect to whom Federal payments may be made under the program of aid to families with dependent children; to the Committee on Ways and Means.

By Mr. VANIK:

H.R. 11112. A bill to amend title II of the Social Security Act to provide a 15-percent, across-the-board increase in monthly benefits, with subsequent cost-of-living increases in such benefits and a minimum primary benefit of \$80; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. BINGHAM, Mr. BURTON of California, Mr. CABELL, Mr. CAMP, Mr. CLEVELAND, Mr. CONYERS, Mr. CORBETT, Mr. DICKINSON, Mr. DONOHUE, Mr. EDWARDS of Louisiana, Mr. FEIGHAN, Mr. FISH, Mr. WILLIAM D. FORD, Mr. GALIFIANAKIS, Mr. HANNA, Mr. HOWARD, Mr. KEE, Mr. KLEPPE, Mr. MCCARTHY, Mr. MIZE, Mr. MYERS, Mr. OBEY, Mr. OTTINGER, and Mr. PATTEN):

H.R. 11113. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. PODELL, Mr. PREYER of North Carolina, Mr. PRICE of Illinois, Mr. POWELL, Mr. RAILSBACK, Mr. RARICK, Mr. ROBISON, Mr. SAYLOR, Mr. SCHEUER, Mr. THOMPSON of New Jersey, Mr. TUNNEY, and Mr. WHITEHURST):

H.R. 11114. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around

Korea as is presently provided for those in Vietnam; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 11115. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.J. Res. 707. Joint resolution to amend the Pledge of Allegiance to the flag of the United States of America; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.J. Res. 708. 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. PODELL:

H.J. Res. 709. 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. RARICK:

H.J. Res. 710. Joint resolution proposing an amendment to the Constitution to add the words, "so help me God" to the President's oath of office; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.J. Res. 711. Joint resolution designating the first Sunday in June each year as "National Teachers Day"; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. ANDERSON of California, Mr. BROWN of California, Mr. BURTON of California, Mr. FRASER, Mr. HELSTOSKI, Mr. KOCH, Mr. MIKVA, Mr. OTTINGER, Mr. POLLOCK, Mr. ROSENTHAL, and Mr. RYAN):

H. Con. Res. 245. Concurrent resolution expressing the sense of the Congress that the Government's concern for its Indian citizens be formalized in a new national policy offering self-determination and self-help features for the people involved; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

H. Con. Res. 246. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. WHALLEY:

H. Con. Res. 247. Concurrent resolution expressing the sense of Congress that U.S. Route 219 should be designated as part of the Interstate System; to the Committee on Public Works.

By Mr. CHARLES H. WILSON:

H. Con. Res. 248. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. FASCELL:

H. Res. 400. Resolution requesting the President to urge the Soviet Union to process the requests of 50,000 Soviet citizens for reunions with their families who are outside the U.S.S.R.; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 11116. A bill for the relief of Helena Pysna; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 11117. A bill for the relief of Sonja M. Gozum; to the Committee on the Judiciary.