May 8, 1969

CONGRESSIONAL RECORD — HOUSE

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 MALK BOOCC, 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 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 and that those measures will work for justice and able and an integrated society possible.

The alternatives which I propose to extend his remarks at this point in the Record to include extraneous matter.

Mr. VANI K. 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 $60.

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, the 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 increased by 11.8 percent and the 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. Come, too, we raise the minimum primary benefit. It is 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.

Thus, a 4-percent increase with a minimum base of $89 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 more for our 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-
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 this largeletic 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 increased use of Federal law enforcement agency investigative units within cities. These strike forces are now concentrating the efforts of all Government agencies involved in this fight. The President's recommendation, 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 1,600 persons who had come under the scrutiny of the department's organized crime and racketeering section. Nearly one half of these have already been 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 about it 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 concluded:

"The trouble with anti-crime drives is that they lose momentum as the public lapses into apathy."

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 ordinary citizen. We 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. Truthfully, 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 may 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 battle 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 the Consolidated Evening 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, 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.

In addition, there has been a combination 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 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 Company 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 the 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 time in the Record to include extraneous matter.)

Mr. FISH. Mr. Speaker, I rise in belief that this Congress may not forthwith act on any social security benefits. President Nixon has called for a 7 percent increase in benefits. There is no need to delay legislation 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

THE ABM: EASILY FOOLLED

(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 at the missile 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 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 strategic missile sites 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 the Soviet Union deployed an antimissile system around Moscow, the United States developed the MIRV, or multihreaded 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 heads 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 capable to penetrate our Safeguard.

I favor continued research. Meanwhile, why not delay installation, and if disarmament negotiations with the Soviets fail, this three-headed offensive 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.

PORNOPHORY 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 concerned with 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 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 sponsor of the bill, the senior Senator from South Dakota, Karl Mundt, and I usually differed on most issues. Indeed there are few matters that Congress, the 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 this filth.

I am happy to report that there was not a single 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 hinder 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
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 shareholders 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 dissenters, this organization has in several times within the last year been asked to perform a unique and vitally important function for whomever, 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 in the future, CALCAV would like to know persons around the country who would be willing to help such a person or persons.

If you know of someone in need of such a place to live and work, 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 matter. CALCAV has started a record as against pornography, it is a more than a willful effort to mislead the Congress and the American people about his continuing financial relationship with 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 501 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 902 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 number of checks he receives from the bank at a time when he was charged with and 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 manipulation of his personal financial affairs as they affect the banking industry. A dark shadow now hangs over one of the most important offices of this land.

Later, Mr. Speaker, I will detail each of the financial facts that David Kennedy arranged with the Continental-Illinois National Bank prior to taking office as Secretary. These arrangements were made without the Treasury Department's or President's knowledge 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 a secret. The Secretary, unfortunately, has failed to voluntarily reveal this despite his many opportunities.

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 do it." That has been Secretary Kennedy's attitude not only to the press, but to the Congress. In 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 assurance that he is not in a conflict of interest. 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 employment. 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 31.

Essential to know is the fact that Secretary Kennedy and the Continental-Illinois National Bank arranged:

First, a stock option of 30,855 shares of Continental-Illinois National Bank stock at $1,000 per share, to be exercised after February 28 and before August 31, 1970.

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 conflicts 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 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. But 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, he was mandated 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 to say that this was just his way of 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 the fact 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 that this was his purpose.

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 that this would be much more palatable, much more palatable, if the Secretary would just stand up, like a man, and state exactly what happened rather than depending on the media to be his spokesman. Mr. Geraldo 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 were directly affected by this stock. This, in my opinion, constituted repeated violations of section 208 of title 18 of the United States Code.

But the issue is indeed serious and the Secretary knows, and refuses to reveal, that he was making pious statements about tax reform while he was dodging scheme. Mr. Kennedy to pay his taxes and is willing to sell this stock, but I think that this would be much more palatable, much more palatable, if the Secretary would just stand up, like a man, and state exactly what happened rather than depending on the media to be his spokesman. Mr. Geraldo 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.

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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 discussion with the people who handled this transaction, it was determined that this was an arms-length transaction. Mr. Kennedy has completely disavowed 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 illusionary Mr. Eggers. Also, Mr. Eggers states that he has discussed the transaction "with the people who handled this sale." Mr. Eggers, for the reason, of course, that state which 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 reliable 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 know that Mr. Kennedy has sold more than $3,800 worth of stock, in its relationship, continues to serve as his agent in business transactions.

Also, Mr. Eggers omits the name of the purchaser of this stock. It is 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 never intended to be disposed of except under the most unusual circumstances.

Therefore, he planned throughout his career as Secretary of the Treasury to
knowing that this stock would have a continuing interest in the 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 as Secretary, he indeed held 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 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 relinquish his financial interest in any matter in which he has a financial interest.

As Secretary well knew, the Continental-Illinois National Bank and Trust Company was under this 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 to own one bank free and clear 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 about the new holding 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:

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 3, 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 subsidiary of a Delaware company, Conill Corporation, in which you would have the same ownership interest as presently in the bank. Under stock in the bank would be exchanged tax-free on a share for share basis for common stock of 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 economy. It is contemplated that the common stock of Conill Corporation will be listed on the Midwest Exchange.

Approval of this plan of reorganization requires a favorable vote of holders of two-thirds of the 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 services to support your 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 maintaining your interest 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.

In urging approval we wish to make it clear that your shares now represent 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 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 restrict the benefits to employees. It is essentially the same plan which you approved in the troves of your bank. Approval of the plan 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 ended December 31, 1968, 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 this legislation would dominate the Treasury Department’s activities before the 91st Congress.

Secretary Kennedy was sworn in on January 27, 1969, are set forth on the following pages.

To our shareholders:

Statement of Condition as of January 27, 1969,

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, extensively considered the supervision of the Secretary of the Treasury.

I quote from section 10, paragraph 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 direction 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 3½ above the bid on the same stock the day Secretary Kennedy was sworn in.

In fact, Mr. Speaker, an analysis of the Continental Illinois 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 proposals. On February 7, 1969, the 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.

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

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

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Mr. GERALD R. FORD. Mr. Speaker, would the gentleman from Texas yield?
May 8, 1969

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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 that would introduce to extend the restrictions of the 1956 Holding Company Act to one-bank holding companies.

Under these circumstances, it appears that the $200,000 pension, which is to be paid when Mr. Kennedy leaves office, has been given to the Secretary of the Treasury to serve another day with this $200,000 gift hanging over his head.

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

Mr. Speaker, I have it 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.

The Executive order No. 11222, issued by the President on May 8, 1965, was intended to deal with such a situation. The 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, who are in a position to influence the affairs of the bank, be subject to the restraining acts of the order. It is to be hoped that the results will be the same as the appearance of the conflict of interest.

Mr. Speaker, I hope that I am not prying into the President's business. I am trying to get at the truth of the matter.

Does he not feel a little touch of gratitude for having his bags packed for Washington, the Treasury Department where he is ready to be confirmed by the Senate?
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 respectfully for an explanation of these ties and charges he might have available. The Secretary replied, "No comment."

On 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 asked again for an opportunity to reply. He did not do so. At this juncture, I asked that he furnish the Banking and Currency Committee a statement and answer the questions submitted. The 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 releases issued earlier. It appears that Mr. Eggers appear for this purpose at 10 a.m. last Saturday. Mr. Eggers declined.

In the Senate committee has failed to talk about the ties to Continental Illinois National Bank.

In making these charges, I do not in any way want to give the impression 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 for the Senate to give a new administration quick confirmation of its appointees. Under this arrangement, the Senate Finance Committee did not have the opportunity to explore all of these facets of Senator Kennedy's background. The Senate Committee did discover many facts and did throw light 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 that he had made major changes in the handling of the stock option. Without these changes, the situation would have been much worse than it is today. Moreover, it appears that Senator Kennedy did not keep his word to Senator Gore on the stock option.

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:

"The White House, in a statement released in the 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. That this 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 Senate Commerce Committee.

Many newspapers and wire services have done an admirable job of pursuing this issue. But two reporters in particular, Paul C. Rosen 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 officials 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'd like to quote from the Los Angeles Times for this particular source 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:

[Direct quotes from newspaper articles]

SENATOR GORE THREATENS CONFIRMATION FIGHT OVER DAVID KENNEDY'S BANK HOLDINGS

WASHINGTON.—Sen. Gore threatened to fight the confirmation of David Kennedy as Treasury Secretary unless the Chicago banker resigns the board of Continental-Illinois National Bank.

Sen. Gore said that in "respect for Mr. Kennedy and for his privacy" he wasn't disclosing details of the stock holdings, but he added that it might become necessary to do so "in order to place this vexation behind us." The Senate press is not altogether surprised by Mr. Kennedy alone, before the Senate. The Senator said he sympathized with Mr. Kennedy's problem in trying to device a satisfactory solution but added: "Regrettably, 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 conflict of interest involving his holdings of bank stock in the Alaska National Bank. Of course, this 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 in perpetuity, and his outgoing Secretary Udall—or at least gave Chairman Jackson (D., Wash.) the impression that he had. The freeze would protect the land rights of Alaskan Indians, Eskimos and Aleuts, has prevented the state from taking title to some 800,000 square miles of public holdings in Alaska, and it's under the 1958 Statehood Act.

The Department of the Interior has been called a "closed meeting" on the Interior Committee. 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 Calif. Lt. Gov. Robert Finch, the proposed Secretary of Health, Education and Welfare.

DEFINING 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 that held Mr. Kennedy's personal assets.

Mr. Kennedy is committed to resign as chairman, and it is likely that his bank's stock is being placed in trust. Mr. Gore said. Mr. Kennedy told Mr. Gore that he had in mind the appointment of a personal bank's chief executive officer to be a "trustee of the bank's holdings" and that the governor would register the holdings under the Alaska State Stock Holding Act. Mr. Kennedy has contended that the state and the executive officer are under the state's 1958 Statehood Act to protect the holdings.

But it has been reported that Mr. Kennedy proposes to place bank stock in the hands of a "private" trustee, and Mr. Kennedy's senior bank's stock is held in the bank's own name.

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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. Kennedy's nomination may be the new Interior Department's first embarrassment by the Democratic-controlled Senate.

In addition to further testimony from the governor, conservation groups and individual members of the Senate, the committee will hear from 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. Either way, the Interior 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, judges and ambassadors, before the hearings are over. Instead, 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 former Democratic Sen. William Proxmire of Wisconsin to be Commerce Secretary and Massachusetts Gov. Volpe to be Secretary of Transportation. The Senate also approved the Cabinet appointments Monday or Tuesday.

[From the Wall Street Journal, Jan. 20, 1969]
way for action by the full Senate today along with other Nixon changes. However, Senate rules permit a single member to delay voting on any of the nominations, and at least one of the nominees are likely to move for such a delay.

Republican committee members pressed Representative Charles W. Smith (Wash.), who presided to close a nominal voting session, 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, Senator Jackson once again indicated he could see no reason to delay, and the Senate adjourned. 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 $2,000,000 in his ownership of Alaska West Oil Co. Inc., which is based on Friday's closing price of $29.35 on the American Stock Exchange, these shares would be worth more than $2,000,000.

Mr. Hickel acquired the stock in exchange for his interest in Anchorage Natural Gas Corp., a gas-distribution utility that he headed and eventually sold to a New York group. In addition, Mr. Hickel agreed to sell his $3,000 interest in a seafood company that fishes for crab on the continental shelf, and thereby taking a legal loophole that permits him to retain an interest in one company while he divests his shares in another. Mr. Hickel's stock is also held in trust by a private bank.

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 "outrously, a Government employee can rent a room" in a Hickel-owned hotel, Senator Jackson noted.

The committee originally turned its attention to the Alaska Natural Resources Commissioner, Thomas E. Kelly, but dismissed his oil industry associate after he took over as state commissioner.

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 report stating that he owns about $60,000 in oil company stocks, including 1,400 shares of British Petroleum Co. hearing he took over as state commissioner.

[From the Wall Street Journal, Apr. 18, 1969]

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Representative Patman Charges Treasury Secretary Would Gain Financial Remuneration through Divestiture of Holding-Company Bill

The Texas Democrat detailed the conflict-of-interest situation as he submitted a 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 Mr. Patman. Mr. Kennedy was appearing to testify in behalf of the Administration's bill, but the tough Ohio Democrat was one of Government's severest critics. He used Kennedy's opening statement to overshadow the hearing.

When Mr. Patman had finished reading the statement as Mr. Kennedy, who left the chairmanship of a major Chicago bank to join the Nixon Cabinet, waited to testify at the Tuesday hearing, the other committee's chairman, Mr. Kennedy none at all. None at all. Go ahead and interrogate. I have no comment."

Following the hearing, Mr. Kennedy told a reporter, "a Hickel appointee." when asked if Mr. Patman's discussion of the Secretary's financial situation was accurate.

Secretary's Former Bank

Mr. Patman is the former chairman of Continental Illinois National Bank & Trust Co. of Chicago, which he left in 1960 in exchange for a "one-bank holding company," Cornill Corp., thereby taking advantage of a legal loophole that the Administration's bill is designed to close. As the chairman, Mr. Kennedy had advocated the move.

Representative Patman also introduced bills that would extend Federal regulation to these one-bank holding companies, with the goal of keeping banking separate and remote from business.

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 1966 law. Thus, the one-bank holding companies are exempted from the Administration's bill.

The Patman bill would close the loophole by simply extending the 1966 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 assurred Mr. Kennedy that he considered him "a man of high integrity." But the Representative told us today to testify on banking legislation at a time when you hold substantial interest in two or more banks 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 300,000 Continental Illinois National Bank shares with a market value of more than $1.3 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 directly with 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 holdings, and an additional 1,700 Continental Illinois shares owned by Mr. Kennedy and his wife. In the case of Mr. Kennedy it would be 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 affiliates are paying Secretary Kennedy "future financial remuneration of a sizable sum, something on the order of $60,000."

He used Kennedy's opening statement to overshadow the hearing.

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 as the Governor of the State of Illinois."

Chairman Patman declared that if the legal definition of the banking business is "broadened," as was claimed in the Administration's holding-company bill, the value of your stock in Cornill 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's chairman said this idea would work only "in the form of additional taxes, but I don't think this should be the overriding factor in deciding your disengagement from 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, Undersecretary Charles E. Walker, and Richard 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 restrictions that apply to multibank holding companies. The restriction specifies that bank holding companies' affiliates be "directly engaged" in banking. The Administration bill would eliminate that restriction, but would state that "a Government employee may not acquire any concern engaged in any activity that has been determined unanimously by the Federal Reserve System 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 and the Federal Deposit Insurance Corp. for insured nonmember banks. The Fed and the Administration measure object to the tight manner in which the Reserve Board has supervised multibank holding companies under the 1966 act. Mr. Patman takes the opposite view, and feels regulation would be significantly softened by the Administration's measure. Patman has strongly opposed the Stock Act through giving the Currency Comptroller a role.

Activie date: The Patman bill would require one-bank holding companies to divest themselves of affiliates deemed by the Secretary of the Treasury to be "directly engaged" in banking. The Administration bill would leave untouched any one-bank holding companies, which were approved before June 30, 1968.
TREASURY SECRETARY SELLS HIS BANK STOCK, PRESUMABLY TO STIFLE CONFLICT ALLEGATIONS

WASHINGTON.—Treasury Secretary Kennedy has sold Continental Illinois National Bank stock, a move that could help oil the political pressure, a few weeks ago quietly sold more than $1.2 million of stock in Continental Illinois National Bank, according to sources. Kennedy had already disposed of the shares in question.

Mr. Patman, in response to the Eggers statement, commended Secretary Kennedy for “starting this action to clear up the conflict.”

WASHINGTON.—One of the craftiest old lions of Congress and a Nixon cabinet member, who has been 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. He will be able to operate without informing Kennedy of his investment decisions, was instructed to diversify the portfolio. The trust’s list of securities include about 8000 shares of Continental Illinois stock.

Kennedy is required to hold the 30,000 new shares of Continental Illinois stock for six months under terms of the law governing holding companies. The new CEO of the bank can sell them or transfer them to his trust.

Continental Illinois on Feb. 3 received permission from the superintendent of na-
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national banks to convert itself into a one­
bank holding company.

As a result, the new corporation has a
vested interest in holding company legisla­
tion and is seeking to influence Congress.

The possibility of a conflict-of-interest
between Kennedy's official role and his
private financial interest at an attendance 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.

Although Patman seldom can win major­
ity approval in the House for his sternest
anti-big bank positions, his

companies more strictly than the legislation
under consideration.

Banking and

Reserve and get permission of the board for
new acquisitions or expanded services.

These 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, it becomes exempt from
those strict rules.

WROE ECONOMIC THREAT

When the holding company act was passed in 1966, Congress had agreed 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
896. They held deposits of $10 billion.

The big banks of the nation, including the
three largest—Bank of America in California and
Chase Manhattan in New York City—have also
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 bank holding company once
a merger wave 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 BANK 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 con­
genetorates ever onward. 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 CONFLICT OF INTEREST

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 cannot take personal
decisions and actions that would benefit his
personal business interests.

This was the law before it was amended, however, if the President finds that the individual's
private interest is "not so substantial" as to
likely affect the propriety of the man's
service to the government.

A Treasury spokesman, in declining com­
mments, said, "We refer those questions to 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 Ken­
nedy has been discussed privately, par­
ticularly before the House Banking and
Currency Committee, it is certain to rise
to the Senate, where Kennedy's name will
be on the agenda.

The apparent conflict of interest involves Kennedy's
relationship with Continental Illinois
Banking and Trust Company, where he was
board chairman from 1959 to 1964.

This bank in February became a one-bank
holding company, Conill Corp., with govern­
ment approval. Kennedy, as board chairman,
has continued to be chairman of the
Continental Illinois National Bank, which
controls it.

Kennedy has taken the position that his
private affairs were discussed when he was
confirmed as Treasury Secretary by the
Senate.

The Texas congressional plans to lead a
congressional investigation of Kennedy's
affairs if such a committee is formed in the Senate are pro­
vided to his questions soon.

The apparent conflict of interest involves Kennedy's
relationship with Continental Illinois
Banking and Trust Company, 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 govern­
ment approval. Kennedy, as board chairman,
has continued to be chairman of the
Continental Illinois National Bank, which
controls it.

Since taking office, Kennedy has sent to
Congress legislation which would force
the remaining 128 single-bank holding
companies to convert into one-bank
holding companies. The legislation controls multibank holding
companies but single-bank holding companies are not regulated.

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Congress legislation which would force
the remaining 128 single-bank holding
companies to convert into one-bank
holding companies. The legislation controls multibank holding
companies but single-bank holding companies are not regulated.

Thus Kennedy is in the position of advok­
cating legislation which probably would in­
crease the value of his holdings in Conti­
nental Illinois.

Kennedy owns outright 30,855 shares of
Continental stock currently selling at $40.35
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 holdings, 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.

KENNEDY HOLDINGS

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 Conill Corp.
The source of the loan could not be learned.

Kennedy also owns 11,846 shares of Con­
nill Corp. which he has placed in trust
with the Old Colony Trust Co. of Boston.

After Kennedy was appointed to the Cab­
inet, the Continental Bank directors voted
to allow 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 $75,000 a year in pension, or 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 govern­
ment official from participating personally
"through decision, approval, disapproval, or
investigation or otherwise," with any "person or organization" with which he has a
financial interest.

This law would not apply, however, if "the official involved has received in advance a
written determination that the appoint­
ment is covered by the statute and will not
likely affect the integrity of the services which the government may expect from such offi­
cer or employee."

Treasury officials and the White House were asked Wednesday if such a clearance
had been written but it was not found. The
President's financial interests were not available 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 con­
flict of interest to the President. The White
House was also unable to say Wednesday if
a statement or other document on Kennedy's
financial affairs had been received from Civil Service Commission
Chairman Robert E. Hampton.

Under the order, 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 seve­
arce pay arrangement.

Herbert A. Freidlich, an attorney, also worked for Kennedy's New York bank.

The day-to-day administration of the office of
secretary of the Treasury, Section 206 of the statute will be the decision which will be principally applicable to you."

This is the statute which Mr. Nixon can use but has not used as a member of Congress.

Mr. Freidlich also cited the law cited by Patman in his criticisms of the secretary.

In his statement at the appointee last winter, Ehrlichman warned:

"As a general proposition, it can be said
that where ownership of property or a finan­
cial interest is closely held, the presence of a conflict, some arrangement should be made to eliminate the conflict."

"It is worth emphasizing that the ap­
ppearance of a conflict could best be 
embarrassing to the Administration and the
Cabinet appointee as an actual conflict."
UNDER THE FEDERAL CONFLICT OF INTEREST STATUTES, A GOVERNMENT AGENCY IS REQUIRED TO PARTICIPATE IN THE BUSINESS OF A COMPANY WHERE THE AGENCY IS A MAJOR SHAREHOLDER. THIS APPLIES EVEN IF THE AGENCY IS NOT DIRECTLY CONTROLLED BY THE COMPANY.

MORGAN SAID WHITE HOUSE LAWYERS EXAMINED THE SINGLE ACCOUNTING OFFICE'S FINANCIAL STATEMENTS AND DECIDED THAT THE SECRETARY HAD A CONFLICT OF INTEREST. THE NEXT STEP WAS TO ASK THE SENATE FOR CONSENT.

IN GENERAL, THE OFFICIALS WERE ADVISED TO DISCARD ANY STOCK THAT MIGHT CAUSE A CONFLICT AND PUT IT IN TRUST.

IN ADDITION, KENNEDY HAS BEEN ASKED TO FILE A STATEMENT SHOWING HIS FINANCIAL INTERESTS ON A REGULAR BASIS.

IN NO EVENT HAS THERE BEEN ANY WRITTEN AGREEMENT WITH THE ONE-BANK HOLDING COMPANY.
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.

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 either sell two blocks of stock he held or to arrange a sale, a Treasury source said Tuesday.

In his Wednesday letter, Eggers told Patman: "I commend the secretary for starting this action to clear up his conflict." Patman said he would not include Eggers' statement in the record until he questioned the counsel. As committee chairman he has power to subpoena Eggers to testify.

Mr. Speaker, David Kennedy has taken the initiative that 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 the laws which must be followed. Mr. Kennedy is simply a hoax being perpetrated on the press and the Congress," he said of Eggers' letter.

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The House must make decisions concerning the banks' favored tax treat­ments. The automatic tax writeoff for "bad debts" is a huge loophole 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 see that the policies of marketing Government securities which are purchased in huge blocks by banks like Continental Illinois National Bank are consistent with the administration's indications 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 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 his friends' bills. That may explain the appearance—and I hope the gentleman from Michigan listens to this—that may explain the refusal to testify before a congressional committee.

Mr. GORDON C. 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 correction.

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 House Un-American Means Committee on March 29. Mr. Wilson represented, and presented the co­rdination of, 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 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 rest upon the average citizen's comfort 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 flout 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 Bureau of Investigation. Both of these agencides 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.

We believe that some of the righteous in­dignation that has broken out over the $20,000 fee will now spread to the $200,000 fee which Mr. Kennedy agreed to accept after he was nominated to be Secretary. The gentleman from Texas and Mr. Kennedy knows who these $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 have done 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. He 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 by Secretary Kennedy before he 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 it 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 American exciting mark of 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 flled 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 decision 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 the Secretary-nominee of the Treasury, has sponsored holding company legislation. The gentleman knows very well Secretary Kennedy's position concerning his remarks.

I think the gentleman from Texas, under the circumstances, ought to remove from the Record the serious charges which have been convicted of 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 stiffer 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 material 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 of such mail be receipted 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 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 prison 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 unprompted mail which is obscene and 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 of the previous bill, was regarded then, at least in my opinion, as only a first line of defense against the smut peddlers. Accordingly, I asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

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

May 8, 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. NEELSEN, 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 local programs for those suffering from 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, "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." The prototype of the present artificial kidney machine, which resembles a squat old-fashioned washing machine was evolved by 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 membrane on the filters. Through the process of osmosis, wastes in the blood otherwise would accumulate, and could even result in the death of the patient. In contrast, the "cleaned" 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 highly advanced and dangerous. In 1960, however, a team of specialists from the University of Washington devised a system that makes the artificial kidney available to individuals who had suffered irreparable kidney damage and required medical treatment. For 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 the techniques, and they are now able to dialyze the 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 a blood transfusion.

Dialysis is time consuming; the twice-weekly treatments take from six to 13 hours each, depending on the patient and model of equipment. The patients undergoing the life-long treatment can lead a nearly normal life. Clyde Shields of Seatttle, Wash., lives in a small house with his wife and family. He received a kidney transplant from the University of Washington team and became the first person to start cutting grass with a lawnmower since he began to be 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 people who received a kidney from a cadaver was 55%.

The utility of this operation is limited, however, because there is a great shortage of medical personnel who might not survive a transplant operation because of poor general physical condition, and not necessarily 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 each year.

Moreover, transplant candidates often require dialysis. They usually must undergo the noxious and exhausting therapies and must fall back on the machine if the operation fails.

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

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Moreover, transplant candidates often require dialysis. They usually must undergo the noxious and exhausting therapies and must fall back on the machine if the operation fails.

Among 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 member to run it, usually total about $10,000 a year to $15,000 a year, depending on the various components and chemicals that must be changed after every use.

Many experts in the field strongly doubt that home care will assume the major role 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 trouble can be carried on, and still more have strong fears about entrusting themselves to the care of a family member who may be a medical layman.

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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 for 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, studies, policies 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 HHS 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 State Park, and other 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 lakeshore plan by the Park Service 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 as they are 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 value in the community, and which lend themselves to development as recreational facilities. The areas indicated in my bill as the boundaries of the national lakeshore would be:

1. 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 the park.
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 in fact disapprove the Secretary's position as well. But at the same time, Mr. Finch was so far out of line with the positively uttering statements by such well-advised General that he was presenting that which, at best, was the embarrassing problem which he was 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 not only necessary, but were widely informed, properly concerned.

Mr. Finch, apparently, has lost sight of the fact that 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 campus at all. 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, hard-line rhetoric will serve more to de- frame the situation than anything else. We have not only been exposed in efforts to solve our fiscal problems, I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems. I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems. I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems. I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems.

The congressmen who currently serve the district of Florida (Mr. HALEY) is recognized for his comments.

Mr. HALEY. Mr. Speaker, one of the serious issues to occupy the attention of the American people today is the subject of taxes. I have written an article to the office since the first 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 of the area upon their pockets and pocketbooks as much as, if not more than, the people of other congressional districts or States be- cause 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 re- ceived Social Security benefits. Many other residents of my district are retired under other programs. We of Florida are very much aware of burdens that Social Security places while those forces while contribute to inflation and the loss of purchasing power that inflation brings. Among those who have given consider- able 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 exten- sive 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 and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems. I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. Both Mr. Pepper and I believe that no reasonable approach should go unex- plored in efforts to solve our fiscal prob- lems. I have asked permission at this time to place the article, "We Can Cut Taxes," through the article he suggests a new approach to the problem. He very carefully and fully has documented the article with statistics and modern history. 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Price increases are not necessarily an economic evil; in fact, they may be a sign of progress and prosperity. However, the financial world is growing steadily in population and assuredly output and monetary wealth also should rise. A gain of a percentage point in the GNP is merely just one of the many signs of progress, not an alarm signal. We still have millions of jobless; the goal of full employment is still distant. Since the spending trend has been steadily upward, we will have to reverse the real to determine what could happen. Here is the picture:

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Now that the medieval shackles of a metallic based currency have been broken, it will facilitate a studied program of monetary expansion and we will take a look at it. Since the sandwich coins would work in the vending machine.

Modern banking is done on paper, with money, and currency is only the small change issued to supplement it. The poor and spendthrift who presumably would go on spending sprees, would not get any money because they do not own any government bonds.

In a specific example of the inflationary effect of taxes, the Florida Public Service Commission in 1932 raised the telephone rates in the state, and when that happened in half, tumbbling from $85.8 billion to $60.3 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 hypothetical case (which is not advocated here) Congress would exercise its constitutional rights and authorize the issuance of $50 billion in national debt, 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 $50 billion in national debt, and currency is only the small change issued to supply the needs of trade. The national debt of almost $200 billion, and if we are not careful, can bankers are a shrewd and crafty lot, they can gain an easy profit for the sake of merchandise, such as in World War II, do consumers compete for weeds 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 there is a shortage of supplies, 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 securities. They have no interest in, nor desire to bid up the prices of bonds and mortgages. If individuals now holding bonds had cash instead it does not necessarily mean they would spend it. If they would have cash for any purpose the bond could be posted as security for a bank loan at approximately its face value.

After the tide of investment goes on exactly as usual, Freight rates will still be controlled by the Interstate Commerce Commission, and the production of facilities and productive plants would be unaffected. This suggested issue would simply replace the current policy of a $10,000 bill would still be a major curiosity.

If it's all so easy, why don't we go ahead and write our check to the Treasury to prevent a financial crash? The stability and livelihood of banks, trust funds, insurance companies and many individuals depends on holding interest bearing issues. Pension and retirement accounts, with large proportions of their funds invested in government bonds, face heavy dependence on this safe and secure retreat. To compel them to trade govern­mental bonds for cash would result in extreme instability in the financial world.

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Surely the banking field will be as well off as now if given the opportunity to make more loans, even at somewhat lower rates. Ameri­cans who are a thrifty lot, if they are not inclined to flog 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 $13 billion annually, and will leap ahead unless action is taken to curb soaring interest costs.

A stream 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.

The local level of government is on the verge of default. A stream of monetary expansion would not be advisable 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.

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So it is suggested that as we increase the national wealth, part of this is turned over to states, 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 ad­mit to Congress, before we can't afford to fight?

This proposal opens a magnificent vista for the future. It indicates future methods of cost cutting and outlay increased to battle poverty and disease; the millions on the lowest economic level are growing steadily in population and assuredly output and monetary wealth also should rise. A gain of a percentage point in the GNP is merely just one of the many signs of progress, not an alarm signal. We still have millions of jobless; the goal of full employment is still distant. Since the spending trend has been steadily upward, we will have to reverse the real to determine what could happen. Here is the picture:

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The 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.
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 of the United States, on a prophetic note which showed he had a grasp of world affairs by expressing his concept of the Presidency. He said:

"The end of the century can come to us suddenly. Then decisions will have to be made that will determine our future for years and even generations to come. Even America's neighbors may 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 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, 1984, in modest surroundings in Lamar, Barton County, Mo. At the age of 4 his family moved to Jackson County, just outside of Grandview, where as a young farmer, you will recall his mother said, "Nobody can play 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 left home 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, 10th Field Artillery, at Fort Leavenworth. There he 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 Hotel in New York on the occasion of his 75th birthday. On that occasion the principal speaker was the late Sam Rayburn.

That 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 not exactly 10 years ago, on May 8, 1945, because it was on that day that he was able to announce to the world that he was with the Axis was over, that all multitudes in Europe would cease. Our Nation went into ecstasy at the announcement.

The war with Japan was not over. Perhaps his greatest deed—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 that conflict.

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 quality of 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 puzzle written on the four 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 imperialism 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 33rd 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 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 communism and war, with the idea, could know the dignity which comes from creating and guiding their own destinies. A little later the Soviets were to test the concept of this free Berlin, by closing the land corridors. But they did not know Mr. Truman. Instead, he acted quickly and avoided an armed conquest by the opened the free 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 the extent the United States will go today are building an international cen­ter for the advancement of peace on Mount Scopus.

The second 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 other 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 dulled his perception of the relation between military and civilian authority.

All he did as to Korea and for that matter as to Russia, was to choose the course which was to follow the theme or principle of a common factor which was to work to­ward the goal of a better world.

It is suggested, 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, "in the face 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 idea, 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. 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, in a copy of that, along with the picture taken at the Mulehead 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 trip, made 60 trips from the platform of a Pullman railroad car and told his message to the American voters. The crowds that came to hear him dis­covered that 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 of principle, a 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 surprised 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 Mr. Truman's advice was asked 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. No, 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 nature was a strong sense 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 unshaken 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 accur­ately appraised man of himself, a complete belief that he always trusted in a power greater than himself. Since ancient times this wisdom and knowledge has not been the stuff 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, and I am delighted to yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, the gentleman from West Virginia.

Mr. Speaker, many instances splashed across my mind. I recall one occasion when inflation was gripping this Nation to the point of depression all over 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...
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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, an unorganized, unrepresented people who do not have 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 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 Independence another stunning announcement that he would not run again for re-election. We assembled in the Cabinet Room, the members of his staff gathered around him on the March 10 speech that he was to deliver. He pushed the speech aside and said:

"We must start thinking about the transition. However, not after 1952, to be sure that the next President of the United States is very well briefed on the problems that confront us, this 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."

Mr. Speaker, in keeping with the purposes of House Concurrent Resolution 216, unanimously agreed to April 24, 1968, I should like on this occasion to extend to Harry S. Truman, 33rd 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 an altogether different order, a man of honor and integrity, a dedicated scholar, and a man of astonishing intuitive ability and penetrating intellect.

The life and career of Harry S. Truman will read in the 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 seemed remote. The so-called Gilded Age failed to bring prosperity to Missouri, and even after the Truman family moved to Independence, in 1872, 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 to understand the meaning of it. Nothing is more disturbing than to witness the complacency of those who have never experienced poverty, shrugging off the need for transportation progress, on the ground 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 for six years, rising to the rank of corporal. In World War I he served as captain of Battery D, 129th Field Artillery, 35th Division, engaging in famed St. Mihiel and Argonne offensives, from which he returned in 1919 to reenter civil life as a haberdasher, and to set 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 1920, and forces of prosperity. 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. And the nomination, following a spirited campaign, and also 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 Mr. Truman. He was named "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 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 machinery. Only 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 easy; opposition was loud and forceful. But everybody is in favor of transportation progress. But Mr. Truman was chairman of a subcommittee investigating matters in Missouri, preceding construction of the Transpor-
names of 47,000 nonexistent voters. All of these names had been voted for Mr. Tru- man in the 1940 Investigative Contractors' List of 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 commit- tee exposed the waste of $100 million in Army construction work and detailed the “extraordinarily poor judgment” shown in many wartime expenditures. Truman committee reports were re- sponsible for the abolition of the Supply Priorities and Allocation Board, in 1942, in favor of the Office of Production Man- agement. And other exposures by the com- mittee brought about the establishment of the highly efficient War Production Board; broke up cartel agreements be- tween U.S. and German labor; ended the scrap shortage that was ham- pering the war effort; cut down on mal- practice by labor unions and faulty production of several major manu- facturers; and forced the better co- ordination of the entire American war program.

At the Democratic National Conven- tion, Truman was nominated for Vice President, on the strength of his work as head of the Truman committee. In November of that year he ascended to the second highest office in the land, and with the death of President Roosevelt on April 12, 1945, Harry Truman became Presi- dent of the United States.

It has been said that President Tru- man assumed office at one of the most unpropitious moments in history for a change of leaders. At this point, without exception, most leaders 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 war- time to a peacetime economy, and dealing with the war-torn lands. Moreover, in moving into the White House at this juncture, Harry Truman had to follow Franklin D. Roosevelt, the most colorful and popular American President, on the strength of his work in the field of national change of leaders. At this point, without exception, all of this President's policies had to be conceded that George Wash- ington's program was, in fact, good enough to keep.

The same, you will recall, was the re- action of many of Harry Truman's op- ponents dedicated to undoing their policies. This was the case, certainly, so far as the death of President Roosevelt was concerned. It was also the case with regard to George Wash- ington.

When Washington left the White House, following 8 years of firm Federal party rule, the American Republic could he hear on every side the voice of his critics. Was he right in fol- lowing Hamilton's conservative lead in the construction of the new Federal economic program? His critics did not think so. Was he right in supressing the Whiskey Rebellion? His critics did not think so. Was he right in the war against 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 Can- ada. 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 re- mained strong and the British—though nudged a bit in the War of 1812—re- mained in Canada. In the end it had to be conceded that George Wash- ington's program was, in fact, good enough to keep.

It was President Harry Truman who linked the American destiny with that of Western Europe, under the terms of the NATO alliance. It was he who inaugur- ated the Marshall plan, which stopped the spread of communism across the European continent. He 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 Na- tion through 7½ years of prosperity, without let-up. Under the circumstances, it will be nec- essary to give him a high place in the list of American Presidents.

The facts, I think, are clear enough to- day. Indeed, Harry Truman was able, in his two terms as President, to establish himself among the list of the great Amer- ican Presidents. It is also a remarkable fact that the greatest of American Presidents have de- parted from office with their outraged opponents dedicated to undoing their policies. This was the case, certainly, so far as the death of President Roosevelt was concerned. It was also the case with regard to George Wash- ington.

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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 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 of this great congressional district which I represent when I extend birthday greetings to this great American and Missourian.

Mr. FINDELY. Mr. Speaker, it is a pleasure to join my colleague in saluting 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 a former President Truman on his birthday.

As President he exhibited rare courage in propelling 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. Burdick 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 Mr. HECHLER of West Virginia. Today 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.

Today I received the following letter from Chairman Mills:

Hon. CHARLES A. VANIK, Member of Congress.

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Dear Chairman:

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 income have had their benefits reduced 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 during the remainder of the 91st 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.

SOCIAL SECURITY BENEFITS SHOULD BE INCREASED

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 not it be far less time to consider the issue of social security than it would tax reform?

I think it would be unexceptional 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 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.
work on tax reform by early August and then certainly there will be time to work on the very important social security matter.

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 am aware of the concern of the gentleman from Ohio and the chairman of the Ways and Means Committee as to the paramount importance of the administration 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 in the adequacy of the Social Security law eventually to the attention of his committee and of the Congress.

Mr. VANIK. I pledge to work toward that end.

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 make the House for 1 minute and to revise and extend his remarks.)

Mr. BEVILL. Mr. Speaker, the patience of the administrators 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 in the adequacy of the Social Security law eventually to the attention of his committee and of the Congress.

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Mr. HECHLER of West Virginia. I thank my colleague, the gentleman from Ohio.
to yield in dividends the same return on the Treasury's invested capital that the Seaway Corporation now is obligated to pay. In fact, over the past 46 years the Seaway Corporation, in addition to paying for its operating and maintenance expenses, would return to the U.S. Treasury some $225 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 New York, $54,631,936 in operating costs and $113,346,844 in operating and maintenance costs; the Houston ship channel $34,449,257 in construction costs and $52,658,576 in operating and maintenance costs; the Sacramento deep water channel, $39,551,254 in construction costs and $10,749,506 in operating and maintenance costs; and the Mobile, Ala., channel $14,275,026 for construction costs and $18,221,590 for operating and maintenance costs.

INLAND WATERWAYS PAY NO CAPITAL OR 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 1908, 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 land was estimated to be near­ly $1.3 billion. The arrangement was that this subsidy would be paid off over time by giving the Government special low rate railroad 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 $900 million appropriated each year to build airports, maintain, and operate airways, provide navigation and landing aids, communications facilities, and weather forecasting services. 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 LIVE DO NOT COVER WHOLE 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 for their businesses. 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 public investment as well as current operating and maintenance costs.

The Nation's commercial airlines are beneficiaries to the extent of at least $250 million of the $750 to $900 million appropriated each year to build airports, maintain, and operate airways, provide navigation and landing aids, communications facilities, and weather forecasting services. 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.

The text of the bill follows:

H.R. 11101

A bill to provide for a more conservative capitalization of the Lawrence Seaway Development Corporation, and for other purposes, is 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 12, 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 (e) of this section, immediately before "revenue bonds”;

(b) Such section is further amended by adding at the end thereof the following new subsection:

"(b) The Secretary of the Treasury and the Corporation are authorized and directed to convert the revenue bond obligations referred to in subsection (a) into an amount equivalent to the outstanding principal amount of said revenue bonds and interest thereon. The Corporation may pay a cumulative dividend on such capital stock of 3.85 per centum per annum."

At the same time, the Corporation may issue to the Secretary of the Treasury, after the date of enactment of this subsection capital stock with a principal amount of said revenue bonds.

"(c) The Corporation may be redeemed at the option of the Corporation in such manner as may be stipulated in such bonds."

The text of the bill follows:

May 8, 1969

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 and geographically, are the purest examples of the development and the conduct of American society.

Reservation Indians today cling by choice to the remnants of forest and plain that once was theirs 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 inhabitants, and their culture is distinct for the recognition of the oneness of mankind with nature.

The price of preserving traditions need not be a high poverty rate. The true cost price that reservation Indians have paid, generation after generation, for nearly a hundred years. Fifty thousand Indian families today are bilingually handicapped. 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 secondary school. Two-thirds 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 who attend 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 proposed by French philosophers. There is a tradition of academic achievement.

There are those individuals who believe that this serious Indian problem can be best solved through a termination policy, generally called "termination." 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 rid them of their Indian problems. Many Indians, however, recognize that the 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 Menominee in my State of Wisconsin, a county controlled by the Indians replaced the reservation. Due to the low income level of the Indian inhabitants, the Menominee Coutry has not been sufficiently self-taxing, which necessitated the drastic curtailment of social services and a solicitation of outside investment that could erode Indian control of enterprises.

In recent years, with an increasing Indian population and a growing complexity of reservation problems, appropriateness for Indian programs have risen, but the funds available for programs are insufficient, and new studies should be conducted. 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 tailored to Indian needs and culture. The Indian culture is based on a man-to-land ethic that the individual Indians know better than the Government what kinds of programs they need and want, and that if they could play decisive roles in the planning and execution of these programs, they would 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 program of public 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 administration 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 deep psychological depression created by past policies, the Federal Government must cease attempts to determine the course of events for their people. They must have a voice in planning and implementing the solutions to their problems. I am privileged to ask for your support in the passage of this resolution.

DR. C. PAUL VICKERS—TRIBUTE TO A FRIEND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Franks) is recognized for 10 minutes.

Mr. Fugua. Mr. Speaker, a man who has friends is fortunate indeed.

This morning I am privileged to call on 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 sundered the earthly life of my dearest friend on December 30, 1968. He lived life more fully and 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 was a great man—about 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 he 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 that 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 the concern he felt for his chosen field. Veterinary medicine is poorer for his having passed, but it is richer for his having lived.

I think 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 on, enjoying every day as it comes.

His family misses him, but I am sure their sorrow is lightened in knowing that the love 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.

Somewhere 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 amount to a reduction from the 43 arrivals during the same period in 1968 this traffic must remain a matter of deep concern to the American people. The 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, 1969” 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 Community ships trading with North Vietnam, but only those which are considered potential 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:

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**1969 FREE WORLD FLAG SHIP ARRIVALS IN NORTH VIETNAM**

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<tr>
<th>Country</th>
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drawn from such trade at the earliest oppor-
tunity, consistent with such contractual ob-
ligations.
Flag of registry and name of ship
a. Since last report: None. Number
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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 accredited by regional campus boards and fail to take appropriate corrective measures forthwith, and to require Federal financial assistance to teachers participating in such disorders; to the Committee on Education and Labor.

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.

Mr. NIXON of California:
H.R. 11067. A bill to amend the Communications Act of 1934 to abolish the renewal requirement for licenses in the safety and general welfare category; to the Committee on Interstate and Foreign Commerce.

Mr. CHAMBERLAIN:
H.R. 11068. A bill to afford protection to the public from offensive intrusion into their homes; to 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.

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 Interstate and Foreign Commerce.

By Mr. DINGEL:
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.

Mr. DULSKI:
H.R. 11073. A bill to amend the Communications Act of 1934, to prohibit in order in and around the District of Columbia 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 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.

Mr. GALPIN:
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, and the disability freeze; to the Committee on Ways and Means.

Mr. GALPIN:
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.

Mr. ROSEMAN:
H.R. 11080. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

Mr. KOCH:
H.R. 11081. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

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.

H.R. 11084. A bill to amend the first section of the act of November 5, 1956, to define the quality of the Indiana Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

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.

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. McCULLOCH:
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.

Mr. McGRoor:
H.R. 11088. A bill to provide for the establishment and administration of a national performance drug control fund; to the Committee on Agriculture.

H.R. 11089. A bill to amend the Agricultural Marketing Agreement Act of 1937 to permit marking and certification for the advertising of Hawaiian papayas; to the Committee on Agriculture.

Mr. MONAGAN:
H.R. 11090. A bill to strengthen the antiboxen 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.

Mr. MORSE:
H.R. 11091. A bill to amend title 39, United States Code, to prohibit the mailing of unsolicited samples of drug products and other potentially harmful items, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOSB:
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.

Mr. WEL:
H.R. 11093. A bill to amend the Public Health Service Act to provide assistance to certain Federal 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. 11096. A bill to amend title 10 of the United States Code to permit the employment of nuclear-powered merchant ships; to the Committee on Merchant Marine and Fisheries.

H.R. 11095. A bill to designate the third Sunday in October of each year as "Foster Parent Day"; to the Committee on Education and Labor.

By Mr. PUCINSKI:
H.R. 11090. 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. BARICK:
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 deep-sea 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; to provide for appropriations; to the Committee on Merchant Marine and Fisheries.

H.R. 11099. A bill to prevent vessels built outside the United States or documented under foreign registry from carrying cargoes restricted to the United States or to the Committee on Merchant Marine and Fisheries.

H.R. 11100. A bill to promote and foster the development of the 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. RUSSELL:
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. JAROSS, Mr. SATTERFIELD, Mr. DOHERTY of New Hampshire, Mr. NELSON, Mr. CARTER, Mr. SCHRADER, 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 changes in the program authorized by these provisions; to the Committee on Interstate and Foreign Commerce.

By Mr. STEINBERG of Wisconsin (for himself, Mr. BROCK, and Mr. COLLINS):
H.R. 11103. A bill to provide for modernization of emergency rooms of general hospitals and for other purposes; to the Committee on Interstate and Foreign Commerce.

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 thereafter; to the Committee on Ways and Means.

By Mr. ST. ONGE:
H.R. 11110. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 11107. A bill to exempt from the antitrust laws certain combinations and arrangements necessary for the survival of failing newspapers; to the Committee on the Judiciary.

By Mr. STEEGER of Wisconsin (for himself, Mr. BROCK, and Mr. COLLINS):
H.R. 11111. 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. COLLINS):
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 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. 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 $460; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. ENGEL, Mr. BURTON of California, Mr. CARELL, Mr. CAMP, Mr. CLEVEN­ LAND, Mr. CONROY, Mr. CORBETT, Mr. DICKINSON, Mr. DONOHUE, Mr. EN­ WARD of Louisiana, Mr. FELDER, Mr. FISH, Mr. WILLIAM D. FORD, Mr. GALIFANTHES, Mr. HANNA, Mr. HOWARD, Mr. KEE, Mr. KLEFFS, Mr. McCARTHY, Mr. MIKE, Mr. MYERS, Mr. O'WARD, 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. POULSEN, Mr. PRESTON of North Carolina, Mr. PAWISE, Mr. PERRY, Mr. POULSEN, Mr. RAILBACK, Mr. BARONE, Mr. ROBINSON, Mr. SAYLOR, Mr. SCHNEIDER, Mr. SCHUKNECHT 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 among the benefits to be provided to private recipients thereunder, by authorizing a deduction from gross income of reasonable amounts contributed for qualified higher education, and 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.R. 11097. 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. PRELINGHUSEN:
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. BARICK:
H.J. Res. 710. Joint resolution proposing an amendment to the Constitution to add the words, "We the People . . . the President's oath of office; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. ANDERSON of California, Mr. BURTON of California, Mr. FRASER of California, Mr. HELSTOSKI, Mr. KOC, Mr. MIYRA, Mr. OTTINGER, Mr. POLLOCK, Mr. ROSEN­ THAL, 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. McCARTHY:
H. Con. Res. 246. Concurrent resolution, support of gerontology centers; to the Committee on Education and Labor.

By Mr. WHITMAN:
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 proceed with 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. BIADES:
H.R. 11098. A bill for the benefit of Sonja M. Goon; to the Committee on the Judiciary.

By Mr. KOCH:
H.R. 1112. A bill for the relief of Helena Pyszny; to the Committee on the Judiciary.