ernment would pay the difference between the market rate and 1 percent. Whichever figure the Congress adopts, I am convinced this approach is essential if the vital 221(d)(3) program is ever to achieve its potential.

Third, I would point to the provision in the President's message which would provide insurance to ghetto homeowners and businessmen. I had introduced last year a bill calling for a pooling of resources by private enterprise to provide for these insurance and reinsurance needs, and I look forward to Senator SPARKMAN'S hearings on this matter.

There is one item which is not in the President's bill which was in S. 2700, and it is something which I shall pursue again this year. This has to do with the provision for assisting in the construction of college housing, which I authored in the Senate, through an interest subsidy for private bonds. I very much hope that the Senate committee will retain this important feature of S. 2700.

While we now have a full bag of creative legislative proposals before us, I wish to emphasize the need for adequately funding these and our existing urban programs. In the long run it is money, not good ideas on paper, that gets things done, and we must pursue efforts for funding throughout this second session and through the summer months when the Congress will be anxious to adjourn and will want to compromise the matter.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I wish to express my appreciation to the Senator from Mississippi [Mr. STENNIS]. I know that he had a very tiring day and I do not blame him at all for what he did. I would have done the same thing. The Senator knows that I have been marking time a little in order to give the Senator from Michigan [Mr. HART] an opportunity to get ready.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. STENNIS. I thank the Senator from New York for his sentiment. I appreciate his position. I wanted to bring things to a head to see where we were. The Senator was very kind.

Mr. JAVITS. The Senator from Mississippi was very courteous to me and I appreciate it.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

AMENDMENTS NOS. 582 TO 585

Mr. HART. Mr. President, for myself, and Senators JAVITS, MONDALE, and BROOKE, I send to the desk four amendments and I ask that they be considered as read in order to meet and qualify under the requirements of rule XXII, and that they be printed.

Mr. STENNIS. Mr. President, if the Senator will withhold his request, I wish to ask a question.

As I understand from the Senator from Michigan these proposed amendments really, in effect, would just partially restore the original Dirksen amendment that was presented yesterday and subsequently modified.

Mr. HART. The understanding of the Senator is correct.

I should add that the Senator from New York [Mr. JAVITS] and I have visited with the Senator from Illinois [Mr. DIRKSEN]. We have discussed the four areas that are involved. We have outlined to him the course we suggest we follow, which is the course we are now taking. He understands the reason. He is not in agreement with all of the amendments but he recognizes the desirability of being in a position if cloture is applied to permit the Senate by majority vote to exercise its will on the four amendments.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. JAVITS. Mr. President, I wish to confirm the statement by the Senator from Michigan, and also to add that Senator HART and I thought that there was a very legitimate point made here the other day that Senators should have an opportunity to look at these amendments before cloture is voted on. We knew that could not be possible unless we got them in tonight.

Again, I thank the distinguished Senator from Mississippi for his courtesy, but our purpose was entirely constructive.

Mr. STENNIS. I thank the Senator. I will have no objection to the request that the reading be waived.

Mr. HART. And that the amendments be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments, ordered to be printed in the RECORD, are as follows:

AMENDMENT NO. 582

In section 207, delete everything after the words "national origin".

AMENDMENT NO. 583

In section 210(a) after the words "such actions may be brought" insert the words "without regard to the amount in controversy".

AMENDMENT NO. 584

In section 213 after the words "or that any" insert the words "person or".

AMENDMENT NO. 585

In section 203(b), delete the initial word "nothing", and insert in lieu thereof, the words "Except for dwellings covered under section 203(a)(1) nothing".

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Mr. President, under the order just granted are these four amendments qualified for action in the event cloture is applied?

The PRESIDING OFFICER. The Senator is correct.

Mr. HART. I thank the Senator from Mississippi and the Senator from New York.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order of yesterday, February 28, 1968, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 14 minutes p.m.) the Senate adjourned until tomorrow, Friday, March 1, 1968, at 10 o'clock a.m.

CONFIRMATION

Executive nominations confirmed by the Senate February 29, 1968:

DEPARTMENT OF THE TREASURY

Joseph M. Bowman, Jr., of Georgia, to be an Assistant Secretary of the Treasury.

HOUSE OF REPRESENTATIVES—*Thursday, February 29, 1968*

The House met at 12 o'clock noon.

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

Be strong in the Lord and in the power of His might.—Ephesians 6: 10.

God of grace and God of glory on Thy people pour Thy power and as we wait upon Thee at this noontide moment of prayer may the power of Thy presence permeate our hearts.

When doubts disturb us, and worries weaken us, and frustrations follow us, be Thou our guiding light that we may see that the way of truth is the way of wisdom, the path of honesty is the path of honor, and the road of faithfulness is the road of faith.

Call us to commanding convictions, refresh us with Thy renewing spirit, strengthen us with Thy steadfast presence so essential to worthy tasks worthily accepted. By Thy spirit make us courteous in our conversations, friendly in our relationships, ready to serve our country with all our hearts, and to truly represent those who have sent us here.

Bless our Nation with Thy favor, make wars to cease and cause peace to come to our world. In the Master's name we pray. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagree-

ing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12603) entitled "An act to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate (S. 1227) to provide that a judgment or decree of the U.S. District Court for the District of Columbia shall not constitute a lien until filed and recorded in the office of the Recorder of Deeds of the District of Columbia, and for other purposes, with an amendment in which the concurrence of the House is requested.

CONGRESSMAN POOL ADVOCATES AIR AND SEA QUARANTINE OF NORTH VIETNAM

Mr. POOL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. POOL. Mr. Speaker, in the spring of 1967, I contacted the Pentagon to discuss possibilities of blocking Haiphong harbor in order to obstruct North Vietnamese shipping. Officials investigated my idea and came to the conclusion that it was too expensive.

But the war in Vietnam has been expensive, too, and in a way we can ill afford. The cost has been high in terms of American lives. We owe our valiant fighting men every possible assistance in their struggle to halt Communist aggression and protect the freedoms we cherish. I believe therefore that in fairness to our soldiers we should make maximum use of our vast air and sea power.

I note that the distinguished chairman of the Armed Services Committee in the other body has declared that the war in Vietnam could be ended in a "reasonably short time" if we impose a tight air and sea quarantine on North Vietnam. I concur with him.

Transportation is the primary lifeline of the North Vietnamese and their Vietcong compatriots. If we cut their lines of supply through bombing and quarantine once and for all, then I believe the war would soon be over. U.S. quarantine of Haiphong Harbor would impress upon the Russians and the Red Chinese alike American determination to end the war with honor. I feel that they would then realize the hazards of entanglement and exert their influence to bring Hanoi to the peace table.

If we had quarantined North Korean ports when the *Pueblo* was seized, as I called for on January 24 in a telegram to the President, then perhaps the *Pueblo* and its crew would now be safely home. The quarantine was an effective show of American power during the Cuban missile crisis, and I believe it is high time we resorted once again to this device.

DEMOCRATIC STEERING COMMITTEE ON EARLY CONGRESSIONAL ADJOURNMENT

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, on yesterday afternoon at a meeting of the Democratic steering committee of the House of Representatives, Congressman DORN, of South Carolina, brought up the question of the necessity of the Members of Congress, during this critical congressional and presidential election year, to have ample opportunity to return to their districts and inform their constituency regarding their reports on the serious domestic problems confronting our Nation, and the complex international problems not only confronting our Nation, but the world.

Two years ago, during the important congressional elections, the House of Representatives stayed in session almost up to the day of the general elections. Incumbent Members of the House of Representatives and one-third of the Senate have a great disadvantage every 2 years in presenting in person to the people of their districts facts and information concerning legislation and other problems in which their constituencies are very much interested. The incumbent Member is at a disadvantage because his opponent has many months to personally cover his congressional district and propagandize against the incumbent Congressman on matters of legislation and other controversial questions, and in a great many cases, succeeds in misleading the homefolks as to what the record of the Congressman is and some of the true facts concerning the activities of their Government.

On yesterday at the meeting of the Democratic steering committee of the House of Representatives, Congressman DORN, of South Carolina, presented a resolution to the committee which was unanimously adopted, and I present this resolution for the information of the Members:

DEMOCRATIC STEERING COMMITTEE RESOLUTION

Be it resolved, That this Steering Committee recommends and urges that the legislative committees act to report their bills promptly in cooperation with the leadership so that the Congress may adjourn no later than August 1, 1968 prior to the National Conventions.

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

Mr. MADDEN. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, in the spirit of cooperating with the efforts of the gentleman in that direction, the the Committee on Banking and Currency reported out two administration bills this morning. So we hope to cooperate with the gentleman from Texas.

Mr. MADDEN. I wish to commend the gentleman from Texas.

COMMENDING ONE OF THE LAST ACTS OF SECRETARY McNAMARA

Mr. RANDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. RANDALL. Mr. Speaker, today is the last day for Secretary of Defense McNamara. Tomorrow morning a new Secretary of Defense will be sworn in at the White House.

As a member of the Committee on Armed Services, along with other members, I have not always agreed with what Secretary McNamara has done or said. One of his recent directives that the Department of Defense not participate in the 1969 Paris International Air Show has gone almost unnoticed. For this decision I want to compliment Mr. McNamara. He deserves the commendation of all of us for this, one of his last orders.

This effort at the reduction of unnecessary Government expenditures is refreshing. It will not only reduce foreign travel and expenditure of U.S. dollars abroad, but it may further convey the message to General de Gaulle that all of us can forgo his capital city until such time as he decides to cease his constant stream of hatred against the United States.

A million dollars of taxpayers' money spent in Paris by our military could end up being traded in for U.S. gold. True, the air show is the "world's fair" of international aviation in one central exhibition place. If our private plane builders want to go, that is all right; but let us not spend any of the taxpayers' money over there.

It is hoped that Secretary Clifford will not reverse this decision. It is also my hope that the appropriate people in our Government will invite those in charge of the show to hold it in America. What is wrong with Dulles International Airport? This would be proof positive that we can reverse the trend from our people going abroad. Let us sell America for a change.

IMPACT OF SHOE WEAR IMPORTS ON THE SHOE INDUSTRY OF THIS COUNTRY

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, I take this opportunity to invite all of the Members of the House to visit the display in the Congressional Hotel on footwear products. The shoe industry is attempting to bring to the

attention of the Members of Congress the impact of shoe wear imports.

According to the figures released yesterday by the U.S. Department of Commerce, footwear imports increased for a grand total for the month of January 1968, over January 1967, by the high figure of 73.9 percent.

Last year we had an increase of imports of over $40 million in footwear.

It is quite apparent that this is going to be a real and stressing problem for the footwear industry of America. I believe it is important that each and every Member of this Congress take the opportunity to go over to the Congressional Hotel and witness first-hand the type of shoes that are being imported into the United States, glutting the market, driving our shoe industry out of business, and creating unemployment.

MODEL CITIES

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, President Johnson in his message on the cities has spelled out priorities in the national attack on critical urban problems. I was particularly pleased to see that the President has placed great emphasis on the model cities program. I supported the model cities program 2 years ago when Congress passed the legislation. I supported appropriations for it last year, and I will continue my support by pressing for approval of the full $1 billion which the President has requested.

I see the model cities program as the most effective and flexible tool we have yet been able to give the cities for meeting their problems. Experience has taught us that the series of single programs for single problems has produced fragmented results which have failed to meet the real needs of the city of the people that live there.

The model cities program allows the city to blend these programs to best advantage, and also encourages them to go beyond existing programs to find new solutions tailored to their own needs. It is about time we admit that Washington does not have all the answers and give the cities the freedom to find some of their own.

Last spring almost 200 cities and counties went through the rigorous process of picking apart their problems and suggesting approaches for solving them. Unfortunately not all cities could be successful in their applications for model cities planning grants, but the 63 named last November are now planning to improve the lives of the 3.7 million people that live in their target areas. These cities and the others that will follow this year will be able to demonstrate new techniques, and lead the way for other cities in their fight against poor housing, inadequate schools, unemployment, and sickness.

No one answer, no panacea exists. Eagle Pass, Tex., will have different ideas than Chicago, Ill., and the model cities program is flexible enough to accommodate a wide range of approaches. The result will be a rich store of experience from which other cities, not just large cities, but medium sized and small can learn.

The innovative qualities of the first applications indicate that our cities are not only willing to meet the challenge of the model cities program, but have the capability to succeed. We owe it to these cities and to our urban future to see that their potential becomes reality.

THREE CLEVELAND CITIZENS HONORED BY THE REPUBLIC OF GERMANY

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. FEIGHAN. Mr. Speaker, three distinguished Cleveland citizens, Robert O. Fricke, Carl Ernst, and Anton Rumpf, were presented the Order of Merit by the Government of the Republic of Germany. The people of my district and I are proud that these fine gentlemen have been so singularly honored.

In ceremonies on January 10, 1968, and January 26, 1968, Consul Dietrich Linke, of the Consulate of the Federal Republic of Germany, presented to three members of the Greater Cleveland community the Order of Merit—Verdienstkruez—awarded such men by German President Dr. Heinrich Luebke.

In the first such ceremony, on January 10, 1968, Consul Linke presented Robert O. Fricke, an attorney in Cleveland, Ohio, the Order of Merit for his services to the German Consulate in helping to reestablish its office in Cleveland in 1956. Mr. Fricke continued in his late father's footsteps in representing in German Consulate as well as members of the German-American community in Cleveland. He was also accredited with helping create a better political and cultural understanding between the people of the Cleveland community and those of Germany.

On January 26, Consul Linke presented the Order of Merit to Carl Ernst and Anton Rumpf.

Mr. Carl Ernst, the editor of the German language publication, Vereinsnachrichten, was awarded the order for his many years of services for the German-American community in Cleveland. Following World War II, representing the American Friends Service Committee—Quakers—Mr. Ernst was the first German-American to fly to Germany on behalf of American relief for Germany. After his return, he toured a number of large cities, speaking for such relief. He is the president of the German Central Organization, a well-known cultural and civic organization in Parma, Ohio, and has been an officer and active in many other German and American organizations in Cleveland, Ohio.

The award of the order to Mr. Anton Rumpf was also for his services to the German-American community and particularly those on behalf of his people who were driven from their homes in Yugoslavia, following World War II. Mr. Rumpf is the honorary president of the Vereinigung der Donauschwaben in America. While yet in Austria, he established a relief organization for the people of Yugoslavia, which he has continued following his arrival in the United States. He has been very active in aiding his people adapt themselves to their newly adopted homes while retaining their cultural heritage. He is also the founder of a German language school in Cleveland, Ohio.

SERVICEMEN SHOULD NOT BE REQUIRED TO RETURN TO VIETNAM IN LESS THAN 1 YEAR

Mr. DEVINE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. DEVINE. Mr. Speaker, thousands and thousands of American families breathe a sigh of relief when their sons who have served in Vietnam have put in their year and are returned to the United States. Recently, however, American families are learning that a returned serviceman from a combat area, when he is in the United States for 60 days, may be returned back into that area. I just do not think it is fair with the manpower we have in this Nation. So on yesterday I introduced House Concurrent Resolution 664, which provides that unless we are in a declared war, any American serviceman who has served 1 year in a combat area and is returned to the United States, is not required to return to a combat area for a period of 1 year. That will take care of a lot of these boys who have been drafted for just a 2-year period.

AGRICULTURAL CENSUS

Mr. DOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. DOLE. Mr. Speaker, 1969 will be marked with another census of agriculture, as required by law every 5 years. During that year and through 1970, the Bureau of the Census will deluge farmers throughout the country with detailed questionnaires covering every phase of farm operations.

The proposed survey for next year demands precise figures on such items as the amount of irrigating water and fertilizer used and other production practices and crop yields. The farmer will be required to disclose how much money he owes, how he finances his operation and the equipment he maintains.

As proposed, the questions are so in-

volved and complicated that, in many instances, outside professional help will be required to answer them.

I am concerned about two aspects of this matter.

First, the nature of some of the census questions seems actually invasive. There should be a ceiling on how far the Government is allowed to pry into the personal life of any citizen.

Second, no farmer or other businessman wants to disclose private information concerning his operations. The farmer, for example, should not be asked to tell how much grain he is storing while awaiting a good market price. Divulging such information would put him at a disadvantage to speculators and competitors.

For these and other reasons, I am introducing a bill which would prohibit the use of questions directly relating to production, acreage, operation and financing of any farm or farmer in the agricultural census.

The bill will not restrict legitimate and appropriate Government access to farm information. The Department of Agriculture already secures the needed information through their very extensive surveys and reports.

LEGISLATIVE PROGRAM

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ALBERT. Mr. Speaker, I take this time for the purpose of advising the House that the gentleman from Illinois [Mr. GRAY] will call up the conference report on H.R. 12603, the National Visitors Center Facilities Act, immediately following the conclusion of action on the Tax Adjustment Act of 1968.

SINE DIE ADJOURNMENT

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. COLMER. Mr. Speaker, I was detained in the committee when the gentleman from Indiana [Mr. MADDEN] read on the floor of the House the resolution which was adopted by the Democratic steering committee with reference to the adjournment of this Congress. I wish to compliment the gentleman. I also wish to compliment the steering committee for taking this action.

Mr. Speaker, it is unthinkable to me that in the situation in which we find ourselves now, with the approaching political conventions, we should not adjourn this Congress sine die prior to the conventions.

I would hate to think about the political speeches and maneuverings that would be made after these conventions, if we came back here after the conventions adjourn. To say the least the atmosphere would not be conducive to the enactment of sound legislation. Last year, the Members may recall, the Committee on Rules adopted a somewhat similar resolution in an effort to get that session of the Congress adjourned. We think that action served well. We have repeated that procedure on several occasions this year. I have also discussed this with the leadership from time to time this year. Therefore the purpose of this statement is to advise the chairmen of the various legislative committees and the House that at a date not too far distant we propose to take action in the Rules Committee to advise the chairmen of these committees that by a certain date they must have their bills before the Rules Committee; otherwise, there will be no action except upon matters of the direst emergency or in procedural matters.

FILING AND RECORDING OF JUDGMENTS OR DECREES IN OFFICE OF RECORDER OF DEEDS OF DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1227), to provide that a judgment or decree of the U.S. District Court for the District of Columbia shall not constitute a lien until filed and recorded in the office of the Recorder of Deeds of the District of Columbia, and for other purposes, with a Senate amendment to the House amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

"SEC. 4. (a) The amendments made by the first section and section 2 of this Act shall apply only with respect to judgments or decrees rendered in, or recognizances declared forfeited by, the United States District Court for the District of Columbia on and after April 1, 1968.

"(b) The amendment made by section 3 of this Act shall apply only with respect to writs of fieri facias issued by the United States District Court for the District of Columbia on and after April 1, 1968."

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

Mr. HARSHA. Mr. Speaker, reserving the right to object—and I shall not object—I would like to inquire of the gentleman from South Carolina if this amendment in which the House is about to concur provides only that the filing date shall be April 1, 1968, rather than January 1, as passed in the House bill last fall?

Mr. McMILLAN. Mr. Speaker, the gentleman is correct. This bill passed the House on November 20, 1967, but the other body did not act on it in time to meet the effective date therein—January 1, 1968.

The bill provides that every final judgment or decree for the payment of money rendered in the U.S. District Court for the District of Columbia shall constitute a lien on interests in real property and shall be enforceable by execution only when filed and recorded in the Office of the Recorder of Deeds, thus providing the same recordation requirements in the same office as now apply to liens established by final judgments or decrees rendered, and recognizances declared forfeited, by the District of Columbia court of general sessions.

The House amendment to the bill last year made it apply to judgments rendered on and after January 1, 1968.

The Senate yesterday changed this date to April 1, 1968, which will give ample time and notice to all persons concerned as to the recordation requirements, so that they may protect their liens when judgments are secured in the U.S. District Court for the District of Columbia.

The House Committee on the District of Columbia concurs in the Senate amendment.

Mr. HARSHA. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 42]

Ashley	Diggs	Passman
Ashmore	Edwards, La.	Resnick
Battin	Fulton, Tenn.	Rostenkowski
Berry	Hagan	Roudebush
Bow	Helstoski	Roybal
Brooks	Holland	St. Onge
Brown, Calif.	King, Calif.	Sandman
Button	Kluczynski	Schweiker
Corman	McDonald, Mich.	Selden
Dawson	Mailliard	Teague, Tex.
Dellenback	Morse, Mass.	
Dent		

The SPEAKER. On this rollcall 399 Members have answered to their names, a quorum.

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

TAX ADJUSTMENT ACT OF 1968

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15414, to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15414, with Mr. HAMILTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. MILLS] will be recognized for 2 hours and the gentleman from Wisconsin [Mr. BYRNES] will be recognized for 2 hours.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the key provisions of this bill, H.R. 15414, continuation of the existing excise tax rates on passenger automobiles and telephone service and the acceleration of estimated income tax by corporations, were recommended by the administration. These provisions were part of the package that included the administration's request for a 10-percent surcharge on individual and corporate income taxes. Although the committee has not as yet concluded its consideration of the proposals to raise the individual and corporate income taxes, it has concluded that the proposals in the bill now before the House should be placed before the Congress for prompt consideration.

The Members will recall that the Excise Tax Reduction Act of 1965 provided for the gradual reduction of the manufacturers excise tax on passenger automobiles down to a permanent level of 1 percent. Over the same period, the tax on telephone service was to be reduced and finally repealed. In 1966, after the budget outlook had been altered by the buildup of our forces in Vietnam, the Congress placed a temporary moratorium on the scheduled reductions in these two excise taxes. This moratorium retained the tax on automobiles at the current rate of 7 percent and the tax on telephone service at the rate of 10 percent for a period which ends on March 31, 1968, 1 month from today. If no further action is taken, on April 1 the tax on automobiles will fall to a rate of 2 percent and the tax on telephone service to rate of 1 percent.

Clearly, this is not the time to reduce excise taxes or any other taxes which yield significant amounts of revenue. The budget recently submitted by the President anticipates a budget deficit of $22.8 billion in the fiscal year 1968 and a deficit of $21.1 billion in the fiscal year 1969 if the tax rates already set by existing law are allowed to stand. These deficit figures are measured under the new, unified budget. In terms of the familiar administrative budget, the projected deficits are $21.6 billion in 1968, and $24.7 billion in 1969 based on the same assumptions. Any way you measure it, however, the deficits are altogether too large. A tax reduction in the face of deficits of this size cannot be justified especially since the economy—while it still is not booming to the extent some have suggested it would—nevertheless appears relatively strong and certainly is not on the brink of a recession.

Continuation of the existing excise tax rates alone will forestall a reduction in Federal receipts amounting to $306 million in the current fiscal year, and $2.66 billion in the fiscal year 1969. This combined with the speedup of corporate tax payments will reduce the projected budget deficits, as I just stated, by $1.1 billion in 1968 and $3.1 billion in 1969.

In other words, in the overall or unified budget the deficit would be reduced from $22.8 billion in 1968 by the enactment of this legislation to $21.7 billion. On the basis of the old administrative budget, the deficit in 1968 would be reduced from $21.6 billion in 1968, to $20.5 billion if we enact this bill. In the fiscal year 1969 the unified budget deficit would be reduced from $21.1 billion to $18 billion by the passage of this legislation. The administrative budget deficit for fiscal year 1969 would be reduced from $24.7 billion to $21.6 billion if this legislation is passed.

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

Mr. MILLS. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Will this be the result of anticipated added revenue, or an end to the dog chasing its tail?

Mr. MILLS. There is $1.1 billion of additional revenue under the bill in 1968 and $3.1 billion in 1969. If the gentleman will look on page 7 of the report he will understand fully what I am talking about.

In fiscal year 1968 we pick up, by continuing the excise tax on automobiles, $190 million which otherwise would be lost. We get $116 million by continuing the 10-percent tax on telephone services, which otherwise would be lost. Then we get, through the proposal to speed up corporate tax payments, $800 million in that fiscal year. This gives us a total of $1,106 million.

In fiscal year 1969 we get, from continuing the passenger automobile tax at 7 percent, $1.5 billion. We get $1,160 million from continuing the 10-percent tax on telephone service. Then we get, through the speedup of corporate tax payments, another $400 million. This gives us for fiscal year 1969 $3,060 million that we would not get if we did not pass this legislation.

Mr. GROSS. Let me see if I can get this straight. The speedup has to end sometime.

Mr. MILLS. Yes, it does, although we never lose the additional revenue we have picked up in the interval. Over a 5-year period we continue to gain $400 million a year through this transition to full current payment for corporations.

Mr. GROSS. So that the bookkeeping legerdemain ends in about 5 years?

Mr. MILLS. The transition ends in 5 years. The gentleman will remember we started this process for corporations in 1950, and we have continued to make these changes since that time whenever we thought the economy would permit it. It also has helped when we thought we needed revenues, as we need them now.

Mr. GROSS. I thank the gentleman.

Mr. MILLS. In view of the budget deficits in 1968 and 1969, clearly we need to continue these excise tax rates.

It is also clear that action to continue the two excise tax rates must be taken quickly. While the April 1 deadline is still a month away, there is a danger that unless consumers can be sure in advance that current tax rates will be continued, they may begin to defer purchases of new automobiles in expectation of a significant reduction in new car prices on April 1.

The same considerations that apply to the excise tax provisions of the bill also bear on the provisions regarding the acceleration of payments of estimated tax by corporations, the second major provision of this bill. Since 1950, your committee has gradually been converting the system for the payment of tax for corporations to a current payment system. The objective has been to place corporations under the same rules for the current payment of income tax liabilities as apply to the owners of unincorporated businesses, who must compete with corporations. The provisions approved in 1950 were the first of four actions taken to achieve the objective. In each case an attempt was made to enact the provisions at a time when their implementation would not hamper the progress of the economy. Also in each case the transition has been made gradually.

It is appropriate to complete the transition to full current payment for corporations at this time. The action will strengthen the budget and it is unlikely to have an adverse effect on the economy. However, if the current payment provisions are to help us with the deficit in 1968, we must act promptly so that the many corporations using the calendar year can put the new rules into effect on their 1968 payments of estimated tax which begin April 15.

Let me emphasize to the Members of the House that, in reporting this bill, the committee does not intend to foreclose possible future action on the administration's surcharge proposal. The question remains before the committee and no decision has as yet been reached. When a decision will be reached is uncertain. There are too many imponderables. The committee as a whole has taken no action on the surcharge since last October 3 when it adopted a resolution temporarily laying it aside. Since that time we have twice further considered the surcharge proposal but reached no different decision with respect to it.

It might be well, however, for me at this time to restate my position with respect to the surcharge proposal although I believe my position is clear. I believe that any income tax increase should be coupled with actions evidencing firm control over the expenditure side of the budget both in spirit and deed. There have been some improvements taken in this regard but in my estimation not sufficient to yet justify final consideration of tax increases.

There, of course, could be factors which in effect might force the Congress to support tax increases. Let me refer to two of them briefly.

This could occur, for example, if we

were to be faced with a substantial acceleration of war expenditures. But this development should convince even more people that you cannot carry on at home as usual while paying for the dollar cost of a war, and thus bring additional retrenchment.

This need for additional taxes could also occur if we were faced with substantial inflationary pressures generated from an excess of demand. But this, too, would make more evident the need for greater expenditure.

So, under either contingency what I am pointing out is that there would still be the need, even intensified as I see it, for the very thing that the Committee on Ways and Means initially pointed out as a corollary to any tax increase.

What we are saying is this: In time of war heretofore we have always as citizens and as government had to tighten our belts just a little bit. I think in order to avoid many, many problems that will plague us through not doing it, ultimately we are going to find that we have to do this same thing for so long as we incur these additional war expenditures.

I am well aware of the fact that prices have been increasing in the last several months and that our gross national product had been increasing. I recognize also that an inventory accumulation process has begun. However, it seems to me that there still is some slack on the demand side of the economy. The latest production index, that for January, is only slightly above that of a year ago, and is actually down slightly from December. Plant capacity utilization is still well below preferred operating rates. And retail sales are not up as much as many expected. New orders for durable goods and machine tools fell in January and the level of housing starts was below the November figure. In short it seems to me that while the economy is strong, the price rises we are getting are still attributable to a cost-push situation, not a demand-pull situation. Under such conditions a tax increase not accompanied by rigorous expenditure control in my view is of questionable value. Our problem occurred because we materially increased our annual rate of spending at a faster pace than revenue increases from enlarged economic activity could occur.

Before leaving this general topic, let me also say a word about our international financial situation. I believe it is essential to maintain the soundness of the dollar. Under present conditions this includes maintenance of the present price of gold and the settling of our international accounts in gold or in the new special drawing rights. I, for one, will watch carefully the interrelationship of these matters to our domestic situation.

To return once more to this bill, while there are a number of factors causing us to postpone our decision on the proposed income tax increase, we do not want them to jeopardize the effectiveness of the proposals in this bill. We must not delay their implementation until the decision on the surcharge can be made. At the same time, we refuse to make a premature decision on the surcharge issue simply because prompt action must be taken on the measures in this bill.

Mr. Chairman, let me turn now to a specific discussion of the features of this bill.

THE EXCISE TAXES

The first provision in this bill concerns the manufacturers excise tax on automobiles. It continues the present 7-percent rate of tax for the remainder of this calendar year and the calendar year 1969. On January 1, 1970, the tax will be reduced to 5 percent. Similar 2-percentage-point reductions will be made on January 1, 1971, and January 1, 1972. Finally, the bill calls for the repeal of the tax on January 1, 1973. Under existing law, the tax would not be repealed but would be retained at a permanent rate of 1 percent.

The schedule of reductions provided for this excise tax was determined after consultation with representatives of the auto industry. A reduction of more than 2 percentage points at any one time might disrupt the industry by causing consumers to defer purchases as the time for the next tax reduction drew near. Furthermore, the market for sales of used cars might be adversely affected if the price of new cars fell significantly as a result of a sharp reduction in the Federal excise tax.

From the industry's point of view, January 1 is the best date upon which to schedule a reduction. Sales are usually brisk in the fall after new models are introduced. Any deferral of purchases from this period of strong sales will not have serious repercussions. Furthermore, the purchases will be deferred until the winter months when sales are traditionally weak.

The bill also continues the present 10-percent tax on local telephone service, toll service, and teletypewriter exchange service until January 1, 1970. Reductions in this tax are coordinated with the reductions in the tax on passenger automobiles. The tax rate will fall to 5 percent on January 1, 1970, to 3 percent on January 1, 1971, to 1 percent on January 1, 1972, and will be repealed beginning in 1973.

CURRENT PAYMENT OF CORPORATE TAX LIABILITIES

The bill will also place corporations on the same current tax payment system as is already applicable to individuals. The two groups are not on the same footing now. Individuals are required to file a declaration of estimated tax and pay equal quarterly installments of the estimated tax if they expect their final tax liabilities to exceed withheld amounts by $40. Corporations, on the other hand, do not have to make current tax payments if their expected tax liabilities are less than $100,000. Even if their liabilities exceed this amount, their current tax payments need only be based on the liabilities in excess of $100,000.

The existing system provides medium-sized and small corporations a tax advantage over sole proprietorships and partnerships. These corporations can defer the payment of as much as $100,000 of Federal tax liability until the year following the tax year, while the proprietorships and partnerships they compete with cannot. The owners of these unincorporated businesses have to make current tax payments based on the entire expected tax liability of the business.

This bill removes this advantage corporations now enjoy by placing them under the same rules as those governing estimated tax payments of individuals. A 5-year transition period is provided, however, so that the shift to the new basis will not cause hardship for those affected. A corporation with $100,000 or more of tax liability will have to lower the present exemption to $80,000 for taxable years beginning in 1968. The exemption will be lowered to $60,000 in 1969, to $40,000 in 1970, to $20,000 in 1971, and eliminated in 1972. Corporations with tax liabilities of less than $100,000 will be asked to pay currently 20 percent of their expected tax liability in 1968, 40 percent of their expected tax liability in 1969, 60 percent in 1970, 80 percent in 1971, and the entire amount, if over $40 in 1972. In this way, all corporations with taxable income will begin to make some form of current payments this year. They will reach a fully current status with respect to these payments in 1972.

On a related matter, the bill provides for a penalty, or, more accurately, an addition to tax, if corporations fail to pay at least 80 percent of the amount they are required to pay under the current payment provisions. At the present time, there is no addition to tax if corporations pay as little as 70 percent of the required amount while individuals have a penalty imposed unless they pay 80 percent of the amount required under the current payment provisions. The penalty for failing to meet the 70-percent test under present law, or 80-percent test under the bill, is computed at the annual rate of 6 percent of the unpaid liability. This is the same percentage that now also applies for underpayments of estimated tax on the part of individuals.

QUICK REFUND OF OVERPAYMENTS

A number of corporations will be required to make current payments of tax for the first time under this bill. Others will have to pay a much larger portion of their tax liability on a current basis. With this more exacting current payment system, it is likely that a number of corporations may inadvertently make substantial overpayments of tax. This may occur because the income they expect at the beginning of the year will not be realized due to some unfortunate experience, such as a fire, flood, or downturn in sales, that occurs toward the end of the year.

Under existing law, it may take quite a while to obtain refunds for these overpayments of estimated tax because refunds cannot be obtained until the tax return for the year is filed. While March 15 is the tax return due date for a calendar year corporation, many corporations find it difficult to complete the extensive preparation required for their tax returns by the due date and therefore must request a 3- to 6-month extension of time in which to file. Any such extension postpones the receipt of a refund. A further postponement may re-

sult from the fact that the Internal Revenue Service has 45 days after the filing in which to make a refund without incurring interest charges on the overpayment.

To prevent hardships of the type I have described, the committee has included in the bill a provision for quick refunds of overpayments of estimated tax by corporations. This provision is similar in many respects to existing provisions for quick refunds when there is a net operating loss carryback or a carryback of unused investment credits.

This bill permits a corporation to apply for a quick refund immediately after the close of the taxable year even though it is not ready to file its return at that time. A corporation may file for such a refund if its revised appraisal of its estimated income tax liability indicates that estimated tax payments made previously will exceed the final liability by 5 percent of that liability and by at least $200. When an application for such a refund is filed, the Internal Revenue Service will be required to make the refund based on the excess over the corporation's latest estimate of final tax liability. A refund must be made by the Service within 45 days after the application has been filed unless the application contains material omissions or errors. To prevent a possible abuse under this provision, a penalty or addition to tax, computed at the annual rate of 6 percent, and of the same type as now applies for underpayments of estimated tax, will be made if the refund is later found to have been excessive.

OTHER PROVISIONS

This bill also simplifies compliance with the estimated tax provisions by relieving corporations of the necessity of filing declarations of estimated tax in connection with their quarterly estimated tax payments. Corporations now generally pay estimated tax by depositing the amounts in a bank designated by the Internal Revenue Service and are provided with quarterly deposit forms for this purpose by the Service. These forms provide sufficient records for both the corporation and the Internal Revenue Service. A formal declaration of estimated tax is, therefore, no longer necessary for corporations.

The final provision of this bill assures a corporation that a deposit of tax which is mailed 2 or more days before the due date will be considered paid on time even if the mail delivery should be delayed so that the deposit does not reach the bank until after the due date for the installment. For example, if the 15th of the month is the due date, the deposit must be mailed by midnight on the 13th. This applies to deposits of estimated taxes, withheld taxes, employment taxes and excise taxes. The bill extends the approach already applied in the case of tax returns to cover the mailing of deposits of estimated tax. The bill provides, however, that such a deposit must be mailed 2 days or more before the due date in order to be treated as paid on time since this probably represents the average elapse of time before mail delivery occurs. The bill, therefore, establishes that timely mailing will be considered timely filing without disrupting the timing of the flow of funds into the Treasury. A corporation will continue to be able, of course, to send a representative to make the required deposits in person on the actual due dates.

CONCLUSION

Mr. Chairman, this bill does not increase tax liabilities beyond levels already imposed. It does forestall a reduction in tax rates on two important excise taxes and it accelerates the collection of the corporate income tax to place it on the same footing with the collection of individual income taxes. The actions taken in the bill are appropriate under current economic conditions and in view of prospective budget deficits. Prompt action is essential, however, if the bill is to achieve its objective. I urge the House to give its speedy approval to the bill.

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

Mr. MILLS. I will be glad to yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I appreciate the distinguished Chairman of the Committee on Ways and Means yielding to me.

I would like to go back for just a minute to what I understand from reading the report and the bill is the removal of the exclusion from small businesses of estimated filing of income tax as a corporate body if their adjusted income is less than $100,000 a year for tax purposes.

Is it true that under those circumstances, there will be in effect not only a moving up, according to the table provided I believe on page 9 of the bill—but also that there very well might be a harsh effect on such small businesses, for practical purposes, during this 5-year period? No one believes that it will ever be removed, perhaps, if we continue under our present assumptions—and that this permanent law would have the effect of doubling the tax on the smaller corporations.

Mr. MILLS. I do not think anything will be done in the case of small corporations which has not already occurred in the case of unincorporated businesses.

Mr. HALL. I just believe that this needs more explanation and I am asking only for such information.

Mr. MILLS. Perhaps I did not go into it enough in my earlier statement.

Let me explain how these two speedup provisions work this way. At the present time corporations are required to pay on a current basis only income tax liabilities in excess of $100,000. In addition, there is no penalty if no more than 70 percent of these liabilities over $100,000 are paid on a current basis.

The bill first of all provides that this 70 percent is to be changed to 80 percent. This occurs immediately and is fully effective for 1968. This is the same percentage of liabilities which must be paid on a current basis by individuals and sole proprietorships.

The bill also removes the $100,000 exemption over a 5-year period with the result that corporations eventually will have to pay 80 percent of their tax liabilities on a current basis if they have tax liabilities of over $40. As a result, large corporations will have to pay more on a current basis, since the $100,000 exemption will no longer apply to them. In addition, small corporations which presently pay nothing on a current basis will gradually have to pay their taxes currently, as is already true of individuals, sole proprietorships, and partnerships.

The bill provides, however, a 5-year transition period before this $100,000 exemption is completely wiped out. As a result, in 1968 corporations are to have an exemption of 80 percent of their tax liabilities under $100,000. Then, in 1969 this exemption is to be 60 percent, and so on, decreasing 20 percentage points a year until the exemption disappears in 1972. This spreads the additional payments which must be made during this transitional period in a manner which will prevent any substantial increase in current tax payments for corporations in any one year.

Bear in mind two things: under no circumstances are we changing the basic tax liability. That is my first point.

Then bear in mind this: All we are doing with respect to corporations is finally placing them on the same basis that partnerships, proprietorships, and sole proprietorships have been on since we put into effect this more rapid payment of taxes.

So I do not believe it can be said that we are imposing an undue burden upon these corporations, especially in view of the transition period. What we are doing is bringing their current tax payments into line with the identical current tax payments that have been made by sole proprietorships, partnerships and individuals for many years.

Mr. HALL. If the gentleman will yield further, he would confirm the fact that it is not true that the small units, that is, those under $100,000 per annum tax liability, will be assessed in effect at 20 percent surtax, and will have to pay this for a 5-year period under the accelerated plan.

Mr. MILLS. If you want to say that there is some enlargement in their payments during those 5 years, I would have to admit the gentleman is correct, but there has been no increase in their liabilities. If we did not add the speed-up in payments to the existing payments being made in the calendar year 1968 for the taxable year 1967, we would have to forgive some part of the 1967 liability. When we put individuals on a pay-as-you-go basis, we did forgive a part. But when we put the larger corporations on that basis, those with more than $100,000 of tax liability, we did not forgive them anything. But we did space it over a number of years, and we are doing the same thing now, so as not to place an undue burden upon them. Had we said, "Pay 50 percent the first year, 100 percent the second year," then I think we would have been unduly affecting their cash flow.

Mr. HALL. The gentleman weights this simply with the need of the Nation for income, while recognizing that we do have in this accelerated process a surtax on a surtax, so to speak. Is that correct?

Mr. MILLS. Let me put it in a different way. I do not like to take credit for things around here, but it is my recollection that I was the one who started this idea of having corporations pay on

an accelerated basis back in the Truman administration. I found I could sell my idea of bringing greater equity in the tax law because at that time they found it improved the budget situation. That may have been the reason they voted it. I do not know. But I have always advocated this, not for the purpose of trying to help the budget, but for the purpose of trying to bring equality of tax payments between the fellow who runs the little corner grocery store and the general grocery across the street that operates in a corporate form. I have never been able to understand why an individual proprietor is called upon to pay 80 percent of his tax within the taxable year—that is if it exceeds $40—and a corporation making a lot more, perhaps, is permitted to pay much or all of its tax over a period in the following year. That is a tremendous advantage to have your money for that length of time when you are in competition with someone else who does not have the use of this money.

And bear in mind that although there are a lot of small corporations, but there are many times more of the individually-owned unincorporated businesses.

Mr. HALL. But the gentleman would agree with me that through the OEO and the SBA we are subsidizing many small corporations that are trying to get into production on a self-sustaining basis, and they are reporting incomes with less than $100,000 a year. So one wonders why we do that on the one hand and now turn around and put a surtax on them on the other.

Mr. MILLS. My friend from Missouri knows that there are many inconsistencies in government rules. I cannot explain all of these inconsistencies. Here, we are thinking in terms of equating tax burdens and the payment of taxes. That is all we had in mind.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. While we are discussing this question, I believe it should be pointed out that I do not know we are doing exact equity as between the small corporation or the small corner proprietorship and the corporate entity, because if we were going to do complete equity, we would forgive three-fourths of 1 year's tax obligation in connection with the speedup, which is what we did with individuals. There is no question that what we are doing here is to bring about consistency, and within 5 years we will have any difference phased out. At that time individuals and corporations will be on a completely consistent basis.

But during this period, a corporate entity under $100,000 will be paying in a sense 120 percent the first year, 20 percent additional the next year, and 20 percent additional the next. In other words, for each year, that corporation will be paying the balance of the prior years' liability plus an additional 20-percent speedup for the current year.

Mr. MILLS. The point I was making is that the percentage is never more than a 20-percent increase in payments. But, when we placed individuals on a current basis we required them to shift over within the first year. Had we not forgiven some part of the existing outstanding liability, we would have put them in the position of paying 200 percent in that year.

Mr. BYRNES of Wisconsin. That is right. The only point I was trying to bring out was that there was a forgiveness when we applied this technique to the individual, the private individual taxpayer.

Mr. HALL. Mr. Chairman, I think the chairman said that in the first place—and this seems inexcusable to me, and although I came on the floor prepared to vote for this bill because of the exigencies of the timing, if we are not allowing that for that buildup, and people are having trouble anyway with the Fair Labor Standards Act and keeping their employees on the payroll, to me it seems utterly inexcusable.

Mr. MILLS. Mr. Chairman, let me point out, that although the speedup accounts for an $800 million tax increase in the first year, $400 million of this results from the change in reporting from 70 to 80 percent. This applies to all corporations. The other $400 million is spread among all corporations, both those that have more than $100,000 of tax and those that have less than $100,000 of tax; so I think it is reasonable for me to say that the burden of much of this speedup is on the larger corporatins.

Mr. HALL. I understand that.

Mr. MILLS. I would hope the gentleman will see that and go along with it.

Mr. HALL. The gentleman has a good legislative record and I appreciate his patience.

Mr. MILLS. I do not recall that there was much testimony before the committee specifically on the speedup. However, I think it is fair to say that one of the organizations which speaks for small business suggested we provide the speedup only with respect to corporations that owe $5,000 or more of tax. I believe that was the point to begin the speedup which they suggested. We in the committee, however, thought that this was the time—as the gentleman from Wisconsin [Mr. BYRNES] points out—place the two types of business—proprietorships and corporations—on the same payment basis.

Mr. HALL. If I may just simply state, I speak not for anyone of any group. I speak as president of two corporations that come in this position.

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

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

Mr. CURTIS. Mr. Chairman, I am a little afraid the record is not as clear as the gentleman from Missouri has suggested. The chairman has said—and I would like to emphasize—this has nothing to do with the tax liability. It has to do with when we pay the tax. Look at it this way. If a corporation went out of existence, it would not be paying any more tax at all. It simply would have prepaid its tax or paid it sooner. It has to do with cash flow.

Mr. MILLS. That is right.

Mr. CURTIS. Of course, cash flow is an important item. We placed individuals almost on a pay-as-you-go procedure on taxes long ago. We are trying to do this for corporations. It does have a bearing on cash flow but not on liabilities.

Mr. MILLS. It does, definitely. I mentioned that.

Mr. CURTIS. I know.

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

Mr. MILLS. I yield to the gentleman from Oregon.

Mr. ULLMAN. I believe the record should be clear on one point. Individuals generally were not forgiven a full year's taxes. The fact is that they were forgiven three-quarters of 1 year's tax or $50, whichever was greater. In addition they had to make the transition in a single year. I believe these are important distinctions.

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

Mr. MILLS. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. The distinguished gentleman from Arkansas mentioned the price of gold and stated, I believe, that he was opposed to the change, for the present at least, in the price of gold, at $35 an ounce. I have often wondered how the price of gold was fixed in the first place at $35 an ounce. I understand who was in the Executive Office at that time and who issued the Executive order which denied to the American people the right to use gold as a medium of exchange in this country, but I wonder on what basis it was originally fixed at $35 an ounce. I have never been able to find out.

Mr. MILLS. I do not have the historical data readily at hand to answer the gentleman's question.

Mr. Chairman, I urge passage of this bill.

The CHAIRMAN. The gentleman from Arkansas has consumed 31 minutes. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I support this legislation, primarily because of the fiscal situation in which we find ourselves.

I am pleased to note that we still are phasing out these Federal excise taxes, which I believe is desirable.

As the chairman has pointed out, this other reform, getting all of our society closer to a pay-as-you-go basis on the corporate income tax, as is already true in the case of the personal income tax, is something that we are always looking for. True, it has an immediate advantage to the Federal Government, but we actually are merely speeding up the time when moneys which would eventually come in anyway are to be counted as revenues.

I believe the primary matter before us is to recognize that this measure is inadequate in that it does not get at the basic deficit the administration has for the present fiscal year 1968 or at the deficit projected for the fiscal year 1969.

I wish to say further, even if we were to adopt the President's program for a surtax, bringing in, along with some

other things, about $13 billion, this would be inadequate to meet the difficulties which exist in our fiscal affairs.

The Chairman of the Council of Economic Advisers testified that even with the surtax prices will rise about 3 percent this year. This is an unbearable amount. This has a direct bearing on the serious problem of the international balance of payments. As the domestic inflation rises, it encourages a further increase of imports and a diminution of exports, thus cutting in on the big plus we have had in our international balance of payments; namely, our balance of trade.

It is almost unbelievable that we should be here on a bill involving a billion dollars of revenue when the deficits, as shown in the committee report, in both fiscal years may be $20 billion, and possibly even more.

That is without even thinking of whether or not this Vietnam situation should heat up. As I urged in debating the rule, if the people thought there was a better fiscal way out of this, and if anybody wanted to offer a surtax, they could do it. This was with respect to the thought, which some people had, that it was just the chairman on Ways and Means that was being obstinate in holding it up. Of course it is not. The heavy majority of the Committee on Ways and Means members, including myself, backed the chairman on this point.

Now I do not want to hit on our deficit problem through our surtax. If it could be offered here, and I think it would be very clear that the House feels about the same way as the Committee on Ways and Means, and I might say that the individual Members of this House pretty accurately reflect the thinking of the American people on this. To those in the administration, who have been saying that it is those of us who cannot stand the heat and do what they say is the right thing, that is, urge a tax increase, and who are saying that the people are wrong and must be directed toward a correction of their ways, I say it is clear that the administration is the one that is in error. The only clear way to hit at this deficit—and they have been told this by every economist and businessman in this field—is to cut expenditures. However, the administration is not going to do it.

As I said yesterday, there is only one thing keeping the people in Europe from really making a run on the dollar by cashing in their $32 billion in claims. The thing holding them back is that they realize there is an election this November. They think that the American people are going to kick out an administration which cannot balance the budget—and not only cannot but will not.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield to the gentleman from Missouri 5 additional minutes.

Mr. CURTIS. They not only cannot, but their theory is that this is not necessary.

Now, getting back to this specific problem, I do want to refer to our committee report on page 2 which sets up some of these budget estimates, in order to clarify them just a bit. I am happy that the committee did put in a translation of the budgets of 1968 and 1969 into the administrative budget estimates which we had been following up until this year when the budget was revised and presented in a unified format. The $137 billion expenditures for 1968 must be interpolated because yesterday I referred, and correctly so, to an expenditure level of over $140 billion. The bases for this estimate are in the economic indicators. I simply take the average monthly expenditures so far this fiscal year, and then multiply the average by the number of months. Now, the seeming discrepancy occurs because in this $137 billion they still are counting on using sales of participation certificates to reduce expenditures. In the new budget I am happy to say they are treating participation certificate sales as increased revenue, which is a way of financing increased expenditures. They have not yet actually sold participation certificates in this amount, but actually they are spending at a level of about $142 billion on the administrative budget basis. This does not alter the deficit figure because, if they do sell the participation certificates, then the receipts will reduce the deficit to that extent. The $21 billion figure on the deficit is not in error, but suppose we do not sell the participation certificates. Then the deficit figure would be $25 billion.

Now let us look over at the 1969 column because this needs explanation and it shows the dangers involved in moving to the unified budget.

The administrative budget expenditures, of course, are those that are financed through general revenues. What we are talking about here today in excise taxes and what we are talking about in income taxes go into general revenues. The unified budget includes now in the expenditure column those programs, whose expenditures are in the trust funds, which are not financed through general revenues but are financed through earmarked taxes such as social security, the payroll taxes, and the various excises that have been directed into the highway trust fund.

Now, note how the President, by cutting back on expenditures in the highway trust fund, can actually change the unified budget when he could not change the administrative budget. Last year he said, "Oh, well, we will cut expenditures" and then said "We are going to cut the highway expenditures." My point then was that highway expenditures had no bearing at all on the deficit because these expenditures came out of earmarked funds in the highway trust fund.

Now, with the unified budget, however, if the President cut back on the highway trust funds by, say, $800 million, then we would actually show a plus $800 million through the trust fund, and create the false impression that somehow or other we have eased the deficit.

This is what is called embezzlement in the private sector, where one starts to use funds that are earmarked for a specific purpose and allows them to be used in another area. The same thing is true in the social security trust fund, because of our increased social security taxes, we are increasing the amount of bonds that we hold in this trust fund; but these funds are earmarked, and we cannot use these for any other purpose.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 additional minutes to the gentleman from Missouri.

Mr. CURTIS. I thank the gentleman for yielding.

As I say, we cannot use these funds in this way, otherwise it violates our policy of trying to figure out carefully, on a long-range basis, the fiscal solvency of the social security system. This is one of the things we count on, we know that is there.

So I just wanted to warn the Members of the House about the dangers involved in these figures. They are all there, and one can dig out what the true facts are, but it does require a little digging.

The net result is that our difficulty today is derived from the deficit. Secretary Fowler, in testifying before the Committee on Ways and Means a few weeks ago, in regard to the administration's package on the balance-of-payments problem, said that the keystone to the administration's program is the surtax.

I said, "If the gentleman will change one word, I will agree with him; that the keystone to the administration's balance-of-payments program, or any program to do something about the balance of payments, is the deficit, then we are in agreement."

I just do not believe that the surtax by itself is any answer without cutting the deficit. We must have a priority in cutting back in expenditures to reduce the deficit. And then once we do that, and see what that package is—because that has an economic impact itself—then look to see whether or not we still would not be well advised to ask for a surtax, and an increase.

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

Mr. CURTIS. I will yield to the gentleman in just 1 moment.

Here is where the chairman states—and I might disagree a little bit, but I respect him for his observation—that even with cutting expenditures the imposition of a surtax might still not be the proper remedy.

What this involves is an estimate of what is the economic picture—is it sufficiently active that a surtax really would cut back on inflationary forces—which right now are still primarily cost-push and not demand-pull.

I do not know the answers. We cannot possibly engage in a fruitful dialog until we look at the package of expenditure cuts. We have not received it. The administration has said that they do not intend to do it—not in so many words—but in their arithmetic.

So I submit it is not the Congress, my colleagues, that has stopped the dialog—it is the administration.

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

Mr. CURTIS. I yield to the gentleman.

Mr. YATES. Can the gentleman tell

the House the amount the deficit as predicted by Secretary Fowler would be cut by the special surtax?

Mr. CURTIS. The deficit they say is around $8 billion for the fiscal year 1969.

Mr. YATES. That is the total?

Mr. CURTIS. Yes.

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

Mr. CURTIS. I yield to the gentleman.

Mr. MILLS. May I point out this with reference to the administrative budget concept, which I think is what you have in mind.

Mr. CURTIS. Yes.

Mr. MILLS. The tax increase that the administration recommended for the 1969 fiscal year anticipate revenues of $135,587,000,000. Expenditures are $147,463,000,000—which would make a deficit of $11,767,000,000. This assumes the enactment of the administration's 10-percent surcharge and their other revenue proposals.

Mr. CURTIS. The Chairman of the Council of Economic Advisors said that we would still have—and I can see why—over 3-percent inflation.

Mr. YATES. This would leave an $11 billion deficit even with the proposed surtax recommended by the administration; is that correct?

Mr. CURTIS. That is right.

Mr. YATES. If this be true, why then is that not an argument for passing the surtax? How much would the deficit be without the surtax?

Mr. CURTIS. Just add another $9.8 billion.

If you add the other revenue proposals to the surtax itself, it is $13.2 billion.

Mr. MILLS. Let me clarify this point, if I may, since perhaps I may have brought about some degree of confusion here.

It is my recollection that the 10-percent surcharge alone in the course of the fiscal year 1969 would develop about $9.8 billion in revenue. We are proposing to give to the administration a continuation of the excise taxes, and an acceleration in corporate tax payments which amounts to $3.06 billion. Then there are some other user charges. I have forgotten the amount of that, but they are not in this package. But the bulk of what we are talking about is $9.8 billion.

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

Mr. CURTIS. I yield to the gentleman.

Mr. YATES. I am still not clear on what is proposed. The Secretary of the Treasury testified that there would be approximately an $11 billion deficit if the surcharge were passed and enacted—and based on revenues that it would bring in.

Mr. CURTIS. That is right. Now you add the nearly $10 billion that he would anticipate from the surtax—and if it is not enacted that would be $21 billion.

Mr. YATES. A $21 billion deficit?

Now, without the surtax, then, it is proposed by the committee through the passage of this legislation and through the user tax to reduce perhaps the $21 billion deficit by how much?

Mr. CURTIS. The deficit would be $24.7 billion without the surcharge, the user charges or this bill. The surcharge alone would increase receipts in fiscal 1969 by $10 billion.

Mr. YATES. Then there would still be $10 billion deficit.

Mr. CURTIS. Eleven billion dollars.

Mr. YATES. Eleven billion dollars? If that be true, then why should we not pass the surtax in order to reduce the deficit further?

Mr. CURTIS. Simply because even with that you will end up with over a 3-percent inflation.

So it comes back to what some of the economists—and I would say a better group of them—said, that for every billion dollars that you cut in expenditures, there is a much greater multiplier effect than for a $1 billion increase in taxes.

So part of this is discipline we are trying to impose, to tell the administration to cut and to get expenditures down. This must be a package at least. The first thing is an expenditures cut, and then we can talk in terms of what we might do by way of raising additional revenue.

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

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

Mr. YATES. As I understood what the gentleman said, he said there would be an approximate $11 billion deficit even with the surtax, and without it there would be a $21 billion deficit.

Mr. CURTIS. Yes.

Mr. YATES. By passing this measure providing a user tax you still have the $10 or $12 billion deficit without the surtax.

Mr. CURTIS. If we passed this measure, the surcharge and the user charge proposals, we would be down to about $9 billion.

Mr. YATES. With the user tax and with this one.

Mr. CURTIS. Yes; and with the surcharge too.

Mr. YATES. The gentleman has said that this would result in an inflationary figure of approximately 3 percent.

Mr. CURTIS. That is what the administration would estimate.

Mr. YATES. Would you still have this inflationary figure of approximately 3 percent if you were to pass the administration's surtax request in addition to this measure and the user tax?

Mr. CURTIS. We would have it——

Mr. YATES. You would have it without it; would you have it with it as well?

Mr. CURTIS. That is what I am saying. With the surtax you would still have a 3-percent inflation. Without the surtax the inflation would be a great deal more.

Mr. YATES. How much more?

Mr. CURTIS. They could not give us a figure. I asked them.

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

Mr. CURTIS. I yield to the distinguished chairman.

Mr. MILLS. The administration spokesman said that if we had the entire package enacted, this total of some $13 billion of additional revenue in the fiscal year 1969, we could expect at least a 3-percent inflation.

Mr. CURTIS. That is correct.

Mr. MILLS. Then they said that if we did not enact the measure, we could expect a slightly higher figure, although they never said how much. Nobody knows that we would have just 3 percent or some approximation of that figure. Bear this in mind—and this is what I think we overlook completely—we had more inflation than that in the time of World War II and more inflation in the time of the Korean war, when we had price and wage controls. We did everything we could do in those days, and we enacted a tax bill at least every 12 months. But we still had inflation. Nobody can tell you and nobody can tell me that the passage of a tax bill, when we are spending at these levels, and we have a cost-push situation such as we do now, will necessarily reduce the inflationary rate to any appreciable extent.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Mr. Chairman, this bill would postpone and extend any reduction in the excise taxes on telephones and automobiles.

In addition, the bill would remove the exemption of $100,000 which applies to the prepayment of taxes by corporations, thereby requiring the small company to pay its taxes in advance—in equal installments—just as individuals do today.

I hate to see us extend the excise taxes again. Everyone agrees that these taxes are regressive. The sale of new automobiles has been disappointing—and we should not overlook the important role of the automobile industry in our economy. Increased costs due to safety features, increased cost of insurance, increased financing costs, when added together mean that to achieve the same volume of car sales that we had a few years ago will require an additional $3.5 to $4 billion in purchasing power. The car buyers will have to spend $3.5 to $4 billion more this year if the industry is to sell 9 million cars.

I would like to see the industry—and those 9 million potential car buyers—relieved of this tax as quickly as possible. I think that the Federal Government will get more revenue in the long run from an expanding automotive industry.

I come to the hard decision that we must extend the excises only because the administration has lost all control over expenditures. Stopgap measures—no matter how distasteful—must be supported.

For more than a year, while the great tax debate has been going on, the administration has claimed that it is cutting back on expenditures. Yet, when we look at the results of the administration's efforts we find that expenditures for fiscal 1968 have increased by $2.2 billion over the original budget. There has been no cutback.

The administration today proposes to spend $2.2 billion more in fiscal 1968 than was originally proposed in the budget. For fiscal 1969, the administration proposes to spend $10.2 billion more than in fiscal 1968. And I am certain that even those amounts will be increased when we get the supplemental appropriation bills.

It is estimated that normal revenues will increase by about $10 billion this year. Yet, expenditures—wholly unrelated to the war in Vietnam—show an even greater increase. As a result, even with this bill we are still facing deficits for fiscal 1968 and 1969 of more than $20 billion a year back-to-back.

In the face of deficits of over $40 billion in the next 2 years, I am compelled to vote for an extension of these excise taxes. It will not solve the problem, but if we allowed these taxes to expire the deficit would be that much greater.

I also must recognize, in fairness, that the small company should be required to pay its taxes in installments just like the small businessman who is not incorporated. I can certainly see the fairness of treating both the same.

While I must recognize the fairness of this part of the bill, however, I have grave misgivings about the timing. Many of these small companies will have to go out and borrow the money in order to be in a position to pay their taxes in advance. Interest rates are at an all-time high. Money may be tight. I would prefer to see changes such as this adopted at a time when there would be no problem in borrowing funds at more favorable rates of interest.

Finally, as my chairman has stated, this bill is not meant to foreclose consideration of other taxes. But let us be realistic. The action the House is taking today certainly makes it more difficult to enact a surtax.

This bill raises the taxes for the car buyer, it raises the taxes for the telephone subscriber, and in practical effect, it raises taxes for the small company. In its short-term impact, acceleration is no different than an increase in taxes.

Whatever we might call it, this is a tax increase we are voting today. I would find it very difficult to vote for another bill in this Congress—or even later—which would further increase the income tax to be paid by this same group of taxpayers.

I think we must also recognize that this Congress is not the only body which levies taxes. There are State taxes, county taxes, and municipal taxes.

The demands of local governments for schools and public services must be met. I would give them priority over some of these giveaway programs of the Federal Government. I have heard the administration claim that the 10-percent surtax only takes back half of the tax reduction that the Congress enacted in 1965. Not only is this inaccurate, it ignores the fact that if there was any slack—that slack has already been taken up at the local level.

There is another matter, however, which came up in the committee considerations—which in fact consumed a good bit of the time we spent on the discussion of this bill—on which I would like to comment to the House. I am referring to the treatment of depreciation deductions for the various regulated industries in this country. This includes electric companies, gas transmission pipelines, telephone companies, airlines, railroads, and others.

Some of the Federal regulatory commissions have taken a position which to at least some of us appears to be inconsistent and also contrary to the intent of Congress. The problem I am referring to relates to the treatment of depreciation deductions. As all of the members know, present law allows business to take depreciation deductions either on the so-called straight line or slow method—spread out evenly over the life of the property concerned or under one of several rapid depreciation methods which tends to concentrate the deductions in the early part of the life of an asset. This advantage has always been optional with a company. Some take the slow method and some take the fast.

Recently the commissions have been trending toward a requirement which says in effect that for ratemaking purposes we will treat you as if you took the rapid depreciation methods, for purposes of determining the taxes you pay, whether you actually take one of these rapid methods or not. The effect of this is to minimize the tax deduction which the regulated industry can take for purposes of determining the rate or price the utility can charge. However, on the other hand for purposes of keeping the books of the utility the commissions continue to insist that the slow depreciation method be used so that the smallest business depreciation deduction appears as a cost. In other words, there is a tendency on the part of some of the commissions to require the regulated industries to take an inconsistent position obviously designed to minimize costs of these industries. Over the long run this is bound to damage the soundness of these industries and work against the interests of the country as a whole.

The committee is concerned about this problem, however, in large part because requiring these utilities to take fast depreciation for ratemaking purposes when computing their taxes can in effect almost force the regulated industries over on to the fast methods of depreciation. To do so can substantially reduce our revenue take from existing levels. Some material presented in this regard suggests an impact in the next few years of at least $1 billion with larger losses thereafter. Whether this is accurate or reflects the total revenue loss is something that I have not yet had an opportunity to look into. Nevertheless it is clear that this action which the commission apparently are trending toward can have a serious adverse effect on Federal revenues. This, of course, is a matter of great concern today in our present budgetary situation.

The Ways and Means Committee is fully aware of the problem in this area and it is my understanding that this problem will be given attention as soon as the schedule of the committee's work permits. I say this because I think the courts should understand—and I refer here particularly to the decision in the Alabama-Tennessee case that the so-called silence of Congress on this matter of liberalized depreciation in the case of the regulated industries is not intended to express a congressional point of view but simply has resulted from the necessity on our part to consider other legislation first. I hope that this situation can be corrected in the not too distant future.

I think it is also important to point out that contrary to what apparently was the decision in the Midwestern Gas Transmission case that Congress did not give to the regulatory commissions either the duty or the requirement to substitute its expertise for that of the management of the industry in deciding the type of depreciation to take. Moreover, I cannot believe that Congress intended to require these industries to take slow depreciation deductions in computing all costs except taxes and to take large deductions for this latter purpose alone. This kind of inconsistent position in my estimation was never intended and I hope that it will be possible for the Committee on Ways and Means to analyze this problem in detail in the near future.

Mr. BYRNES of Wisconsin. Mr. Chairman, may I inquire of the chairman of the committee as to whether or not he has any other speakers?

Mr. MILLS. Mr. Chairman, we have no further requests on this side.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I shall be very brief. I think there is nothing to be gained by further discussions with respect to the provisions or details of the legislation.

I believe that has been amply explained by the chairman and in colloquy earlier in the debate.

Fundamentally, we have to recognize that there is no alternative except to do at least what the committee is recommending to the House in this instance. We are in a fiscal mess. We all have to recognize it and acknowledge it.

Even after the bill is enacted, if nothing else happens, the calculations on the basis of the normal administrative budget as presented to us by the executive branch, show a deficit of $20.5 billion for fiscal year 1968, the year we are now in. Even with the enactment of this legislation there will be a deficit of $21.6 billion for fiscal 1969.

Back to back, such deficits, I believe, are not only intolerable, they are irresponsible. But under the circumstances, Mr. Chairman, certainly we should not permit the lapse of revenue that is currently coming in to the Treasury. We certainly should not take action which would have the effect of reducing revenue or income of the Government in the current year and in the following year below the normal sources of revenue of last year.

That, fundamentally, is what this bill does. It merely says that under these circumstances the excise tax rates presently in effect should continue in effect and not lapse, as the present law would provide.

We have had a discussion of the item of the corporate tax. Frankly, this does improve our revenue to some degree. I do not suggest it is important that it be enacted on that basis. I believe it is fundamentally an attempt to bring consistency so far as the payment of tax liability is concerned.

Under these circumstances, Mr. Chairman, as I say, I believe there is no alternative.

I do not recall any disagreement within the committee as to the necessity of enacting this legislation. In fact, I joined with the chairman in the introduction of the bill which the committee instructed be introduced.

Under these circumstances I can only suggest to the House that we enact this bill and that we recognize in doing so we still have before us a serious problem that we cannot ignore. The action on this legislation today does not diminish the urgency of the fiscal problems to which we must address ourselves as this session of Congress this year continues.

Mr. VANIK. Mr. Chairman, by legislation adopted by Congress in 1965 and revised in 1966, the excise tax on passenger automobiles will be reduced from 7 percent to 2 percent on April 1, 1968, and then to 1 percent on January 1, 1969. The excise tax on general and toll telephone service presently at the rate of 10 percent is scheduled to be reduced to 1 percent on April 1, 1968, and repealed completely on January 1, 1969.

At the time these excise taxes were reduced, the principal argument for their elimination was premised on the fact that these were wartime excise taxes and no war condition existed. Since this action by the Congress, the situation has been entirely reversed and the Nation is now confronted with the problem of conducting a major struggle in Southeast Asia in addition to preserving and maintaining our defenses throughout the world. From all indications, these obligations will entail deficit spending possibly in the area of $23 billion in the current fiscal year.

In view of this unprecedented deficit, it is unthinkable that the Congress of the United States should permit tax reductions to take place and increase the size of the deficit.

The reduction of the telephone tax scheduled for April 1, 1968, will result in a Treasury loss of almost $1 billion per year on an annual basis. The reduction of the automobile excise tax will involve a Treasury loss at an annual rate of $1 billion per year which will rise to $1½ billion per year after January 1, 1969.

In view of the deficit it seems extremely ridiculous for the Congress of the United States to permit a $2 to $2½ billion Treasury loss at this time. These excise taxes were originally imposed as wartime necessities. The conditions of that justification are reinstated today. The abatement of these excise taxes can certainly be deferred until world tensions ease and the reduction of military expenditures make it again a feasible action.

It seems to me that prudence at this moment dictates that we in Congress, charged with the responsibility of allocating the burden of our worldwide commitments, recognize the need at this hour for bringing Treasury receipts more in line with the expenditures of our Government. The suspension of the contemplated tax reduction in the telephone tax and the automobile excise tax is a good place to begin.

I hope that this legislation will be adopted.

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

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

The bill is as follows:

H.R. 15414

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Adjustment Act of 1968".

(b) AMENDMENT OF EXISTING LAW.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. CONTINUATION OF EXCISE TAXES ON COMMUNICATION SERVICES AND ON AUTOMOBILES.

(a) PASSENGER AUTOMOBILES.—

(1) IN GENERAL.—Subparagraph (A) of section 4061(a)(2) (relating to tax on passenger automobiles, etc.) is amended to read as follows:

"(A) Articles enumerated in subparagraph (B) are taxable at whichever of the following rates is applicable:

"If the article is sold—	The tax rate is—
Before January 1, 1970	7 percent
During 1970	5 percent
During 1971	3 percent
During 1972	1 percent.

The tax imposed by this subsection shall not apply with respect to articles enumerated in subparagraph (B) which are sold by the manufacturer, producer, or importer after December 31, 1972."

(2) CONFORMING AMENDMENT.—Section 6412(a)(1) (relating to floor stocks refunds on passenger automobiles, etc.) is amended by striking out "April 1, 1968, or January 1, 1969," and inserting in lieu thereof "January 1, 1970, January 1, 1971, January 1, 1972, or January 1, 1973,".

(b) COMMUNICATIONS SERVICES.—

(1) CONTINUATION OF TAX.—Paragraph (2) of section 4251(a) (relating to tax on certain communications services) is amended to read as follows:

"(2) The rate of tax referred to in paragraph (1) is as follows:

"Amounts paid pursuant to bills first rendered—	Percent—
Before January 1, 1970	10
During 1970	5
During 1971	3
During 1972	1."

(2) CONFORMING AMENDMENTS.—Subsection (b) of section 4251 (relating to termination of tax) is amended by striking out "January 1, 1969" and inserting in lieu thereof "January 1, 1973", and subsection (c) of section 4251 is amended to read as follows:

"(c) SPECIAL RULE.—For purposes of subsections (a) and (b), in the case of communications services rendered before November 1 of a calendar year for which a bill has not been rendered before the close of such year, a bill shall be treated as having been first rendered on December 31 of such year."

(3) REPEAL OF SUBCHAPTER B OF CHAPTER 33.—Effective with respect to amounts paid pursuant to bills first rendered on or after January 1, 1973, subchapter B of chapter 33 (relating to the tax on communications) is repealed. For purposes of the preceding sentence, in the case of communications services rendered before November 1, 1972, for which a bill has not been rendered before January 1, 1973, a bill shall be treated as having been first rendered on December 31, 1972. Effective January 1, 1973, the table of subchapters for chapter 33 is amended by striking out the item relating to such subchapter B.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect March 31, 1968.

SEC. 3. PAYMENT OF ESTIMATED TAX BY CORPORATIONS.

(a) REPEAL OF REQUIREMENT OF DECLARATION.—Section 6016 (relating to declarations of estimated income tax by corporations) and section 6074 (relating to time for filing declarations of estimated income tax by corporations) are repealed.

(b) INSTALLMENT PAYMENTS OF ESTIMATED INCOME TAX BY CORPORATIONS.—Section 6154 (relating to installment payments of estimated income tax by corporations) is amended to read as follows:

"SEC. 6154. INSTALLMENT PAYMENTS OF ESTIMATED INCOME TAX BY CORPORATIONS.

"(a) CORPORATIONS REQUIRED TO PAY ESTIMATED INCOME TAX.—Every corporation subject to taxation under section 11 or 1201(a), or subchapter L of chapter 1 (relating to insurance companies), shall make payments of estimated tax (as defined in subsection (c)) during its taxable year as provided in subsection (b) if its income tax imposed by section 11 or 1201(a), or such subchapter L, for such taxable year, reduced by the credits against tax provided by part IV of subchapter A of chapter 1, can reasonably be expected to exceed $40.

"(b) PAYMENT IN INSTALLMENTS.—Any corporation required under subsection (a) to make payments of estimated tax (as defined in subsection (c)) shall make such payments in installments as follows:

"If the requirements of subsection (a) are first met—	The following percentages of the estimated tax shall be paid on the 15th day of the—			
	4th month	6th month	9th month	12th month
Before the 1st day of the 4th month of the taxable year	25	25	25	25
After the last day of the 3d month and before the 1st day of the 6th month of the taxable year		33⅓	33⅓	33⅓
After the last day of the 5th month and before the 1st day of the 9th month of the taxable year			50	50
After the last day of the 8th month and before the 1st day of the 12th month of the taxable year				100

"(c) ESTIMATED TAX DEFINED.—

"(1) IN GENERAL.—For purposes of this title, in the case of a corporation the term 'estimated tax' means the excess of—

"(A) the amount which the corporation estimates as the amount of the income tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over

"(B) the sum of—

"(i) the amount which the corporation estimates as the sum of the credits against tax provided by part IV of subchapter A of chapter 1, and

"(ii) in the case of a taxable year beginning after December 31, 1967, and before January 1, 1972, the amount of the corporation's transitional exemption for such year.

"(2) TRANSITIONAL EXEMPTION.—For purposes of clause (ii) of paragraph (1)(B), the

amount of a corporation's transitional exemption for a taxable year equals the exclusion percentage (determined under paragraph (3)) multiplied by the lesser of—

"(A) $100,000, or

"(B) the excess determined under paragraph (1) without regard to such clause (ii).

"(3) EXCLUSION PERCENTAGE.—For purposes of paragraph (2) and section 6655(e), the term 'exclusion percentage' means—

"In the case of a taxable year beginning in—	The exclusion percentage is—
1968	80 percent
1969	60 percent
1970	40 percent
1971	20 percent.

"(d) RECOMPUTATION OF ESTIMATED TAX.—If, after paying any installment of estimated tax, the taxpayer makes a new estimate, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate had been made when the first estimate for the taxable year was made, increased or decreased (as the case may be), by the amount computed by dividing—

"(1) the difference between—

"(A) the amount of estimated tax required to be paid before the date on which the new estimate is made, and

"(B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

"(2) the number of installments remaining to be paid on or after the date on which the new estimate is made.

"(e) APPLICATION TO SHORT TAXABLE YEAR.—The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary or his delegate.

"(f) INSTALLMENTS PAID IN ADVANCE.—At the election of the corporation, any installment of the estimated tax may be paid before the date prescribed for its payment.

"(g) CERTAIN FOREIGN CORPORATIONS.—For purposes of this section and section 6655, in the case of a foreign corporation subject to taxation under section 11 or 1201(a), or under subchapter L of chapter 1, the tax imposed by section 881 shall be treated as a tax imposed by section 11."

(c) FAILURE BY CORPORATION TO PAY ESTIMATED TAX.—

(1) RAISING 70 PERCENT REQUIREMENT TO 80 PERCENT.—Subsections (b) and (d)(3) of section 6655 (relating to underpayments of estimated tax) are amended by striking out "70 percent" each place it appears therein and inserting in lieu thereof "80 percent".

(2) DEFINITION OF TAX.—Subsection (e) of section 6655 (relating to definition of tax) is amended to read as follows:

"(e) DEFINITION OF TAX.—

"(1) IN GENERAL.—For purposes of subsections (b) and (d), the term 'tax' means the excess of—

"(A) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over

"(B) the sum of—

"(i) the credits against tax provided by part IV of subchapter A of chapter 1, and

"(ii) in the case of a taxable year beginning after December 31, 1967, and before January 1, 1972, the amount of the corporation's transitional exemption for such year.

"(2) TRANSITIONAL EXEMPTION.—For purposes of clause (ii) of paragraph (1)(B), the amount of a corporation's transitional exemption for a taxable year equals the exclusion percentage (determined under section 6154(c)(3)) multiplied by the lesser of—

"(A) $100,000, or

"(B) the excess determined under paragraph (1) without regard to such clause (ii).

"(3) SPECIAL RULE FOR SUBSECTION (d) (1) AND (2).—In applying this subsection for purposes of subsection (d) (1) and (2), the exclusion percentage shall be the percentage applicable to the taxable year for which the underpayment is being determined."

(d) ADJUSTMENT OF OVERPAYMENT.—

(1) ALLOWANCE OF ADJUSTMENT.—Subchapter B of chapter 65 (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6425. ADJUSTMENT OF OVERPAYMENT OF ESTIMATED INCOME TAX BY CORPORATION.

"(a) APPLICATION FOR ADJUSTMENT.—

"(1) TIME FOR FILING.—A corporation may, after the close of the taxable year and on or before the 15th day of the third month thereafter, and before the day on which it files a return for such taxable year, file an application for an adjustment of an overpayment by it of estimated income tax for such taxable year. An application under this subsection shall not constitute a claim for credit or refund.

"(2) FORM OF APPLICATION, ETC.—An application under this subsection shall be verified in the manner prescribed by section 6065 in the case of a return of the taxpayer, and shall be filed in the manner and form required by regulations prescribed by the Secretary or his delegate. The application shall set forth—

"(A) the estimated income tax paid by the corporation during the taxable year,

"(B) the amount which, at the time of filing the application, the corporation estimates as its income tax liability for the taxable year,

"(C) the amount of the adjustment, and

"(D) such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

"(b) ALLOWANCE OF ADJUSTMENT.—

"(1) LIMITED EXAMINATION OF APPLICATION.—Within a period of 45 days from the date on which an application for an adjustment is filed under subsection (a), the Secretary or his delegate shall make, to the extent he deems practicable in such period, a limited examination of the application to discover omissions and errors therein, and shall determine the amount of the adjustment upon the basis of the application and the examination; except that the Secretary or his delegate may disallow, without further action, any application which he finds contains material omissions or errors which he deems cannot be corrected within such 45 days.

"(2) ADJUSTMENT CREDITED OR REFUNDED.—The Secretary or his delegate, within the 45-day period referred to in paragraph (1), may credit the amount of the adjustment against any liability in respect of an internal revenue tax on the part of the corporation and shall refund the remainder to the corporation.

"(3) LIMITATION.—No application under this section shall be allowed unless the amount of the adjustment equals or exceeds (A) 5 percent of the amount estimated by the corporation on its application as its income tax liability for the taxable year, and (B) $200.

"(4) EFFECT OF ADJUSTMENT.—For purposes of this title (other than section 6655), any adjustment under this section shall be treated as a reduction, in the estimated income tax paid, made on the day the credit is allowed or the refund is paid.

"(c) DEFINITIONS.—For purposes of this section and section 6655(g) (relating to excessive adjustment)—

"(1) The term 'income tax liability' means the excess of—

"(A) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over

"(B) the credits against tax provided by part IV of subchapter A of chapter 1.

"(2) The amount of an adjustment under this section is equal to the excess of—

"(A) the estimated income tax paid by the corporation during the taxable year, over

"(B) the amount which, at the time of filing the application, the corporation estimates as its income tax liability for the taxable year.

"(d) CONSOLIDATED RETURNS.—If the corporation seeking an adjustment under this section paid its estimated income tax on a consolidated basis or expects to make a consolidated return for the taxable year, this section shall apply only to such extent and subject to such conditions, limitations, and exceptions as the Secretary or his delegate may by regulations prescribe."

(2) AMENDMENT OF SECTION 6655.—Section 6655 is amended by adding at the end thereof the following new subsection:

"(g) EXCESSIVE ADJUSTMENT UNDER SECTION 6425.—

"(1) ADDITION TO TAX.—If the amount of an adjustment under section 6425 made before the 15th day of the third month following the close of the taxable year is excessive, there shall be added to the tax under chapter 1 for the taxable year an amount determined at the rate of 6 percent per annum upon the excessive amount from the date on which the credit is allowed or the refund is paid to such 15th day.

"(2) EXCESSIVE AMOUNT.—For purposes of paragraph (1), the excessive amount is equal to the amount of the adjustment or (if smaller) the amount by which—

"(A) the income tax liability (as defined in section 6425(c)) for the taxable year as shown on the return for the taxable year, exceeds

"(B) the estimated income tax paid during the taxable year, reduced by the amount of the adjustment."

(e) CONFORMING AMENDMENTS.—

(1) Section 6655(d)(1) is amended by striking out "reduced by $100,000".

(2) Section 243(b)(3)(C)(v) is amended by striking out "$100,000 exemption" and inserting in lieu thereof $100,000 amount under section 6154(c)(2)(A) and section 6655(e)(2)(A)".

(3) Section 6020(b)(1) is amended by striking out "section 6015 or 6016)" and inserting in lieu thereof "section 6015)".

(4) Section 6651(c) is amended by striking out "section 6015 or section 6016" and inserting in lieu thereof "section 6015".

(5) Section 7203 is amended by striking out "section 6015 or section 6016)," and inserting in lieu thereof "section 6015,".

(6) Section 7701(a)(34)(B) is amended by striking out "section 6016(b)" and inserting in lieu thereof "section 6154(c)".

(7) The table of sections for subpart B of part II of subchapter A of chapter 61 is amended by striking out the item relating to section 6016.

(8) The table of sections for part V of subchapter A of chapter 61 is amended by striking out the item relating to section 6074.

(9) The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following:

"Sec. 6425. Adjustment of overpayment of estimated income tax by corporation."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1967.

SEC. 4. TIMELY MAILING OF DEPOSITS.

(a) TIMELY MAILING TREATED AS TIMELY DEPOSIT.—Section 7502 (relating to timely mailing treated as timely filing and paying) is amended by adding at the end thereof the following new subsection:

"(e) MAILING OF DEPOSITS.—

"(1) DATE OF DEPOSIT.—If any deposit required to be made (pursuant to regulations prescribed by the Secretary or his delegate

under section 6302(c)) on or before a prescribed date is, after such date, delivered by the United States mail to the bank or trust company authorized to receive such deposit, such deposit shall be deemed received by such bank or trust company on the date the deposit was mailed.

"(2) MAILING REQUIREMENTS.—Paragraph (1) shall apply only if the person required to make the deposit establishes that—

"(A) the date of mailing falls on or before the second day before the prescribed date for making the deposit (including any extension of time granted for making such deposit), and

"(B) the deposit was, on or before such second day, mailed in the United States in an envelope or other appropriate wrapper, postage prepaid, properly addressed to the bank or trust company authorized to receive such deposit.

In applying subsection (c) for purposes of this subsection, the term 'payment' includes 'deposit,' and the reference to the postmark date refers to the date of mailing."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply only as to mailing occurring after the date of the enactment of this Act.

The CHAIRMAN. Under the rule, no amendments are in order except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. There are no committee amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAMILTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15414), to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations, pursuant to House Resolution 1074, he reported the bill back to the House.

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

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that those of us engaged in discussion of the bill H.R. 15414 in the Committee of the Whole may be permitted to revise and extend their remarks and include tables and extraneous matter therewith.

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

There was no objection.

Mr. MILLS. Mr. Speaker, I also ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

NATIONAL VISITOR CENTER FACILITIES ACT OF 1967—CONFERENCE REPORT

Mr. GRAY. Mr. Speaker, I call up the conference report on the bill (H.R. 12603) to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from Illinois [Mr. GRAY]?

Mr. GROSS. Mr. Speaker, reserving the right to object, I trust the gentleman will take some time to explain the action of the conferees on this bill?

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

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

Mr. GRAY. I will be delighted to explain it.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1131)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12603) to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 15, 20, 21, 22, 23, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 8, 9, 10, 11, 13, 14, 16, 17, 19, 24, and 26; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "twenty-five"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "twenty-five"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: Restore the matter proposed to be stricken by the Senate amendment and on page 3, line 23, of the House engrossed bill strike out "$3,000,000" and insert in lieu thereof the following: *$3,500,000;* and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment, on page 4, line 9, of the House engrossed bill strike out the first comma and all that follows down through and including the comma on line 10 of page 4; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment, on page 6, line 12, of the House engrossed bill strike out "in accordance" and all that follows down through and including "1959" on line 13 of page 6; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: Restore the matter proposed to be stricken by the Senate amendment and on page 7, line 9, of the House engrossed bill strike out "111." and insert in lieu thereof the following: *110.*; and the Senate agree to the same.

KENNETH J. GRAY,
ROBERT E. JONES,
JOHN C. KLUCZYNSKI,
JOHN A. BLATNIK,
JIM WRIGHT,
JAMES R. GROVER, Jr.,
FRED SCHWENGEL,
WILLIAM C. CRAMER,
Managers on the Part of the House.

JENNINGS RANDOLPH,
B. EVERETT JORDAN,
JOSEPH D. TYDINGS,
H. L. FONG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12603) to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment changes the short title of the act from the "National Visitor Center Facilities Act of 1967" to the "National Visitor Center Facilities Act of 1968". The House recedes.

Amendments Nos. 2 and 3: These amendments provided for the lease of Union Station Building and the parking facilities to be constructed adjacent thereto for a term not to exceed 30 years in lieu of the 20 years proposed by the House bill. The House recedes with an amendment providing that these leases shall be for terms not to exceed 25 years.

Amendment No. 4: This amendment provides that rentals paid under the lease by the United States shall not exceed the fair rental value of the property as mutually determined by the Secretary, the Administrator, and the lessor. The House recedes.

Amendment No. 5: This amendment eliminates the limitation that the annual aggregate cost to the United States of all leases entered into under title I of this act shall not exceed $3,000,000. The House recedes with an amendment to increase the limitation on the aggregate cost to the United States of all leases entered into under this title to an amount not to exceed $3,500,000.

This limitation is intended to include all elements of costs under these leases and agreements including specifically the payment of taxes.

Amendment No. 7: This amendment strikes out a specific reference to section 18 of the Public Buildings Act of 1959. Section 18 is proposed to be added to the Public Buildings Act of 1959 by title IV of the House bill which is stricken by Senate amendment No. 26, to which the House agreed. Therefore, the House recedes from amendment No. 7 with a conforming amendment to eliminate all reference to the Public Buildings Act of 1959.

Amendment No. 8: This amendment sets April 15, 1968, in lieu of January 15, 1968, as provided in the House engrossed bill as the date on or before which the Secretary is to report a certain transportation study to Congress. The House recedes.

Amendment No. 9: This amendment strikes out section 105 of the House bill, subsection (a) of which prohibits the District of Columbia from including in the assessed valuation of Union Station any increase in valuation by virtue of agreements, leases, or improvements made pursuant to title I of this act, and subsection (b) of which provides in the case of any real property acquired or constructed by the Washington Terminal Co. in the District of Columbia after the date of enactment of this act, other than property leased to the United States under title I of this act, that nothing in this act shall be construed to authorize or require any reduction or exemption from taxes applicable in the District of Columbia to such property. The House recedes.

In agreeing to delete section 105 the conferees have done so for the reason that this might have been construed as a precedent since the Federal Government now leases and will no doubt lease in the future, a number of different properties in the District of Columbia as well as elsewhere in the United States, and where these properties are held in private ownership it is the feeling of the conferees that they should pay reasonable taxes and that these taxes should become a part of the basis for computation in arriving at the fair rent to be paid for such properties. Further, in agreeing to the deletion of section 105, the conferees do not intend that other adjacent property owned by the Washington Terminal Co. will be subject to increased assessed valuation as a result of the agreements, leases, or improvements made pursuant to this act. Moreover, the conferees recognize that should there be an increase in the assessed valuation for tax purposes of properties now owned by the Washington Terminal Co. in the District of Columbia by reason of the agreements, leases, or improvements made pursuant to this act, the increased taxes resulting therefrom will be included in the lease payments in accordance with standard escalation clauses to be contained in the lease agreements.

It is the expectation of the conferees that any increase in the assessed valuation of such properties, by reason of the agreements, leases, or improvements made pursuant to this act, would be equitably determined in accordance with established assessment practices and not for the purpose of indirectly increasing the Federal contribution to the District of Columbia.

Amendments Nos. 10 and 11: These amendments are clerical; the House recedes.

Amendment No. 12: This amendment strikes out a specific reference to section 18 of the Public Buildings Act of 1959. Section 18 is proposed to be added to the Public Buildings Act of 1959 by title IV of the House bill which is stricken by Senate amendment No. 26, to which the House agreed. Therefore, the House recedes from amendment No. 12 with a conforming amendment to eliminate all reference to the Public Buildings Act of 1959.

Amendments Nos. 13 and 14: These amendments are clerical; the House recedes.

Amendment No. 16: This amendment is a conforming amendment; the House recedes.

Amendment No. 17: This amendment is clerical; the House recedes.

Amendment No. 18: This amendment would strike out the section of the House engrossed bill requiring the Davis-Bacon Act to apply to the alterations and construction referred to in the act. The House recedes with an amendment which restores this section with a conforming amendment to renumber it appropriately.

Amendment No. 19: This amendment strikes out from among those persons on the National Visitor Facilities Advisory Commission, the Chairman of the Federal Council on the Arts and Humanities. The House recedes.

Amendment No. 24: This amendment reduces from four to three the number of persons on the National Visitor Facilities Advisory Commission appointed by the President. The House recedes.

Amendment No. 26: This amendment strikes out title IV of the House engrossed bill which consisted of a direct amendment to the Public Buildings Act of 1959 adding a new section 18 thereto authorizing through the method of a prospectus submitted to Congress the future construction of other facilities for visitors to the Nation's Capital. The House recedes.

KENNETH J. GRAY,
ROBERT E. JONES,
JOHN C. KLUCZYNSKI,
JOHN A. BLATNIK,
JIM WRIGHT,
JAMES R. GROVER, Jr.,
FRED SCHWENGEL,
WILLIAM C. CRAMER,
Managers on the Part of the House.

Mr. GRAY (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement of the managers on the part of the House, and that I may be permitted to explain the bill as I go along.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY. Mr. Speaker, it is a great privilege for your House Committee on Public Works, represented by its conferees, to bring back to the House for final passage the conference report on the disagreeing vote of the two Houses on H.R. 12603, the National Visitors Center Act of 1968. Mr. Speaker, I am indeed proud of both the House and Senate conferees because it took less than 45 minutes to agree on the conference report before you now. The conference report is brought to you unanimously by both the House and Senate conferees on both sides of the aisle.

Mr. Speaker, I want to publicly commend the House conferees for their wonderful cooperation and outstanding bipartisan support on this historic and important piece of legislation. Mr. JONES of Alabama, Mr. KLUCZYNSKI of Illinois, Mr. BLATNIK of Minnesota, Mr. WRIGHT of Texas, Mr. GROVER of New York, Mr. SCHWENGEL of Iowa, and Mr. CRAMER of Florida were all tremendously helpful in bringing this legislation to a successful conclusion. The distinguished Senators RANDOLPH of West Virginia, JORDAN of North Carolina, TYDINGS of Maryland, and FONG of Hawaii displayed nothing but wonderful cooperation, and their progressive mood is to be admired. I also want to thank Mr. FALLON, chairman of the full Committee on Public Works for his tremendous assistance and cooperation, and, of course, all of us would be lost without the wonderful work of Mr. Richard J. Sullivan, Chief Counsel of the House Committee on Public Works and his able staff including Dorothy Beam, executive staff assistant, Clifton Enfield, minority counsel, Paul Yates and Robert May, staff assistants, and Richard Royce, who has done a magnificent job on the Senate side. I also want to thank a great parliamentarian, Bob Monson, of the Legislative Reference Service.

Mr. Speaker, after more than 100 years, we are finally recognizing the millions of American and foreign visitors who come to Washington each year who are hungry to learn about our form of government. This is particularly true of the millions of schoolchildren who come to this great city on what is truly a pilgrimage each year. By providing these facilities, I know that all visitors will now have a better understanding for, and appreciation of, their Federal Government.

The benefits to be derived from this legislation are too numerous to mention in the statement accompanying this conference report. However, I would refer all Members and interested persons to the debate on this legislation when it passed the House. I am sure the constituents of all Members of the House and Senate will be pleased to learn about these facilities that should be available for public use within 18 to 24 months after the President's signature. In that connection, Mr. Speaker, I want to thank the distinguished President of the United States for submitting a special message to Congress on the need for a National Visitors Center, and we have had the full cooperation of both the President and his First Lady, who are vitally interested in seeing that these facilities are provided.

Mr. Speaker, in an effort to conserve time, I will briefly explain the changes between the two bills as passed by the House and Senate, and the final action thereon as agreed to in conference and then have printed in the RECORD the full statement of the managers on the part of the House. Again, let me thank the entire membership of the House for their overwhelming support of this important legislation and I am happy to announce that we have an architect's model of the entire visitors center complex that is very suitable for television programs, photographs, or other similar work if anyone is interested in explaining this proposed facility to the folks back home. We will be delighted to supply any Member with this model upon request.

In closing let me again thank the conferees and the Members of the House for helping us provide this important facility for the general public without the requirement of one dime of Federal funds at the present time. As you know the railroads will put up all the money for the construction of this facility and lease it to the Federal Government.

Mr. Speaker, the first item that was in disagreement in the conference was the number of years that the lease should run between the Washington Terminal Co., the owners of the Union Station, and the Department of the Interior. The House bill called for a maximum of 20 years under the lease arrangement. The other body increased that time to 30

years, and in conference we agreed on 25 years as a maximum time.

The owners of the Union Station do not want to give the Government a lease in excess of 20 years, so the 25 years just gives us a little more negotiating power for the Secretary of the Interior and the owners of the Washington Terminal Co. when they sit down to draw up their lease agreement.

The second item changed by the Senate was the amount of annual lease payments. We felt, with the Vietnam war going on that we should tell the Congress and the people exactly how much the maximum lease payments would be, and the House bill had a ceiling of $3 million per year. The other body took this ceiling off mainly because they felt that the Washington Terminal Co. should pay 100 percent assessed valuation on real estate taxes on the parking facility and the modernization of the existing facility, so the Senate had no limit on the annual lease payments. In going to conference we agreed on putting back a maximum limit on the amount the Secretary could pay on an annual lease basis, and we agreed on a maximum ceiling of $3.5 million per year.

This is a $500,000 increase over the bill passed by the House. I would remind you, this is only a ceiling and not necessarily an increase in costs.

As I said, it was primarily to take care of the next item that I want to talk about. The House bill gave a moratorium on taxes to be collected by the District of Columbia on the parking facilities, and on the $5 million modernization of the Union Station. It was our feeling in the House that since this facility was to be for public use that the Union Station owners should not have to pay taxes on this parking garage and on the modernization of the facilities to be used as a Visitors Center.

The other body felt it might set a precedent for other buildings being built by private capital and being leased to the Federal Government. Therefore, to go the last mile, the conferees agreed to allow the District of Columbia to assess at all of the improvements to be made at the Union Station for this Visitors Center plus the existing Union Station as it now stands.

So putting it very simply, the District of Columbia will collect taxes on the existing Union Station and the new train station to be built by the Washington Terminal Co. plus on the improvements to be made. This does not mean however, that the District of Columbia should raise the valuation of other Union Station property because of the improvements being made for the Federal Government.

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

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

Mr. GROSS. Apparently, and correct me if I am wrong, this simply means this increase, and we will say the figure amounts to $3.5 million, simply means that the Federal Government is going to pay the tax on this property. Is that about right?

Mr. GRAY. I think it would be a correct assessment to say that the Government will be paying taxes on the parking facility and the $5 million modernization, but it is not correct to say that we will be paying taxes on the existing Union Station and on the new train station because this year the Washington Terminal Co. will pay about $365,000 in taxes to the District of Columbia.

Those taxes will remain approximately the same at no cost to this proposal. They will also build a new train station. They will pay the District of Columbia taxes with respect to this new station at no cost to us.

We must remember that the parking facility and the modernization is being made available to us by the Washington Terminal Co. and they are only going to charge us a 5-percent return on their investment plus exactly what they have to pay for borrowed money to construct the facility. So naturally if taxes are to be assessed there, those taxes will have to be passed on to the Federal Government.

I must remind the gentleman that in charging us a 5-percent return on their investment, this is much less than a private owner would charge the Federal Government for a leased or rented post office or other facility.

The General Services Administration testified before our committee that when we allow private enterprise to build a public building for Government use, they generally figure on the basis of a 10 percent or more return on their investment.

The owners of the Union Station have agreed to let us have this facility for a 5-percent return on their investment plus interest on their borrowed money. So we can pay the District of Columbia these taxes and still be paying much less than if we had to go out in the market someplace and get someone to build this facility for us. That is the first point I want to make.

The second point I want to make is that while we may be paying the District of Columbia—whether it comes out of this lease money or out of some other fund—the more they receive in taxes, the less your people and my people will have to pay toward the Federal payment to the city.

Furthermore, I would like to reiterate what I said a moment ago—that it is still much cheaper than if we just said to someone—Come in and build us a Visitors Center and lease it to the Government. Because in the long negotiations, we got a 5-percent interest rate on the value of the property which is much less than the going rate.

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

Mr. GRAY. I am delighted to yield to the gentleman from Iowa.

Mr. GROSS. Of course, it is too late to debate the merits of this legislation at this time. Although we did have some debate on the merits of this at the time the authorization bill was considered.

Mr. GRAY. And the gentleman from Iowa was very helpful in that debate.

Mr. GROSS. But I am wondering—if this is such a wonderful proposition, why does not somebody come in and build this new center and operate it—and with this parking facility and all that sort of thing—if it is such a good private enterprise project?

Mr. GRAY. It certainly is, and I will say to my friend we did have such a proposal before our committee and our distinguished friend, the gentleman from Iowa [Mr. SCHWENGEL] can attest to this, and others who have served on the committee—we had a group to come before our committee who said that they would spend over $200 million in the vicinity of the Union Station and not only provide a visitors center facility but also exhibit spaces for industries that might want to exhibit their products—and a transportation facility and many other things. But the gimmick, I will say to the gentleman, is that we would have to charge the John Q. Public enough to subsidize or to amortize the cost.

What we are doing here is providing a large facility so that your constituents and mine and foreign visitors can go down there and get free information. We are giving you a champagne taste on a beer pocketbook, so to speak. We could get private enterprise to do it. We would have to charge admission to go into the door and we would have to charge for every bit of service. Everything that would be obtained by the public would have to be paid for. We are trying to give your people and my people something free. This is their Government. I for one do not feel that these people in the galleries and the people who come here ought to have to pay in order to learn about a free society and to learn about how our Government operates.

This is why the owners of the Washington Terminal Co. have said, "This is a white elephant for us, but for a Government Visitors Center it would be great." It could handle 15,000 or 16,000 people an hour and 15 or 20 million people a year in that cavernous station. We will have a Visitors Center of which the American people could be proud. The only cost attendant to the public using this facility would be for parking, which would be about $1 a car. The rest of the services except food and so forth, will be free.

Mr. GROSS. I am glad to hear today that the station is a "white elephant." The reason they are accepting a 5-percent return on their money is because if they did not, they would have a "white elephant" on their hands.

Mr. GRAY. The gentleman is partly correct. It is a "white elephant" as far as a train station goes. We have not tried to hide the fact. I might state an analogy. A family of 15 would need a bus for transportation, but that would be too large for my family. Because it is too large and a "white elephant" for a railroad station, makes it great as a visitors center. On the contrary, we need a great deal of space for 15 to 20 million visitors each year and additional facilities with our 200th anniversary coming up shortly, in less than 8 years. This will be a wonderful place to celebrate the 200th anniversary of our Republic, two blocks from the Capitol.

Mr. GROSS. For a visitors center we would pay $87½ million over a 25-year period.

Mr. GRAY. First of all, 20 years will be the maximum time, plus the fact that if our fiscal situation gets better in a few years—and we all hope it will—we can buy this facility at an appraised price through the General Services Administration, and the long 20-year lease

payment would not be required. I do not advocate this right now, I say to the distinguished gentleman. I would remind my friend to add up the revenues to be collected over the same period and you will see that this large figure you quote will be offset by revenues.

Mr. GROSS. I should like to commend the conference committee for one thing, and that is taking the chairman of the Federal Council on Arts and Humanities out of the bill.

Mr. GRAY. I thank the gentleman for his contribution.

Mr. Speaker, going on, I will just briefly explain the remaining differences between the House bill and the Senate bill.

The House had a provision in the bill to pay the prevailing wage rates for the construction of the parking facility, the so-called Davis-Bacon provision. The Senate took out the provision. It was put back in by the conference.

We also changed the number of people who will serve on the Advisory Commission. There would be six members from each body, three from each party. The responsibility of overseeing the Visitors Center and also any satellite centers that may be set up later would be equally divided between the parties. We reduce the number from 22 to 20. We feel that 20 will be a little more workable number than the 22 called for in the House bill.

As I mentioned earlier, Mr. Speaker, there were no substantive changes. This conference report is brought to the floor unanimously, on both sides of the aisle. It is an historic measure. I know as the millions of visitors come here, both American and foreign, they will appreciate what this 90th Congress has done to provide them with a wonderful facility.

If they come here speaking a foreign tongue, they can turn a button and have translated into their native tongue the world of informational services to be provided about our Government. If they come as a school group, for instance, they can assemble in the large areas to be provided for that purpose, where the Members of Congress can go and discuss any matter with their groups of constituents. Or, they can see a 15-minute orientation film telling about their Government in action, or a film diorama or a film cyclorama, wherein they can learn about the Capitol, the Smithsonian Institution, the Arlington Cemetery, or George Washington's home at Mount Vernon, and all the other historic shrines around this great city.

They can do it in comfort and with a spirit or feeling that they are wanted here. We will be able to show our faces, instead of our backs, to the people. Instead of having a frustrating parking ticket, they will be able to park in comfort and take an escalator down to the waiting area, where people of the National Park Service will extend them a warm welcome to the Nation's Capital.

I compliment the Members on both sides of the aisle for the wonderful support they have given in bringing us to this point.

Mr. Speaker, I ask unanimous consent that the entire statement on the part of the managers be printed immediately following my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(The material referred to follows:)

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12603) to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment changes the short title of the act from the "National Visitor Center Facilities Act of 1967" to the "National Visitor Center Facilities Act of 1968." The House recedes.

Amendments Nos. 2 and 3: These amendments provided for the lease of Union Station Building and the parking facilities to be constructed adjacent thereto for a term not to exceed 30 years in lieu of the 20 years proposed by the House bill. The House recedes with an amendment providing that these leases shall be for terms not to exceed 25 years.

Amendment No. 4: This amendment provides that rentals paid under the lease by the United States shall not exceed the fair rental value of the property as mutually determined by the Secretary, the Administrator, and the lessor. The House recedes.

Amendment No. 5: This amendment eliminates the limitation that the annual aggregate cost to the United States of all leases entered into under title I of this act shall not exceed $3,000,000. The House recedes with an amendment to increase the limitation on the aggregate cost to the United States of all leases entered into under this title to an amount not to exceed $3,500,000.

This limitation is intended to include all elements of costs under these leases and agreements including specifically the payment of taxes.

Amendment No. 7: This amendment strikes out a specific reference to section 18 of the Public Buildings Act of 1959. Section 18 is proposed to be added to the Public Buildings Act of 1959 by title IV of the House bill which is stricken by Senate amendment No. 26, to which the House agreed. Therefore, the House recedes from amendment No. 7 with a conforming amendment to eliminate all reference to the Public Buildings Act of 1959.

Amendment No. 8: This amendment sets April 15, 1968, in lieu of January 15, 1968, as provided in the House engrossed bill as the date on or before which the Secretary is to report a certain transportation study to Congress. The House recedes.

Amendment No. 9: This amendment strikes out section 105 of the House bill, subsection (a) of which prohibits the District of Columbia from including in the assessed valuation of Union Station any increase in valuation by virtue of agreements, leases, or improvements made pursuant to title I of this act, and subsection (b) of which provides in the case of any real property acquired or constructed by the Washington Terminal Co. in the District of Columbia after the date of enactment of this act, other than property leased to the United States under title I of this act, that nothing in this act shall be construed to authorize or require any reduction or exemption from taxes applicable in the District of Columbia to such property. The House recedes.

In agreeing to delete section 105 the conferees have done so for the reason that this might have been construed as a precedent since the Federal Government now leases and will no doubt lease in the future, a number of different properties in the District of Columbia as well as elsewhere in the United States, and where these properties are held in private ownership it is the feeling of the conferees that they should pay reasonable taxes and that these taxes should become a part of the basis for computation in arriving at the fair rent to be paid for such properties. Further, in agreeing to the deletion of section 105, the conferees do not intend that other adjacent property owned by the Washington Terminal Co. will be subject to increased assessed valuation as a result of the agreements, leases, or improvements made pursuant to this act. Moreover, the conferees recognize that should there be an increase in the assessed valuation for tax purposes of properties now owned by the Washington Terminal Co. in the District of Columbia by reason of the agreements, leases, or improvements made pursuant to this act, the increased taxes resulting therefrom will be included in the lease payments in accordance with standard escalation clauses to be contained in the lease agreements. It is the expectation of the conferees that any increase in the assessed valuation of such properties, by reason of the agreements, leases, or improvements made pursuant to this act, would be equitably determined in accordance with established assessment practices and not for the purpose of indirectly increasing the Federal contribution to the District of Columbia.

Amendments Nos. 10 and 11: These amendments are clerical; the House recedes.

Amendment No. 12: This amendment strikes out a specific reference to section 18 of the Public Buildings Act of 1959. Section 18 is proposed to be added to the Public Buildings Act of 1959 by title IV of the House bill which is stricken by Senate amendment No. 26, to which the House agreed. Therefore, the House recedes from amendment No. 12 with a conforming amendment to eliminate all reference to the Public Buildings Act of 1959.

Amendments Nos. 13 and 14: These amendments are clerical; the House recedes.

Amendment No. 16: This amendment is a conforming amendment; the House recedes.

Amendment No. 17: This amendment is clerical; the House recedes.

Amendment No. 18: This amendment would strike out the section of the House engrossed bill requiring the Davis-Bacon Act to apply to the alterations and construction referred to in the act. The House recedes with an amendment which restores this section with a conforming amendment to renumber it appropriately.

Amendment No. 19: This amendment strikes out from among those persons on the National Visitor Facilities Advisory Commission, the Chairman of the Federal Council on the Arts and Humanities. The House recedes.

Amendment No. 24: This amendment reduces from four to three the number of persons on the National Visitor Facilities Advisory Commission appointed by the President. The House recedes.

Amendment No. 26: This amendment strikes out title IV of the House engrossed bill which consisted of a direct amendment to the Public Buildings Act of 1959 adding a new section 18 thereto authorizing through the method of a prospectus submitted to Congress the future construction of other facilities for visitors to the Nation's Capital. The House recedes.

KENNETH J. GRAY,
ROBERT E. JONES,
JOHN C. KLUCZYNSKI,
JOHN A. BLATNIK,
JIM WRIGHT,
JAMES R. GROVER, Jr.,
FRED SCHWENGEL,
WILLIAM C. CRAMER,
Managers on the Part of the House.

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

Mr. GRAY. Mr. Speaker, I yield to the distinguished gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I did not have the opportunity when this legislation was originally considered on the House floor to say anything about it. I, too, want to compliment my colleague from Illinois for taking the initiative and seeing this project through.

I have to admit that about 4 years ago I had a similar idea I suggested for use of Union Station, and I believe the idea which is before the floor in this report will be of great benefit to the many visitors who visit our National Capital, and it will be a lasting reminder of the concern for them of the Members of this House.

Mr. GRAY. Mr. Speaker, I thank my distinguished friend.

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

Mr. GRAY. I yield to my distinguished colleague, the gentleman from Texas, who labored long and hard with us as a member of the Visitors Center Study Commission.

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I, too, compliment the gentleman from Illinois for the leadership he has given in this field. All of us who serve in the Congress recognize that much should be done to improve the reception of our citizens when they come to the Nation's Capital.

I was one of those, I think, who introduced one of the first bills to have a Visitors' Center. I was honored to serve on this group with the gentleman from Illinois. I know he has given a great deal of time and direction to this measure. Although I was not a member of the conference, I followed it closely.

This is an important step. I just hope, I say to the gentleman from Illinois, that this is the forerunner of other things to do in the city for visitors, and surely one of the most important things we should address ourselves to is the safety of visitors to the Capital. This is a horrible situation and one we cannot do much about under the present fiscal conditions, but still it must be solved and corrected.

To the extent this will be helping the visitors to the National Capital, I compliment the gentleman for his distinguished job.

Mr. GRAY. Mr. Speaker, I thank the gentleman. Again I state for the record, the gentleman was one of the important and valued members of the study group that considered this matter for 2 years.

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

Mr. GRAY. I yield to my friend from Missouri [Mr. HALL].

Mr. HALL. Mr. Speaker, I appreciate the gentleman from Illinois yielding, the gentleman who was the chairman of the conference and of the subcommittee that handled this bill.

I have two questions. I believe the gentleman said something a while ago about satellite visiting centers that might be born of this questionable ancestry we are voting herewith today. Is it contemplated in the mind of the gentleman or of the committee that this thing might have pups all over the city?

Mr. GRAY. I am indeed glad the gentleman asked that question, because I inadvertently left out that section in explaining the action of the conference. We had in the bill section 4 that would have allowed any agency of the Federal Government to work up a prospectus to present to the General Services Administration, who would bring it to the Congress under the Public Buildings Act of 1959.

There is a controversy raging—a misunderstanding might be a better word between the Congress and the White House, as to who has the prerogative of making the final decision in regard to a public building. The President feels that Congress should not give that responsibility to a House committee. As is now the practice, a House committee, working for the full House, can approve a public building or a small watershed or an agricultural project under Public Law 566. The President feels that those projects should run the whole gauntlet, that the bill should be passed by the Congress in a form that he would have to sign or veto.

Since we did not want to encumber this bill on the Visitors' Center with this controversy, that entire section was stricken.

So, in direct answer to your question, there is now no way, under this bill, in which a satellite Visitors' Center can be established without going the same route, coming to the Congress and to have Congress authorize it, and sending it to the President for his action.

We feel that the Public Buildings Act has worked very well in the building of Federal buildings throughout the country, and that if a satellite Visitors' Center were needed it could be handled the same way. It would have to be justified in the same way they justify the Federal buildings, through a space needs survey, with GSA justifying a benefit-cost ratio and submitting it to our committee. Then we would approve it.

The President, as I said, does not want that procedure to be followed now on public buildings, small watersheds, and agricultural projects under Public Law 566.

In order to avoid the possibility of a veto on this all-important bill, we struck it out in the conference. There is no way now that we could build any type of satellite Visitors' Center in Washington under any circumstances without full congressional authority.

Mr. HALL. I appreciate the gentleman's statement. It is very reassuring to me. I knew about the situation so far as the conservation districts or watersheds were concerned, but I did not know it had this far-reaching effect here.

As I understand what the gentleman is saying, additional buildings or additional visitors' centers would certainly have to come back and go through the legislative process.

Mr. GRAY. Absolutely.

Mr. HALL. My second question also deals with a capital S, having disposed of the question of satellites.

The gentleman twice said there is no substantive change over the House-passed bill.

Is it not true that in the conference report we have gone from a $60 million bill over a 20-year period to a possible maximum of $87.5 million over a 25-year period? That is based on the fact that we have gone up from $3 million per annum, as the gentleman explained, that includes taxes and so forth—to $3.5 million per annum, and from 20 to 25 years. My rough calculation indicates that the expenditures involved, if we accept the conference report today—and this to me is quite substantive—would go from $60 million to $87.5 million.

Mr. GRAY. I would say to my distinguished neighbor and friend, on the surface it would appear to be substantive. This is what happened.

The railroads, in negotiating with the Secretary of the Interior and with our committee, have stated that under no circumstances will they sit down and negotiate a lease in excess of 20 years. All we did, in agreeing to this—the other body had put in 30 years—was to compromise half way as a maximum. We have been informed in writing, in testimony and in private conversations with the officials that under no circumstances will they go beyond 20 years. That is mainly because they do not want to wait that long to get back their investment. They advance the argument that they can sell Union Station tomorrow for as much as they will get if they have to wait 20 years to get it. With a 5-percent return, they could certainly sell that land and place the money in savings accounts and get more than 5 percent over a 20-year period.

Mr. HALL. I believe it is only commonsense, if that statement could be fulfilled, but I shall not argue with the gentleman.

Mr. GRAY. The Secretary of the Interior has designated Union Station as a national historical landmark. So we are not only providing a Visitors' Center but we are also preserving a national historic landmark.

Mr. HALL. If the gentleman will yield for one final comment?

Mr. GRAY. Yes, I will be happy to yield to the gentleman from Missouri.

Mr. HALL. I note in some instances it has been very worthwhile for the position of the managers on the part of the House to recede, but in total they did recede, according to their own statement here, in every instance for a total of 16 instances.

Mr. GRAY. The House did?

Mr. HALL. Yes.

Mr. GRAY. I will say to the distinguished gentleman from Missouri the reason for that is that after we passed this bill by a vote of 316 to 34, which is 10 to 1, we were contacted both by the Secretary of the Interior, who will be in charge of this program, and the railroads. You must remember that all we are doing here is to authorize these parties to sit down and negotiate a contract. That is all. These parties had come to us and said that there were certain things in the House bill, although minor, that we cannot live with. So they went to the other body, and they asked if certain changes could be made. Had these recommendations been made to us on our side they would have been embodied in the House bill. So this was not a matter

of capitulation but merely of trying to improve the bill and make it more workable so we could get a better agreement for the Government and the owners of Union Station plus the District of Columbia.

Mr. HALL. I thank the gentleman from Illinois for yielding to me and for his fine explanation.

Mr. GRAY. Mr. Speaker, I now yield to my very distinguished friend from Iowa, who has been very valuable not only on the Commission but also on the conference committee [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Speaker, I thank the gentleman from Illinois. First, I want to reiterate what has been said in the committee, the conference committee, and on the House floor when they were considering this bill. That is that the chairman we are privileged to serve under and who has handled this bill has been an excellent one. He has been thoroughly conversant with all of the problems and has been very alert to the interests of the House and the public. He has gone far beyond the call of duty. He has taken much time from his own time. On one occasion he went with a number of us to Williamsburg where we got some firsthand observations on how a visitors center could be and should be operated. We had the benefit of the thinking of those people at that wonderful installation.

Mr. Speaker, I will not take a long time to go over this bill because the minority generally agrees with the proposition that has been presented both in the original bill and in the conference committee. We approve of it and we certainly applaud the fine leadership that we have had. I do want to make just a few observations to underscore and clear up any question that anybody may have in connection with this bill.

First, there will not be over $3.5 million a year spent. I think it should also be said that this is not necessarily a cost, but it will come from income that we will receive from the installations and services we offer there, and from the parking. My feeling is that this will turn out to be a very profitable operation and that in a very short time we will be in a position to take advantage of the section which provides that we may acquire and buy this facility for the Government and in the interests of the people who will visit this capital in the future.

Mr. Speaker, I also feel that this will be so popular and people will appreciate it so much that it will increase the traffic here and in the not too distant future we will have a major expansion of this facility.

One other point ought to be mentioned I believe in connection with the point that my colleague from Iowa [Mr. GROSS] raised earlier, which is found in the report on page 4. This may clear up some questions he has and some others also may have. This reads:

It is the expectation of the conferees that any increase in the assessed valuation of such properties, by reason of the agreements, leases, or improvements made pursuant to this act, would be equitably determined in accordance with established assessment practices and not for the purpose of indirectly increasing the Federal contribution to the District of Columbia.

So, I think we have covered every possible opportunity of injustice and inequity. I applaud the effort here and assure the Members of Congress again that what we are doing here is a mighty fine thing. The millions of people who come in the future will be better able to understand this wonderful system of government we call the American way. All of this will help the people who come here to catch something of the spirit that burned in the hearts of the founders and as a result will be better citizens.

If there is anything this country needs right now it is more and better citizens who have a better understanding of the system we call the American way of life.

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

Mr. SCHWENGEL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would ask the gentleman, is it anticipated that there will be a further call upon the Federal Government to underwrite the operating expenses of this Visitors Center?

Mr. SCHWENGEL. It is my judgment and firm belief that all of this operation will be self-financing, and probably we will realize more income than we expected. I can speak from experience on how people react to an opportunity like this.

In a very small way several years ago, with the help of all of the Members indirectly, and some of the Members directly, we formed the U.S. Capitol Historical Society. At the time we of course did not know whether the venture would be successful or not, and in fact we were offered some tax money in order to produce the publications we produced, and we refused it, and we went ahead with the program and borrowed money originally, and now we have an ongoing historical society that is paid for by the people who buy our publications. So I know that when you have something attractive and appropriate that the people will respond nobly and generously. This Visitors Center that we will have, I predict, will be one of the finest visitors centers found in any capital in the world, and that we are going to have a traffic of people in it unmatched by any capital anywhere else in the world, and I believe it will be a tremendous boost to this country, and will strengthen the American spirit and the American way of life.

Mr. GRAY. Mr. Speaker, I want to thank the distinguished gentleman from Iowa for his great contribution, and I know that when this historic piece of legislation is signed by the President of the United States that the gentleman can derive pride in his work.

Mr. Speaker, we have no further requests for time.

I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE DESIGNATION OF "NATIONAL SCHOOL SAFETY PATROL WEEK"

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1053) to provide for the designation of the second week of May of each year as "National School Safety Patrol Week."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request to the gentleman from Colorado?

Mr. McCLORY. Mr. Speaker, reserving the right to object, and I shall not object, it is my understanding that this resolution and the four other resolutions that are about to be called up will be only one-time designations; that is, as to designating of certain weeks, or the extending of congratulations, as the case may be, just in one instance, and that the resolutions will eliminate all whereases and all surplus material, and that these resolutions will not authorize or appropriate any funds or put any tax burden on the Federal Government; is that correct?

Mr. ROGERS of Colorado. If the gentleman will yield, the gentleman is correct. I have two amendments on this resolution to make sure that the whereas clauses are stricken, and that it is only for the year 1968, and is not a permanent designation as a "National School Safety Patrol Week."

Mr. McCLORY. And no Federal tax funds are involved in this?

Mr. ROGERS of Colorado. No; that is right.

Mr. McCLORY. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 1053

Whereas more than an estimated forty-nine thousand Americans died in traffic accidents on the Nation's highways during the year 1965 and the prevention of such accidents has become a problem of major concern; and

Whereas the school safety patrols, since their organization on a national scale in the early 1920's, have played an important role in the reduction of highway accidents involving schoolage children; and

Whereas more than nine hundred thousand safety patrol members are now serving forty thousand schools in all fifty States, protecting nineteen million children; and

Whereas the school safety patrols are a cooperative program sponsored jointly by

American Automobile Association motor clubs, local schools, and police; and

Whereas more than sixteen million Americans have served as safety patrol members during the more than forty years since the program was established; and

Whereas the traffic death rate of school-age children since 1922 had dropped nearly one-half while the death rate of all other age groups has doubled and the efforts of the school safety patrols have been a contributing factor in this reduction; and

Whereas the lifesaving efforts of the school safety patrols play an increasingly important role in the nationwide campaign to reduce traffic accidents and this program should receive public attention and citizen support; and

Whereas the second week of May of each year provides an opportunity for due recognition of the foregoing achievements, accomplishments, and needs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second week of May of each year is hereby designated as "National School Safety Patrol Week" and the President is requested to issue a proclamation calling upon all people of the United States for the observance of such a week with appropriate proceedings and ceremonies.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Strike out all whereas clauses on pages 1 and 2 down to line 1 of page 2.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: On Page 2, line 3, after "May", strike out "each year" and insert "1968".

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution to provide for the designation of the second week in May 1968, as 'National School Safety Patrol Week.'"

A motion to reconsider was laid on the table.

THE 150TH ANNIVERSARY OF ST. LOUIS UNIVERSITY, ST. LOUIS, MO.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 691 extending greetings and felicitations to St. Louis University in the city of St. Louis, Mo., in connection with the 150th anniversary of its founding.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 691

Whereas Saint Louis University, founded in 1818 and formally chartered by the General Assembly of Missouri in 1832, was the first institution of higher learning to be established west of the Mississippi River; and

Whereas its early administrators and members of the faculty were members of the Society of Jesus who came to Missouri with the cooperation and aid of the then Secretary of War, John C. Calhoun; and

Whereas certain members of the Society of Jesus performed invaluable service for the United States in its relations with the Indians and were consultants to various Presidents of the United States; and

Whereas the Jesuit Fathers explored and arranged important councils between the Indians and the United States Government and were able to make suggestions to the United States Government for the alleviation of Indian problems; and

Whereas the university served as friend and consultant to several of the official explorers of the trans-Mississippi and was alma mater to others, pioneers and settlers of the West; and

Whereas there have been members of the Cabinet of the President of the United States, and several Congressmen, Senators, Governors, and statesmen who can be counted among its alumni; and

Whereas its graduates have founded many schools as well as other institutions of higher learning throughout the United States; and

Whereas in a century and one-half the university has enhanced the prestige of American scholarship and scientific research and has contributed to the advancement of learning, the betterment of the professions, and the enrichment of the community; and

Whereas in the past decade, the university has expanded its physical facilities and stabilized a decaying area of the city of Saint Louis; and

Whereas Saint Louis University will during 1968–69 celebrate its founding by significant intellectual and cultural events, under the theme "Knowledge and the Future of Man" at which illustrious scholars and personages will attend; and

Whereas these activities connected with the anniversary will be devoted to furthering and developing the values implicit in the theme: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government of the United States extends its greetings and felicitations to Saint Louis University, its president and board of trustees, its faculty and students, and urges the citizens of the United States to cooperate with the university anniversary observances to promote the deepening of human understanding and the enlargement of human knowledge for the common good of all men.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Strike out all whereas clauses on pages 1 and 2.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE 100TH ANNIVERSARY OF MONTCLAIR, N.J.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 1055, to extend the greetings and felicitations of the House of Representatives to the citizens and government of the town of Montclair, N.J., on the occasion of its 100th anniversary.

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

There being no objection, the Clerk read the resolution, as follows:

H. RES. 1055

Whereas the year 1968 marks the one hundredth anniversary of the establishment of the town of Montclair, which took place in April 1868, through an act of the Legislature of the State of New Jersey; and

Whereas the town of Montclair has grown to attain widespread recognition for its distinguished residents and its gracious living conditions; and

Whereas in observance of the centennial of the town of Montclair and its citizens are conducting ceremonies and other appropriate activities in the current year: Now, therefore, be it

Resolved, That the House of Representatives extends its greetings and felicitations to the citizens and government of the town of Montclair, New Jersey, on the occasion of the one hundredth anniversary of the establishment of the town of Montclair.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Strike out all whereas clauses down to line 1.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRESIDENT TO PROCLAIM MARCH 3 THROUGH MARCH 9, 1968, "CIRCLE K WEEK"

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1001) authorizing the President to proclaim the period March 3 through March 9, 1968, as "Circle K Week."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. GROSS. Mr. Speaker, reserving the right to object—and I shall not object—it is my hope that in the future the Subcommittee on the Judiciary, that has brought all these resolutions to the floor, will find something of more importance to occupy their time. I do not believe it is necessary or fitting that Congress pass a resolution on every event known to mankind.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado [Mr. ROGERS]?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 1001

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period March 3 through March 9, 1968, as "Circle

K Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities which will recognize "Circle K International" and its value to the college youth of America as a collegiate service organization sponsored by Kiwanis International.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROCLAIMING NATIONAL JEWISH HOSPITAL SAVE YOUR BREATH MONTH

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 933) to proclaim National Jewish Hospital Save Your Breath Month.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado [Mr. ROGERS]?

Mr. HALL. Mr. Speaker, reserving the right to object, does this have anything to do with "halitosis"?

Mr. ROGERS of Colorado. Not exactly. It deals, as you know, with the National Jewish Hospital, which is in my congressional district. This hospital has contributed much to the treatment of respiratory diseases. This resolution is in recognition of the work of this hospital and also in order that the attention of people may be directed to the problems of emphysema and other respiratory diseases.

Mr. HALL. Mr. Speaker, of course the gentleman knows I speak in jest, as I am familiar with this hospital. I did not realize that it is located in the gentleman's congressional district.

It is important that we save our breath, the way the air is being polluted in this day and age.

Mr. Speaker, I withdraw my reservation of objection, because this hospital deals principally with children, and in a clarified atmosphere helpful to respiratory diseases. I have supported it and I do so now, although I question the need for all of these memorial weeks.

Mr. ROGERS of Colorado. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 933

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in response to the growing national concern occasioned by the increase of chronic respiratory disease and in recognition of the accomplishments of medical science in the detection and control of such disease, the President of the United States is hereby authorized and requested to issue a proclamation (1) designating March 1968 as National Jewish Hospital Save Your Breath Month, and (2) emphasizing the major public health problem presented by chronic respiratory disease, and calling upon the people of the United States to observe appropriate medical safeguards for their own respiratory health and that of their families.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: On page 1, line 8, after "designating", strike out "March" and insert "May".

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PUBLIC LANDS IN NEVADA TO COLORADO RIVER COMMISSION

Mr. BARING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 15069) to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There being no objection, the Clerk read the bill, as follows:

H.R. 15069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada", approved March 6, 1958 (72 Stat. 31), as amended October 10, 1962 (76 Stat. 804), is amended as follows:

(1) in section 2, strike out "ten years" and insert in lieu thereof "fifteen years";

(2) in section 3, strike out "ten years" and insert in lieu thereof "fifteen years".

With the following committee amendment:

On page 2, lines 1 through 4, strike out all of paragraphs (1) and (2) and insert the following:

"(1) in section 2, strike out 'ten years' and insert in lieu thereof 'twelve years';

"(2) in section 3, strike out 'ten year' and insert in lieu thereof 'twelve year'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 2 years the time for selecting such lands."

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week and next.

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

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

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, we have finished the legislative business for the week and will ask to go over upon the announcement of the program for next week.

Monday is Consent Calendar Day. There are five suspensions as follows:

H.R. 15147, to provide for the naturalization of persons who have served in combatant areas in active-duty service in the Armed Forces;

S. 159, to provide for consolidated pretrial proceedings of civil actions pending in different districts;

H.R. 11618, to prevent the importation of endangered species of fish or wildlife;

Senate Joint Resolution 123, to approve long-term contracts for delivery of water from Navajo Reservoir in New Mexico; and

S. 375, to amend the Communications Act of 1934 with respect to obscene or harassing telephone calls in interstate or foreign commerce.

Tuesday is Private Calendar Day. On Tuesday and the balance of the week we have the following bills:

S. 889, to designate San Rafael Wilderness, Los Padres National Forest, California—conference report;

H.R. 15398, to amend the National School Lunch Act—subject to a rule being granted;

H.R. 14940, Arms Control and Disarmament Agency authorization—subject to a rule being granted;

H.R. 14910, regulation of devices capable of causing radio interference—subject to a rule being granted;

H.R. 13058, repealing certain acts relating to containers for fruits and vegetables, which is subject to a rule being granted. The Rules Committee is meeting on some of these bills at the present time; and

House Resolution 1031, to authorize the Committee on Veterans' Affairs to investigate certain matters within its jurisdiction.

The announcement is made subject to the usual reservations that conference reports may be called up at any time, and that any further program may be announced later.

ADJOURNMENT OVER TO MONDAY, MARCH 4, 1968

Mr. ALBERT. Mr. Speaker, will the gentleman yield for the purpose of my making a unanimous-consent request?

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

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

The SPEAKER pro tempore (Mr. PRICE

of Illinois). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH THE CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

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

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

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE REPORT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on H.R. 14940.

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

There was no objection.

WE MUST PROTECT THE LIVES AND PROPERTY OF LAW-ABIDING CITIZENS

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, the National Advisory Commission on Civil Disorders is expected to shortly make its report on riots which occurred in various parts of the United States last summer.

Even before the report is released, there is widespread discussion of the major findings and recommendations and press reports over the past weekend clearly indicate that the Commission is preparing to blame society as a whole for the disorders rather than those who actually went into the streets to riot.

Considering the tenor of the times and the instructions given the Commission last year, it is not surprising that such results would be achieved, but it is hoped that the Commission will condemn those who seek to take the law into their own hands. Granted that conditions in some of our large cities are bad, this does not give license to riot, to burn, and to steal. This recognition of wrong conditions does not open the door to lawbreakers and hoodlums who can act under the guise that they are trying to rectify the misdeeds of society. If we are to have that kind of law, then all hope for our democratic society is lost and we are back to the place where might makes right.

The Commission apparently has given a great deal of time and study to the root causes of discontent and these will be dealt with by various levels of government—but we should not act under the threat that if we do not do enough to satisfy certain elements, then riots will come as our retribution. The time has come when all levels of government—Federal, State and local—need to make it crystal clear that this disorder blackmail must stop. We need to state openly and clearly that law and order will be maintained and that all criminals will be punished.

The philosophy that we need to obey only those laws with which we agree is foreign to our concept of democracy. Our governments—particularly the Federal Government—are spending far too much time trying to coddle and pamper those who seek change for the sake of change and who threaten disorder unless they get what they want. I am shocked as I hear high officials lament the fact that we can expect another so-called "long hot summer" and then do nothing about it. It is utterly ridiculous that we operate on the assumption that lawlessness is sure to come and that the way to prevent it is to give in to the agitators before they begin to state their demands.

The Commission's feeling that much of the trouble in our cities comes from years of neglect on the part of society should not become a blueprint for expenditure of vast sums of money as a cure-all. One gets the impression from listening to some of the agitators that money simply has to be made available and overnight the ills of 200 years will be cured. In the first place, money itself is not going to do the job; and even more importantly, the appropriation of large sums is just going to whet the appetites of those doing the agitating. We all know that what satisfies today is cursed tomorrow.

Ours is the only society in the world today which allows disobedience of the law, riots, and disorders under sanction of the law. The Federal courts have so cowed local law enforcement officials in some places that they are afraid to do their duty. We see reports from time to time of the number of arrests made in last summer's riots—and they were considerable. But if we were to follow these arrests and determine how many offenders were actually brought to trial and how many were convicted and how many received any kind of punishment, their number would be few.

Yet, millions of dollars of property damage resulted, insurance protection for large areas were lost, policemen and firemen were killed trying to do their duty—and now we say that this was society's fault. I think not. Until we get to the place where we are honest enough to see these things for what they are, I seriously wonder if we will be able to prevent a real disaster in America. Far too much of our time and energy is spent in trying to speculate on what the lawless element is going to do, what certain civil rights leaders are planning and how we can avoid paying a high price to ward off disaster.

In my opinion, certain politicians in various parts of the country and a large part of the mass communications media are playing an unwitting part in stimulating trouble. Our leaders should not constantly shout the failures of our society in helping the unfortunate nor should an effort be made to gain the favor of dissenters by playing into their hands. Those who for political expedience are parroting the claims of the agitators will surely not assume any of the responsibility for any trouble that comes as a result of the flames they have fanned.

The press has an obligation to inform but it does not have any duty to glamorize or emphasize the musings of agitators. News reporting is one thing, but feature stories on impending disaster and day-by-day accounts of the threats and accusations of those who plan disorder neither add to the total of public knowledge or help society in general.

Many people seem to have lost all sense of proportion in the aftermath of last summer's disorders. Those who rioted and caused damage running into millions of dollars should not be classed as heroes. When the shambles of our cities are viewed, those who caused the damage should not be held up as serving a noble cause. And yet, this is precisely the impression being created by the kind of logic which comes from the President's Commission. These acts are somehow rendered as "justified" in light of the conditions which exist. But disorder, rioting, pillage and arson are never justified.

The acts of violence which were brought to Detroit, Newark, Cleveland, Cambridge, and elsewhere were largely against private property—not government. These people suffered losses which in many cases were not covered by insurance. Now, because of the riots and threats of more, the insurance companies understandably have fear of insuring against future losses. What kind of logic would have the Government turn its backs upon taxpaying business people who suffer losses and refuse to give protection against rioters and yet look with sympathy upon those who riot?

I call upon Congress to take cognizance of this situation before it is too late. No one wants to deny rights for all Americans to earn a living and live peacefully but the Government has an obligation to protect the lawbiding against those who willfully and with malice break the law.

I hope the Commission will not in its report, as has been done in the past by many of our leaders, give an open invitation to certain elements to expect the Government to furnish them an entirely new life, and if its not forthcoming at once, then they are free to take the law into their own hands, take what they want, destroy their neighbors' property, and riot until the Government does come across with whatever they demand.

I am convinced that the attitude of some of our national leaders, many so-called do-gooders, as well as certain organizations, and elements of the Federal judiciary, has paved the way for the summer riots. Unless and until this attitude changes, especially our national leaders and the Judiciary, we can expect no improvement nor cessation of the rioting. Our Nation as a whole must adopt a get-tough policy and take whatever steps are necessary to protect the

lives and property of law-abiding citizens, as well as their right to walk the streets of the Nation free from bodily harm.

THE BIG NEWS IN THE WORLD OF RICE

Mr. O'NEAL of Georgia. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. O'NEAL of Georgia. Mr. Speaker, the big news in the world of rice is the development in the Philippines of IR–8. This new variety will multiply rice production dramatically and provde more disease resistance along with its other good qualities.

Members of the House Committee on Agriculture had a chance to see it growing in the Mekong Delta of South Vietnam in January when they visited an agricultural high school at Cantho.

This week we were favored with a visit of Dr. Diascoro Lopez Umali, Undersecretary of Agriculture, and Mr. Andres de la Cruz, a rice farmer of the Philippines, who came for the Second International Conference on the War on Hunger to tell about it.

The news release in this connection and the remarks of Secretary Umali on February 20, 1968, will provide much enlightment to those interested in rice and in the world food problem, so as chairman of the Subcommittee on Oilseeds and Rice, I offer them for the RECORD:

[From the Committee on the World Food Crisis]

PHILIPPINES HONORED FOR RICE PRODUCTION

The Government and people of the Philippines were honored today in Washington for "outstanding success in expanding rice production."

A citation from the Committee on the World Food Crisis praised Philippines President Ferdinand E. Marcos for his "vigorous leadership" and noted that the nation's self-help efforts in agricultural development have set an example "for the peoples of other food-deficient nations."

The presentation was made to Dr. Diascoro Lopez Umali, Undersecretary of Agriculture for the Philippines, and Andres de la Cruz, a rice farmer. They were guests of the Committee at a luncheon held during the one-day Second International Conference on the War on Hunger at the Washington Hilton Hotel. They will fly back to the Philippines Friday after a four-day visit.

The award is based on the dramatic increase in rice yield this year in the Philippines. The current crop is expected to produce nearly three million metric tons of milled rice, 10 percent over last year and a new all-time record. This means that the Philippines will not have to import rice this year. There is also the probability that the Philippines will not only attain self-sufficiency in its basic food, but may become a rice-exporting nation.

The success is due to a combination of factors:

—A new "miracle" rice—IR–8—developed by the International Rice Research Institute at Los Banos, financed by the Rockefeller and Ford Foundations;

—Participation by private enterprise;

—Assistance from the United States Agency for International Development, and, as stated in the citation,

—The Philippine Government's "commitment to agricultural development . . . great energy and dedication" and "an exemplary self-help program."

Dr. Umali has played a leading role in the Philippine Government's food program. A noted geneticist, he was chairman of a presidential study committee formed by Marcos before he became President. The committee's report has become the guideline for government agencies engaged in self-sufficiency programs.

In addition to his duties as Undersecretary of Agriculture, Dr. Umali, 50, is Dean of the University of the Philippines Agricultural College. Under his administration, the Agricultural College developed 14 rice varieties and five corn hybrids. He is the author of numerous publications on rice, corn, abaca, avocado, and coconut experiments.

De la Cruz, a 57-year-old farmer from Pila, Laguna Province, is representative of the benefits the increased rice harvests are yielding. Father of 10, de la Cruz received a Presidential Citation in 1967 for leadership in his barrio. He is chairman of the Public Works Committee.

Through self-help efforts, de la Cruz raised his yearly cash income on his 4.4-acre rice farm from $250 in 1965, to $727 in 1967. Described in the World Food Crisis Committee's citation as "a successful and progressive farmer," de la Cruz has increased the yield from his rice crop from 231 bushels in 1965 to 624 bushels in 1967. As a tenant, he keeps 50 percent. He was able to sell 321 bushels last year, after holding enough to feed his family, compared to only 52.5 bushels in 1965.

De la Cruz now plants the IR–8 rice, which was developed at the IRRI by crossing a tall Philippine variety that originated in Indonesia with a short variety from Taiwan. The development started in 1962, and by 1966 IR–8 had proved it could produce four to six times the Philippine average.

IR–8 costs four times as much as ordinary rice to cultivate because of the increased labor, fertilizer and other necessary supplies. This posed a problem in financing. AID provided 5 million pesos ($1.25 million) to start the Agricultural Guarantee and Loan Fund, which furnishes the resources for private rural banks to lend money at reasonable interest rates to individual farmers.

The IR–8 rice was introduced to thousands of farmers through an AID-inspired "do-it-yourself" kit. The kits could be purchased for 70 pesos each ($17.50) on credit with AGLF loans. The kits contained seed, fertilizer, insecticide and a booklet of instructions in native dialect.

Many of the kits were distributed by the Esso Fertilizer and Chemical Company through its 500 Agroservice Centers, and the Atlas Fertilizer Company through a country-wide chain of distributors.

The Esso interest in the rice kit followed an extensive marketing survey and research into potential fertilizer use in the Philippines. The findings led to construction of a $30 million fertilizer plant at Limay.

The Union Carbide Company, which produces insecticides in the Philippines, also has been active in the rice promotion.

In addition to the introduction of IR–8 rice in other Asian countries, the Philippine program is being studied as a model of coordination and cooperation between government agencies and officials; non-government institutions, and private enterprise.

THE PHILIPPINES' WAR ON HUNGER

(By D. L. Umali, Under Secretary for Agriculture, Republic of the Philippines)

On behalf of President Marcos and the Filipino people, particularly the farmers, I accept with a deep sense of gratitude and pride this award being bestowed by the Committee on World Food Crisis upon the Republic of the Philippines. Given in recognition of the Philippine contribution to the world-wide endeavor to increase food production, this award actually belongs to a host of persons and organizations, notably Philippine government research, extension and training agencies, the Army, civic and religious groups and schoolchildren and such international entities as the USAID, the International Rice Research Institute, the Rockefeller and Ford Foundations, FAO, the United Nations Development Program and the World Bank. I have no doubt, however, that all of those I have mentioned would decline individual credit and pass on the recognition to the man who deserves it most—the Filipino farmer, who is represented in today's ceremonies by my countryman, Andres de la Cruz.

Perhaps it is only fitting that we give the larger share of the honor to the farmers. It is true that our Administration, the private sector, and the various national and international agencies contributed in no small measure to the achievement of our goal of food sufficiency, but all that they provided for the whole production program (especially rice production) was support—support for the farmer. Rice cannot be grown in a Cabinet meeting, or in a bank or in an agricultural store. It can only be grown by farmers. The Filipino farmers were the ones who took the chances, got into the mud, sweated in the sun, and finally grew the rice. The Filipino farmers, therefore, are the ones who are making the Philippines self-sufficient in rice. In doing so, they have proved themselves to be as resourceful, as productive, as hardworking and as intelligent as their counterparts in Taiwan, Japan and the United States. As a matter of fact, if you will permit me to indulge in an outburst of national pride, I think that the Filipino farmers' accomplishment has exceeded everybody's expectations. Under similar circumstances of scarce and costly production materials, stringent working conditions and lack of incentives, as had existed in the past, other peoples might find it difficult to beat the Filipinos' record.

Those of you who are familiar with our history will recall that Philippine agriculture was as vigorous as the Filipino warriors who welcomed Magellan and his *conquistadores* in 1521. A bountiful nature was one of the attractions that kept the Spaniards in our country for nearly four centuries. A steady stream of agricultural exports flowed from Manila to foreign ports.

FOOD CROPS NEGLECTED

But the agricultural situation in the country was reversed during the past half century. The generous incentives given for producing certain export crops lulled the Filipinos into a false sense of security to the extent that they overlooked the need to raise the productivity of food crops, provide intermediate goods for domestic industry and diversify agricultural exports. Much attention was given the production of raw materials for foreign factories and scarcely any to the production of food for domestic needs.

During the last half of the century, the concern for health and sanitation reduced mortality and prolonged the life of the Filipinos. Positive steps to feed the rapidly expanding population were invariably neglected, however. Except for a few years, the Philippines has, since 1910, imported billions of pesos worth of rice. This tremendous loss of foreign exchange has set back the country's economic development.

A BRIGHTER PICTURE

A much brighter picture of the Philippine economy has emerged in recent years. Major strides have been made, notably in cereal production. Our rice production for Fiscal Year 1968 is now estimated to exceed our requirements for food for the same period.

Taking into account carry-over stocks, plus some late arrival imports ordered prior to July 1967, we expect to have surplus rice stocks of 475,000 metric tons by the end of June 1968. Our production has placed 109 grains of rice on the national plate where there were 100 grains the year before. Now, we stand a better chance of coping with our population explosion of two babies per minute.

At this point, you are probably asking yourselves the reason behind our success in rice production. How does one explain the paradox that with our fertile fields and abundant rainfall our farmers' performance in the past was far worse than in the present?

To my mind, the difference has been due mainly to the present Administration's sound economic policy which provides: (1) basic infrastructures that increase human productivity; (2) strengthened social and economic institutions; (3) workable and applicable technology; (4) effective extension services; (5) realistic price policy; (6) improved marketing facilities; and (7) efficient program implementation.

THE DE LA CRUZ STORY

Let me illustrate to you how this program has worked out through the typical example of Mr. de la Cruz.

Mr. de la Cruz' happy story might be said to have started one hot afternoon when an agricultural extension fieldman paid him a visit. The fieldman, a joint product of the U.P. College of Agriculture and the IRRI, impressed Mr. de la Cruz as trained not only in the science and art, but also in the business, of rice-growing. Incidentally, like 780 other technicians giving guidance to farmers who grow the new miracle rice, the fieldman's training was financed by USAID. He poured into our farmer's attentive ears the qualities of a new variety, a miracle variety called IR–8 which was developed by the International Rice Research Institute, a research center jointly financed by Ford and Rockefeller Foundations. IR–8, the visitor asserted, was non-lodging and responsive to fertilizers. It could be planted any time of the year and matured in the short space of 4 months.

Mr. de la Cruz thought matters over. Around him he saw how the government had gone about in earnest rehabilitating existing irrigation systems. As a matter of fact, he considered himself fortunate in having his rice fields right where these irrigation facilities were undergoing improvement. He had been told by many of his friends how, with the new system, the farmer could have water whenever he needed it and drain it off when he wished to do so. The availability of more water made it possible for him to grow two crops a year and a crop of vegetables in between. To insure fuller utilization of the irrigated areas, the government laid out a network of 886 kilometers of feeder roads to help the farmers transport their produce to market and bring in agricultural supplies to their farms.

With another visit from the fieldman, Mr. de la Cruz found himself sold on the idea of planting the new rice variety. The farm technician later helped him make a farm plan, which our farmer then took to a nearby rural bank so he could borrow ₱700 (about U.S. $175) for every hectare (about 2½ acres) of land he cultivated. It was the first time he had been able to borrow from a bank. Earlier, President Marcos had ordered the Central Bank of the Philippines to authorize rural banks to rediscount rice loans. The Cruz loan went mostly to the purchase of the IR–8 seeds, fertilizers, insecticides and weedicides. Mr. de la Cruz did not have to go far for his agricultural supplies; there were quite a few suppliers and dealers in his town.

Assured of good prices, the Cruz family toiled, rain or shine, all year through. Past government policies had always dictated that rice be the cheapest food. Hence, few farmers were stimulated to grow the staple crop or step up their investments in rice production. Besides two crops of rice, the Cruzes planted vegetables and root crops, thus making them, especially Mr. de la Cruz, gainfully employed eleven months of the year instead of the usual five. At various phases of their work they sought help from the extension man, who was now a family friend, and some technicians who were only too willing to give assistance on improved cultural practices. Mr. de la Cruz has now more confidence in extension agents because they are adequately provided with logistic support.

At harvest time, Mr. de la Cruz approached private people who owned drying facilities and who extended their services to Mr. de la Cruz on a service-fee basis.

His crops properly dried, Mr. de la Cruz stored them in a bonded warehouse of a farmers' cooperative to be sold when prices went up. With the warehouse receipt issued him as proof of what he had stored, he could go to any rural bank and secure a commodity loan of 80% of the prevailing price of his crops in storage.

Today, Mr. de la Cruz belongs to a farmers' organization with a rather strong bargaining position. His income from marketed produce has dramatically risen almost a dozenfold from $63 to $725 per crop of rice grown on 1.8 hectares of land. After all, under President Marcos' administration, a realistic price policy was set with the passage of the President's first congressional legislation which set the floor price of $4 in contrast to the former $3 per bag of 44 kilos of rice.

The Cruz family has attained whatever material success they are now enjoying on account of their increased income because of several important features of the Philippine rice production program.

A PRIORITY SYSTEM

An important element of our rice and corn programs is the priority system that was set up. Technical, financial and human resources were not thinly spread out but concentrated in twelve provinces with the greatest productive potential. Philippine administrators believe, and rightly so, that since the rice problem is an economic one, it can only have economic solutions; political patronage would never do.

In the top-priority provinces, the Administration put into operation 6,000 deep-well pumps purchased with government and reparation funds. In less than two years, 156,000 hectare have been put under irrigation by pump and gravity systems. Today, the blueprints for 40 irrigation projects and one multipurpose irrigation system have already been completed. When implemented, these would help us irrigate our projected goal of one million hectares.

The adequate water supply has stimulated our farmers to engage in multiple cropping, thus paving the way for gradual mechanization of our farms which will inevitably come about on account of the increased demand for labor.

BROAD-BASED PROGRAM

Another feature of our program of development—one with deep social implications—is its broad base. In the past, our program used to be concerned mainly with big landowners, well-to-do farmers, processors and traders. At present, the great bulk of our tenants and small farmers are the focus of administrative concern. It is now possible for them to obtain production and commodity loans at reasonable rates from rural banks, even without collaterals, under the Guarantee Loan Fund of P30 million, P5 million of which was contributed by the USAID. The rural banks serve as outlets for supervised credit under this Fund.

Our Philippine National Bank also gives loans for rice production with interest rates one percent lower than those for other crops.

AVAILABILITY OF SUPPLIES

Agricultural supplies such as fertilizers, insecticides and weedicides are made available through agricultural supply stores of commercial companies. For instance, ESSO Fertilizer Company has about 400 and Atlas Fertilizer Company 280 dealers of agricultural supplies, all well-trained to advise farmers in the use of these products. We are fortunate in having in our country 4 fertilizer and 17 agro-chemical companies and many farm machinery dealers that make the needed equipment and supplies available to our farmers. Now our farmers save themselves the trips to Manila to buy these supplies.

COORDINATED COUNCIL

Instead of falling into the temptation, as other developing countries have done, of revamping the governmental set-up to implement a program, we have instead established a Coordinating Council on a supra-departmental level. This Council, whose chairman is the Secretary of Agriculture and Natural Resources (and concurrently our Vice-President), is our solution to the problem of consolidating, integrating and redirecting our common efforts to increase productivity. It formulates our overall program and specific projects for hastening agricultural development and growth and provides the machinery of implementation on a regional, provincial and village level. The chief action officer of the Council is our Executive Secretary, the ranking member of our Cabinet.

The Council has received invaluable assistance from the USAID, through commodity and money grants, in strengthening its administrative machinery on the provincial level and providing staff incentives. It also conducts trends surveys, evaluations of the program and management audits of the agencies involved in the program.

Our administration has adopted the task-force approach to eliminate exasperating bureaucratic red tape and bottlenecks. Work groups comprised of technicians of various disciplines and departments get things done as they concentrate on specific problem areas under one leadership and the policies set by the Coordinating Council.

DO-IT-YOURSELF KITS

Under the present administration, no less than 30,000 do-it-yourself rice kits have been distributed to far-flung villages throughout the Philippines. These kits contain IR–8 seeds for a 2,000-square meter field, appropriate amounts of fertilizers and farm chemicals and simple instructions on the culture of the variety. The USAID has played an important role in popularizing their use. Through the kit method, extensive areas of ricelands are now planted to IR–8 and other new high-yielding varieties like IR–5, BPI–76, and the C–18 and C–4 developed by the IRRI, the Bureau of Plant Industry and the U.P. College of Agriculture, respectively. IR–8 has given promising performance in seven Southeast Asian countries. It is now being tested in 60 other countries of the world.

LEADERSHIP

Even more important than these technical innovations and administrative techniques is the intangible element of leadership. Much of the break-through in agricultural productivity that we have achieved during the last two years is due to the determined and dedicated leadership of President Marcos. Instead of merely paying verbal recognition to the pressing problem of the population-production disparity, our government has given it a great deal of thought, administrative time and energy and capital resources. Our President has seen to it that macro or national plans are supplemented

by realistic micro plans on the provincial town and village level and that both are properly implemented. However skillfully designed they may be, programs of development remain meaningless and ineffective unless there is a dedicated leader at the helm who sees to it that they are implemented as carefully as they were conceived.

Through his example, our President has stimulated local leadership, responsibility and resources for agricultural production to the extent that many provincial governors now have their own rice and corn programs and are taking an active part in their implementation. Many segments of our population are likewise involved in our production program. Among these may be mentioned the town mayors, religious and civic organizations, the Army, and the schoolchildren. Catholic priests are devoting pulpit time for the dissemination of information on improved rice production. Children are excused from classes during planting and harvest time.

Even our First Lady, Mrs. Marcos, and her children have not been aloof from our national effort towards food—, especially rice—, sufficiency. With the President, they have actually planted rice on their one-acre rice paddy on the Malacanang Palace grounds. Our First Lady's enthusiasm has contaminated many, especially the ladies. Once she invited the wives of several prominent citizens to our College of Agriculture campus. After a rather lengthy seminar, they got into the mud and planted rice on our own fields. It has now become fashionable to plant rice whereas it used to be demeaning in the past.

Our success in the production of rice and corn has encouraged us to move to other food-production ventures. We are occupied with component programs designed to produce more protein food for our people. Considerable emphasis has been given to the intensification and expansion of our livestock and fishing industries. Our First Lady is now promoting a home garden movement to produce more legumes, vegetables and other better-quality foods and to utilize the idle hours of our Filipino families. We are confident that through the sustained efforts of our people and the vigorous leadership of President Marcos and Vice-President Lopez, the Chairman of our Rice and Corn Production Coordinating Council, and Executive Secretary Salas as action officer, we shall bridge the gap between our goals and our achievements.

A CANDLE IN THE DARKNESS

To my mind, today's occasion highlights more than the Philippine contribution towards the solution of the world food crisis. It gives us an opportunity to share our experience with others. We like to think that our experience will mute the pessimistic note constantly being struck by prophets of gloom wtih their dire predictions of worldwide starvation. We are also hopeful that our experience will eloquently persuade others to take a sunnier view of things, leading them to adopt the attitude we have taken that it is possible even for newly emerging countries like the Philippines "to do more, know more and have more in order to be more."

I am sure that I speak for all those to whom today's award properly belongs when I say that we accept it as a trust to be used for mankind at large. Once again, thank you for encouraging us and inspiring us to light a candle instead of merely cursing the darkness.

SAN RAFAEL WILDERNESS

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TEAGUE of California. Mr. Speaker, I hope the Members of the House will take the time to read the following letters from two fine conservation groups,the National Wildlife Federation and the American Forestry Association in support of the San Rafael Wilderness conference report which will be brought to the floor next Tuesday, March 5. The National Wildlife Federation's letter is addressed to me and the American Forestry Association's correspondence is addressed to the editor of the Washington Post in response to its editorial of February 10.

The letters follow:

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., February 19, 1968.

Hon. CHARLES M. TEAGUE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TEAGUE: This is in response to your invitation that the National Wildlife Federation comment about the current controversy which has arisen over the San Rafael Wilderness Area conference report. In recent weeks, considerable confusion has existed over the position of citizen conservation groups on this issue and we welcome this added opportunity to explain our views.

At the beginning, and probably most importantly, I should explain what we think this issue is not—and must not—be. Statements have been made that the San Rafael proposal, first under provisions of the 1964 Act to advance through both bodies, will constitute a history making precedent. One hears that the Forest Service must have its recommendations adopted in their entirety in order to preempt any future challenges to its recommendations made to Congress. In a similar vein one is told that some conservation groups must establish a precedent that changes can be made to recommendations made to the Congress by the Forest Service.

If this be true, the present controversy over the size of San Rafael Wilderness is an exercise in futility for 32,000 acres has already been added to the original proposal after field hearings. Thus, the Service already has given consideration to the views of public citizen groups.

In our opinion, if this lengthy delay over 2200 acres has done nothing else, it has proven that neither of the contesting principals can claim a precedent setting victory. It should serve as a useful example, however, to support the contention of the National Wildlife Federation that each wilderness area proposal must stand or fall on its own merit. We shall not consider the San Rafael, or any other wilderness area proposal, as a precedent. We shall support the Forest Service (or Park Service or Bureau of Sport Fisheries and Wildlife) recommendations when we think they are sound, but we also shall suggest alterations, additions and deletions to proposed wilderness areas as they appear desirable or necessary. And, we believe the Congress should take the same viewpoint. Perhaps if the conferees could adopt a "no-precedent" declaration of policy, it would clear the air for more thoughtful consideration of the true points in contention.

Now to make a few observations about specific provisions in the differing San Rafael bills:

1. It is said that the 2200 acres in controversy are needed in wilderness status to protect the endangered California condor. Of course, we are vitally concerned about the welfare of this rare bird. But, as we see it, the key to maintaining favorable condor habitat is limiting human activity and the Forest Service has agreed to do this through closure of the critical portion of Sierra Madre Ridge Road to public use. The road lies outside the recommended 2,200-acre addition to the proposed wilderness. This would appear to be enough. An imaginary wilderness boundary line on the ground would not assist in habitat maintenance to any marked degree.

2. The same reasoning applies to contention that the 2200-acre addition is needed to protect Indian pictographs within it. Protection for these pictographs can be provided under some other classification. Designation as a wilderness area would give the Secretary of Agriculture no new tools to protect the artifacts. He already has adequate authority to protect them in connection with National Forest administration.

3. In view of the foregoing, the major point at issue boils down to the relationship of the 2200-acre area to planned and partially completed fire presuppression work on the Sierra Madre Ridge. The Forest Service contends that its plans for completion of type-conversion work on the Sierra Madre Ridge do not depend upon once-planned use or development, as has been suggested. The Service says this work is a preventive measure, a necessary precaution to give firefighters the prepared fuelbreak they would need if wildfire breaks out from any cause, and cites the recent 90,000-acre Wellman Fire nearby as an example of proven need. Conservation advocates of the 2200-acre addition contend that the area does not need to be subjected to bulldozing and vegetative-type conversion for fire control purposes.

In view of the foregoing, one essential question must be answered: does the Forest Service have the best knowledge and ability to handle fire control on the area; and/or are responsible officials of the Forest Service acting with integrity when they say these acres should not be placed in wilderness status because of the fire situation? To say the Forest Service cannot best cope with the fire control situation is to question the agency's ability to handle fire suppression for millions of other acres under its jurisdiction, or to challenge the integrity of Forest Service officials, which we do not. When faced with the judgment the National Wildlife Federation concluded the Forest Service has the best competency to judge fire suppression needs; therefore, we hope the Senate position in this controversy is upheld.

Sincerely,

THOMAS L. KIMBALL,
Executive Director.

THE AMERICAN FORESTRY ASSOCIATION,
Washington, D.C., February 12, 1968.

To the EDITOR,
Washington Post,
Washington, D.C.

DEAR SIR: To the average reader your February 10 editorial would imply that conservationists are fighting a righteous war against evil land despoilers over the San Refael Wilderness issue in California. Nothing could be farther from the truth. The U.S. Forest Service backed by many of this country's largest conservation groups, is merely trying to defend its professional role as the nation's principal forest fire fighting agency.

Simply stated, this issue is over the location of a firebreak built in advance to halt fires which might threaten the San Rafael Wilderness itself. Based upon years of experience in fighting fires in these dry brush covered hills of Southern California, a continuous line of green fields is being created along a carefully selected ridge line in order to halt fires when they start. Dry brushy vegetation is removed by machinery and the firebreaks sown to green grasses in a process known as brushland conversion.

The important factor is the location of

these firebreaks. Wind driven fires are not stopped just any place but only where terrain and fuel conditions are favorable. These ridge-top defensive lines are selected by experienced professionals. The lines not only must be strategically located, just as in a battle plan, but they also must be continuous. Two-third of the firebreak at San Rafael already has been built and the proposed addition of 2,200 acres to the wilderness would prevent completion of the remaining third. Wilderness classification would rule out any further use of machinery or man made developments on the area. The fire line would be incomplete and therefore useless.

All conservation groups support the San Rafael Wilderness Bill—the dispute involves only this 2,200 acre addition to a 143,000 acre wilderness. Arguments for the addition itself are good, too, because it would include portions of the giant California condor flyway, some outstanding Indian pictographs, and unusual natural openings in the brushland called porteros. But, all these can be saved too because the U.S. Forest Service officials have agreed to exclude all other man-made developments and public travel in the proposed addition except that necessary for fire control.

The issue clearly is one of emotionalism versus professionalism. The citizen public should have a voice in selecting our nation's wilderness heritage. But, if professional land managers are to be denied the right to exercise their judgment based upon experience in something as vital as fire control, the future of the wilderness is doomed anyway.

It is unfortunate that such a major dispute has developed over such a small area of land and that conservationists themselves are divided. However, the real problem is one of principle and precedent. It would be a serious mistake to ignore the advice of our nation's foremost professional foresters, especially since they have agreed to all restrictions for wilderness management of this land except minimum activities necessary for vital fire control.

Sincerely,

WILLIAM E. TOWELL,
Executive Vice President.

RISING COST OF GOING TO COLLEGE

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, the costs of a college education are rising each year. Next year they will rise another 4 to 5 percent.

While we are trying, present Federal programs simply cannot meet the needs and demands of higher education.

Last year on October 2 I introduced a revised version of the "Iowa Plan for Growth and Progress in Higher Education," H.R. 13255.

The Iowa plan consists of three phases. Phase I grants to a parent a $50 tax credit on their Federal income tax for each child each year until he or she reaches college age, providing an educational investment certificate is purchased at a bank or other financial institution. With interest, this fund for each child would grow to more than $1,300.

Phase II grants a $200 yearly tax credit to the person sustaining the major burden of a student's expenses while in college, providing another $800 over a 4-year period.

Phase III requires that a specified percentage of the money set aside for educational investment be used for the purpose of making low-interest loans to educational institutions and needy students.

Thus, under the Iowa plan, anyone would be able to receive at least $2,000 toward a college education. In addition, a student who finds the amounts provided by the tax credit inadequate may borrow up to $1,000 a year to pay for his education, making it possible for every student who needs it and is doing satisfactory work to have at least $6,000 for a 4-year college education.

The Iowa plan would put at least $25 billion into the private sector of our economy, dedicated to education—both to aid colleges in expanding and to help needy students. It would in large part replace Federal aid to higher education and avoid constitutional church-state conflicts.

Mr. Speaker, a recent article in the March 4, 1968, issue of the U.S. News & World Report details the increasing college costs. The story it tells should concern us all. The problem stated clearly calls for a new, bold approach for its solution. The Iowa plan is such a solution.

The article follows:

RISING COST OF GOING TO COLLEGE

Tuition, room, board—every campus expense keeps climbing in a spiral that seems endless. Private colleges are hardest hit. A look at the national trend—

If you are shocked by the cost of sending your son or daughter to college—

Brace yourself for more bad news.

Latest official figures show that still another boost in college bills, averaging 4 to 5 per cent, is in store for the next school year.

All this comes on top of a rapid climb in college expenses that, over the last decade, has far outstripped the rise in most other living costs.

The accompanying chart reveals what has been happening, and the trend ahead. Figures cover tuition, fees, room and board, and are averages. They do not include books, clothing, transportation and other expenses that can easily add $500 or $600 to the basic cost of a year at college.

Thus a student going to public university, if he is a resident of the State, will typically spend a total of $1,700 this year. In many cases, outlays will run hundreds of dollars higher.

If your son or daughter goes to a private college, the expense will be much bigger, in most cases. Basic charges at private universities rose by two thirds in the last decade, reaching $2,266 on average this school year.

Adding in $600 for other campus costs incurred by the student brings the total to nearly $2,900, or about $80 a week over a nine-month school year. Actually, in many private schools, costs of $4,000 a year are common.

$12,000 education? The average price for four years of private college is approaching $12,000. Even at State-supported institutions, the typical cost of a college education is nearing $7,000.

All told, college bills can amount to a small fortune for a family with two or more children of college age. And many students hope to go on to graduate schools after getting a degree.

The trends shown here help to account for the increasing popularity of two-year community colleges, where students can live at home.

They also explain the growing pressure to get federal scholarships for students, as well as the push to provide more Government aid to colleges, which are themselves caught in a seemingly endless escalation of expenses.

AVERAGE CHARGES FOR ACADEMIC YEAR AT 4-YEAR COLLEGES

	Total 10 years ago	Total this year	Total next year (estimated)
Public colleges	$770	$1,110	$1,155
Tuition and fees [1]	187	313	330
Dormitory room	172	329	348
Board	411	468	477
Private colleges	1,345	2,266	2,382
Tuition and fees	661	1,350	1,434
Dormitory room	233	391	412
Board	451	525	536

[1] Tuition for State or local residents; out-of-State residents pay more.

Note: Costs at many colleges are much higher than these averages. Expenses of books, clothing, transportation, and other items push total outlays still higher.

Source: U.S. Office of Education.

RAND SHENANIGANS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I have now learned that the Rand Development Corp., of Cleveland, Ohio, which has taken the taxpayers of this country for a ride through its subsidiary, Universal Fiberglass Corp., of Two Harbors, Minn., has been caught trying to bilk the Government in yet another area.

It seems that Rand maintains a plush apartment in New York City—apartment 4–H in Building C at 415 East 52d Street, to be exact—and was charging the Interior Department most of the rental fee.

Not only that, Mr. Speaker, but Rand's officers—who did not spare the horses when it came to entertainment, liquor, and theater tickets for those they were entertaining in this apartment—sought to make the Government pay for more than $20,000 for this entertainment and for their own travel expenses.

All of this was done under a contract Rand obtained with the Federal Water Pollution Control Administration of the Interior Department.

Another expensive habit displayed by these Rand officials—and I will remind Members of the House that they are apparently close friends of Vice President HUBERT HORATIO HUMPHREY—was their use of the long-distance telephone.

As a matter of fact, records of long-distance calls placed from this New York apartment and from Rand's New York office show tolls of $23,035.43 charged to the Interior Department contract between May of 1966 and May of last year.

Quite a number of these calls were made to the Vice President's office here in the Capitol. A number of others were made to telephones in Arlington and suburban Maryland—numbers I have not identified.

A number of calls were also made to Universial Fiberglass in Two Harbors and to the office of Universal's attorney, Roger Peterson, in Minneapolis. Mr. Peterson, it will be remembered, is the brother of one of HUMPHREY's top aides.

What all these calls have to do with an Interior Department water pollution control contract I do not yet know, but I hope to have the answers in due time.

I also hope to obtain answers as to why certain expenses of this company were allowed by the Defense Department on previous contracts with the Pentagon.

In the meantime, I wish to congratulate the alert Interior Department auditors who, it seems, were the first to smell something fishy in the expenses this company was trying to unload on the public, and I suggest that the Internal Revenue Service might do well to take a look at some of the deductions claimed by this outfit over the years.

RECENT ATTACKS BY VIETCONG AGAINST VILLAGES AND TOWNS IN SOUTH VIETNAM—FIRSTHAND ACCOUNT

Mr. BROYHILL of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL of Virginia. Mr. Speaker, various pronouncements have been made with respect to the vicious attacks by the Vietcong against villages and towns in South Vietnam, including the American headquarters city of Saigon.

Some of these accounts have brushed off the attacks as no more annoying than a swarm of gnats; others have characterized the assault as almost a death blow to victory, peace and economic stability for the area.

In each instance, Mr. Speaker, the information has filtered down to the American public either through the political sieve of administration spokesmen, at the White House or State Department, or through the sometimes necessary censorship of the Pentagon or Saigon military establishments.

I have in hand, Mr. Speaker, a firsthand account of what took place in Saigon, from a constituent who was there. He is a civilian engaged in surveying and photogrammetric work in South Vietnam, a brilliant young engineer, I am told, well able to judge events which occur in his presence.

I shall read his letter to this body in the hope that it will shed light on the extent of the disaster that befell our own people and those we are fighting for in South Vietnam. I hope it will also bring home to at least the people of my 10th District of Virginia the seriousness of the situation along with a better ability to judge the validity of Government and military pronouncements regarding future events there.

My constituent's letter, in part, reads as follows:

We were hit very hard Tuesday morning. I was at the Embassy about 6 a.m. It amounted to a genuine blood bath. There were dead Marines, Army MP's, and VC's all over the place. The fight at the Embassy continued until 9 a.m. Most of this I managed to capture on 35mm color film. Later in the day I went over to Monsieur Routin's house and we were in the kitchen when the VC climbed over the garden wall and attacked. An Army helicopter was blasting at them from a height of 75 feet. They used a bazooka and blew up a U.S. Army truck and killed 19 MP's about 40 feet from the window. A full scale fight ensued between the MP's and the VC's with the result that they blew up the garden and four houses, grenaded the car and school bus.

At noon during the lull, I got several shots 35mm of the massacre, then the fighting started and continued into the night. One Army Major ducked into the garage across the street and seconds later his head and an arm came flying out of the window. An Army Sgt. walked out minus his left arm.

We managed to get M. Routin's wife and children out of the house and relocated. By the time I got back to my house, the VC had set up several mortars in the cemetery next door. The result was that we had a big battle all night. 6 BOQ's were attacked and the VC seized control of the city for 2 days.

Just today they are driven to the suburbs, but seem to be maintaining their ground. Many snipers are still in the city and Saigon is under Marshal Law with indefinite indoor curfew for all. Tan Son Nhut Airbase is closed and under attack.

Of several of the Vietnamese Viet Cong that have been captured . . . are not in fact Vietnamese, but Chinese.

The PX and Commissary in Cholon was demolished and we are now hard pressed for food, although I personally eat in the Officer's Open Mess. For most civilians and local nationals food is now a big problem. Rice is selling today for 80c per kilo. Bread jumped from 15c to 30c and meat went from $2.00 per kilo to $10.00 per kilo. Dead bodies littered everywhere are beginning to smell and bloat. At night the rats are digging in.

Yesterday, the streets of the entire city were vacant saving for the U.S. tanks and APC's. The friendly forces Vietnamese Army threw down their guns and ran when the attack started. Since then, they have looted and damaged homes and have done almost as much damage as the VC. In several areas the friendly Vietnamese Army turned their guns against the American forces. How about that!

Many VC have stolen friendly Vietnamese and American military vehicles and are driving about the streets posing as allies and machine-gunning police and Americans. The American radio has played down the attack. It reported only one Marine was killed at the Embassy. I took photographs of dead Marines all over the yard. The radio said they did not get inside the building and I took photographs of 4 dead VC being carried out the door and witnessed the inside battle myself.

I do not understand why they lie so much from both sides. The city is completely surrounded with VC. Refugees are beginning to pour in from the suburbs. We have 150 cases of bubonic plague. I hope the dead and the rats do not spread it any further.

Hate to trouble you with all these reports, but I figure just maybe one person in the U.S. would be interested in the truth.

Mr. Speaker, this letter, dated February 4, 1968, was addressed by the young man to a close friend of mine, who told me he felt better just knowing that I could see it. He was a man under fire pleading for truth. He feels strongly that the American people are being denied that truth. He begs for help in revealing the truth of the situation in Vietnam.

I believe he stated it as he saw it. I believe it is my duty to assist him in demanding that the American people be told the unvarnished truth. I am convinced, Mr. Speaker, that when they have been told the truth they will be better able to bear the burden of the cost and suffering in Vietnam as well as to strengthen their own will on the home front to sustain them through the long days ahead before we achieve victory there.

WIDNALL APPLAUDS ADMINISTRATION MOVE TO REMOVE ARMS CREDIT SALES AUTHORITY TO UNDERDEVELOPED COUNTRIES FROM THE EXPORT-IMPORT BANK

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, this week the House completed action on the Export-Import Bank bill conference report. For nearly a year, the 14 minority members of the Committee on Banking and Currency vigorously have fought against the Johnson administration policy which permitted the Export-Import Bank to underwrite secret arms credit sales to underdeveloped countries. The debate on this controversy lasted for nearly a year and culminated on February 6 in the defeat of my amendment to the Export-Import Bank bill which would have prohibited such Export-Import Bank arms credits to underdeveloped countries after June 30 of this year.

Many Members of the House will recall the spirited House floor debate to which I refer. The Democratic House leadership stanchly maintained that continuation of such secret arms deals through the Export-Import Bank was essential to our national defense and to the defense of such nations as Israel.

Yesterday, barely a fortnight since the House expanded such Export-Import Bank arms credit sales authority, the Johnson administration sent an executive communication reversing this policy. According to Executive Communication No. 1570, limited arms credits will be available to underdeveloped countries under very close congressional scrutiny and under specified standards of need, but without any participation by the Export-Import Bank whatsoever.

This is precisely the position both the minority and I have taken, and I commend the Johnson administration for making this significant, though belated change in policy. There never was any need for clandestine arms deals to underdeveloped nations running through Export-Import Bank credit facilities, and Executive Communication No. 1570 confirms this position.

Two weeks ago, although bitterly disappointed, I tried to be gracious in accepting defeat of my amendment by a majority of the House. Today, I shall

similarly try to be gracious in acknowledging victory for a hard fought position of principle. Those in the executive branch who have removed the Export-Import Bank from this type of secret and uncontrolled activity deserve our thanks. By this new administration position, I assume the expanded authority for arms credits to underdeveloped countries contained in the final version of the Export-Import Bank bill will be used for more constructive purposes.

JET ENGINES, THE BALANCE OF PAYMENTS, AND JOBS

Mr. TAFT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TAFT. Mr. Speaker, information coming to light about the jet engines for the planned DC–10 airliner, raises some vital questions about Government policies on our unfavorable balance of payments now and in the future. Aviation Week and Space Technology has just revealed the liklihood of official U.S. sanction of engine purchases abroad that could have an adverse payments effect of about $7 billion and cost the Nation 18,000 jobs principally in Cincinnati, Albuquerque and Lynn, Mass.

In its February 26 issue, the magazine states:

> Official Washington sources say the Johnson administration will sanction U.S. purchases of Rolls Royce engines, despite this country's balance-of-payments problem, to smooth entry of U.S. airbus builders into the European market.

However, such smoothing has not been necessary to sell superior U.S. airplanes abroad in the past as is evidenced by our penetration of almost 90 percent of the world jet transport market.

In the case in question, the estimated price of engines, service, and spare parts is approximately $7 million per plane. The estimated worldwide market is 1,000 aircraft, half of which would be for domestic use.

While the transaction is essentially a private one not subject to law or regulation, Government agreement on the payments question has been sought, and according to the article, will be given.

How does all this happen? Is it designed as an unofficial foreign aid program to Great Britain?

Engines of like or superior quality can be purchased at competitive prices in the United States despite our higher labor rates. To divert such an order abroad, even by informal approvals, seems certain to hurt job opportunities. It would seem that any sanction of the Government should take this into account too.

If we are to embark upon a system of sanctions of this sort, especially if a decision with an enormous adverse effect on the balance of payments is involved, the Congress should know and approve of it. Any such system should operate in the clear light of day!

The Secretary of the Treasury and any other administration officials who may have been involved, owe the Congress and the people an explanation as to what has occurred, with a detailing of what activities are carried on at the Treasury, the White House, and other departments of Government in this case and similar cases. What is going on and what will the effect be?

Mr. Speaker, to discuss and investigate this matter further, I am reserving a special order next Wednesday, March 6, after the close of legislative business and will invite all Members concerned with this problem to be present and discuss it.

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

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

Mr. PUCINSKI. The gentleman has made a very important and significant statement. I wonder if the gentleman has any alternative to suggest at this time.

Mr. TAFT. I have the alternative that the Secretary of the Treasury, the President, the Transportation Department, or whatever other departments are involved should lay before the Congress a statement of what the details of this transaction are and what action should be taken with regard to it.

FORT POLK, LA.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. LONG] is recognized for 30 minutes.

Mr. LONG of Louisiana. Mr. Speaker, I am impelled to rise before the House today to discuss a situation in my district, which for more than two decades has constituted a cruel and unnecessary injustice upon a people whose motives are marked by simple trust and patriotism. This trust has unfortunately been met by gross bad faith on the part of the Government. For the past 3½ years I have worked in the Congress to correct this injustice.

Mr. Speaker, the facts of the case are varied and lengthy, and I ask your indulgence as I untangle the thread of this story.

In 1941 the Federal Government seized by expropriation a considerable portion of Vernon Parish, La., paying for this property including farms and homesteads as little as $4.50 an acre, to establish what was then called Camp Polk, a sister Army post to Camp Beauregard, Camp Claiborne, and Camp Livingston, three central Louisiana Army installations which have long since been deactivated and, too, dismantled. It was at Camp Polk that the Army conducted the now famous Louisiana maneuvers, which prepared our troops for the invasion of North Africa and Europe and the defeat of Nazi Germany.

The sudden creation of a giant military installation in largely rural Louisiana caused understandable social and economic upheavals, but this short-lived inconvenience to the normal affairs of the community was nothing compared to the destruction of Europe to come later, and therefore, the people of the area treated it in the spirit of patriotic sacrifice. If, when World War II had ended, the post had been deactivated and dismantled as her sister posts were, the later confusion would have soon cleared, and the heavy costs in human and economic terms to a rural area maintaining services for a great Army installation would have soon abated. But the heavy sacrifice paid by these people has since been compounded by the opening and closing of Camp Polk with a cavalier disregard to the people and the area. And each time, the boom-and-bust atmosphere created and imposed by the Government has left the people embittered and the economy of the region in a shambles. It is little wonder that few care to trust the Government and that rumors run wild each 4 years.

This is not to say that the people of the area do not take pride in the post's great history of service to the Nation and in the accomplishment of its present mission of training the best infantry troops in the world. Because they do take a fierce pride in Fort Polk and its officers and men. A brief look at the history of the fort reveals sufficient reason for this pride.

The post was established in 1941 at a cost of about $22 million and named in honor of the Right Reverend Leonidas Polk, the Episcopal bishop of Louisiana, known as the fighting bishop. He was killed in action at Marietta, Ga., in 1864 while fighting for the Confederate Army.

Covering nearly 199,032 acres of land, Polk is the largest of the three remaining active military installations in Louisiana and the only remaining Army post. It was originally activated as an Armored Division training center, and during World War II more than 8 million men trained at the facility. It was closed at the end of the war, but during the summers of 1948 and 1949, it was partially reopened to accommodate summer training of National Guard and Reserve units.

In September 1950 at the beginning of the Korean war, the post was fully opened as the home of the 45th Infantry Division, Oklahoma National Guard, which trained there prior to shipping to Japan in the spring of 1951.

But in 1954 Camp Polk was again closed, only to reopen the next year. And it was designated a permanent installation and renamed Fort Polk, after an unprecedented effort by the people of the area and the State of Louisiana to acquire the cooperation of all facets of the economy and to obtain maneuver rights to virtually all private property other than homes throughout western Louisiana. However, true to form the permanent Fort Polk was again closed in June 1959.

It served only as a Reserve training camp until September 1961, when it was again reactivated, this time as part of the military buildup over the Berlin crisis, and the 49th Armored Division, Texas National Guard, trained there.

In the summer of 1962, the Army finally decided to keep Fort Polk open as a training center for basic and advanced individual training, a mission which it still serves.

As stated before, Fort Polk covers 199,-032 acres of land, making it the fifth largest military installation in America. The value of its current fixed assets based upon replacement cost is approximately $311 million.

It has one of the longest training seasons of any Army training base, because of fewer interruptions as a result of adverse weather. Over one-half million soldiers have been trained at Fort Polk since July 1962, the last time the base was opened, with over 130,000 trained annually—this also includes those receiving advanced Vietnam oriented infantry training.

Fort Polk has a population of 43,000. This figure includes roughly 3,700 civilian employees, 7,500 military dependents living off base, 10,000 permanent military personnel, and 22,000 trainees. Of course, this last figure, as well as the others vary somewhat from time to time.

There are about 325 retired military families living in the area. In addition, there are about 4,800 persons employed in the area as a direct result of the activation of Fort Polk.

Mr. Speaker, Fort Polk means a lot to the State of Louisiana economically, as it is the State's largest single industry. Its fiscal year 1967 payroll alone was $78 million. Another $16 million was spent locally for operations, and so forth. The Louisiana State Department of Commerce and Industry estimates that all told Fort Polk generates about $140 million annually to the economy.

Although Fort Polk was reopened in 1961, there was no construction appropriation until fiscal year 1965, at which time only $627,000 was appropriated for the rehabilitation of mobilization facilities. However, in fiscal year 1966 we authorized and appropriated $1,118,000, and have continued to authorize and appropriate some funds each year since.

In Louisiana four military installations have been deactivated in recent years. Chenault Air Force Base was closed in June 1963. New Iberia Naval Air Station was closed on December 31, 1964. Algiers Naval Base and Air Station was closed on December 31, 1965. And Camp Leroy Johnson was closed on June 30, 1964.

Mr. Speaker, can you imagine as prudent business a military facility worth $311 million not being a permanent facility? Is this good management?

At the first of the year, Fort Polk celebrated its 27th anniversary as a military installation of the U.S. Army. But despite its long history of gallant and loyal service, and despite its nominal designation of "permanent," Fort Polk nevertheless is still regarded by the Army as temporary.

And this is the crux of the problem. After 27 years of experience, even the civilians see through the promises and the mythical designation when only temporary facilities on an otherwise "permanent" Army post are built.

If this Government has spent or is spending one red copper cent via either military assistance or economic assistance on family housing for the servicemen and their families of any foreign nation, then it is more than we have spent and/or spending on U.S. servicemen and their families at Fort Polk, La.

The economic and social sacrifices exacted by the questionable status of Fort Polk are by no means restricted to the civilian population. They are the daily companion of military personnel at Fort Polk as well. In the Army Times' "Guide to Army Posts," published by the military service division of the Stackpole Company, there appear two sentences which tell of inconvenience, sacrifice and mental suffering by the men who serve at Fort Polk:

> No permanent family quarters on post. Housing off post a major problem.

Something should certainly be done to alleviate such conditions. But when permanent housing is denied Fort Polk, the civilian sector cannot be expected to speculate on the intentions of the Department of Defense, whose attitude toward Fort Polk over the years has been something less than consistent.

The fact is that the economy of the area cannot stand the terrific strain which would be imposed by building adequate family housing for military personnel, in the absence of firm assurances from the Defense Department that Fort Polk would remain at least long enough to pay out the investment.

Furthermore, troops requiring medical treatment while training at Fort Polk, as well as hundreds of Vietnam war casualties who convalesce there, face definite sacrifices, which it is our duty to prevent whenever it is humanly possible.

As I pointed out to the House Armed Services Committee last year, the 27-year-old Fort Polk hospital is conspicuously inadequate, and moreover, it is definitely a fire hazard.

The hospital was built in 1941 of standard World War II cantonment frame construction. Its value today is in excess of $4 million, but it is inconveniently composed of 145 separate buildings, 9,500 linear feet of covered ramps and walkways, 622,560 square feet of floor space, and costs $121,750 each year just to maintain. Originally, its capacity was 1,550 beds, but only 570 beds are now authorized, for very obvious reasons. In its peak periods, it accommodates as many as 600 patients, with an average of 50 to 55 Vietnam casualties at any given time, probably more now. I am told that its equipment is such that the hospital can rapidly expand its capacity, but not enough to return to its original 1,550 beds. Although the operating equipment is modern and in good condition, and the hospital has recently received accreditation by the Joint Commission on Accreditation of Hospitals, the sad fact is that the buildings are falling apart. Constant repair is necessary just to maintain it in current operating condition.

The obvious necessity for a new and modern hospital at Fort Polk has concerned me for several years, and at the hearings on military medical benefits before Subcommittee No. 2 of the House Armed Services Committee, on which I serve, in March 1966, I took the opportunity to question Lt. Gen. Leonard D. Heaton, Surgeon General of the Army, on the subject. This is a record of that exchange:

> Mr. LONG. Could I ask one question? Have you asked for any hospital facilities at Fort Polk, Louisiana?
>
> General HEATON. We have not put in for Fort Polk yet.
>
> Mr. LONG. Why?
>
> General HEATON. We have not yet put in for a new hospital at Fort, Polk, Louisiana.
>
> Mr. LONG. You say you have not?
>
> General HEATON. Not yet.
>
> Mr. HÉBERT. Would you like to have one?
>
> General HEATON. We would like to replace all of our old hospitals, Mr. Chairman.
>
> Mr. LONG. Well, if the need exists, why don't you ask for it?
>
> General HEATON. We are, yes, sir.
>
> Mr. LONG. You are going to ask for one at Fort Polk?
>
> General HEATON. We are going to ask for a new hospital everywhere until all of our old ones are replaced.
>
> Mr. HÉBERT. Are you going to ask for one at Fort Polk?
>
> General HEATON. Yes, sir.

Despite the testimony of the Surgeon General of the Army that the Department of Defense would request a new hospital for Fort Polk to replace the present firetrap, the Department a few days ago submitted its 1969 fiscal military construction authorization request for $1.9 billion, including $1,690,000 for training facilities at Fort Polk, but none for a much needed hospital or long-overdue family housing.

Because of these and other instances, the people of the area and I do not doubt many servicemen, are asking some pointed questions. The economic hills and valleys, which are a direct result of the boom-and-bust policy has almost become a way of life in this area of America. They live daily with the threat of economic depression on the heels of still another deactivation, and the morale problem understandably affects services and support to Fort Polk. Workers take jobs there merely as temporary expedients, suppliers cater only as far as their normal business will permit, financial institutions cannot risk Fort Polk-oriented ventures.

At the same time, my constituents are asking, Why do we spend billions building military installations overseas, of a permanent nature, which eventually are turned over lamely to the foreign governments concerned, when we apparently cannot spend much less to develop and maintain facilities even for a corporal's guard at home?

Why are the people of France, Germany, Turkey, and Southeast Asia, among others, treated far better by our government than our own people who have sacrificed so much for so long?

These questions simply cannot be answered completely by referring to the state of hostilities overseas. Some of the answer certainly lies in the management of our installations at home, their funding and their development.

During the past 3 years in which I participated in hearings on authorization requests before the House Armed Services Committee, I have seen the military construction authorization for fiscal year 1966, the supplemental military construction authorization for fiscal year 1966 and the military construction authorization for fiscal year 1967, and the military construction authorization for fiscal year 1968 come before the Con-

gress without adequate requests for Fort Polk.

It is true that in fiscal year 1969, after considerable prodding, more is asked for Fort Polk than previously. But the increase is obviously predicated on present requirements with no attention to future needs at the installation.

In fiscal year 1966 the Army was authorized to spend $1.1 million at Fort Polk for rifle squad tactical ranges, electric system conversions, and barracks improvements. In fiscal year 1967, the Army was authorized to spend $861,000 for the construction of training ranges. In fiscal year 1968 the Army was authorized to spend $954,000 for a cold storage plant, deleting requests that year for a light vehicle driving range and a rifle range. In fiscal year 1969 the Army is requesting authorization for $1,690,000 for training facilities at Fort Polk, steadfastly refusing to even ask for authorization for any permanent facilities.

But there are times when circumstances force the building of permanent facilities even at Fort Polk. For instance, in the Armed Services Committee hearings on fiscal year 1968 military construction authorization, the Army requested and received authorization to build a cold storage plant at Fort Polk. It justified the request for a permanent plant by stating that the old facility, built in 1941, had rotted away, that no other building was large enough for alteration as a storage unit, that no comparable commercial facility existed within 100 miles, and that if a new one was not built "five brigades and a cadre at Fort Polk will be exposed to undue risk of food poisoning as a result of spoilage." I wondered then and still wonder that a new hospital was not included in the Army's "undue risk" justification.

Aside from its military mission, the military is responsible for the cultural, social, and economic wake it leaves behind it. This responsibility is especially critical where it is the largest employer in the area, in fact the largest in the State. It is responsible for operating in such a manner that the community can with some assurance plan for schools and homes and social services, and all the benefits of civilized society which Americans expect of its Government and fully deserve. In the case of Fort Polk this responsibility to the community and to its neighbors is being shirked.

I would not like to leave a false impression in the minds of Members here today. All of us in my district and throughout Louisiana are extremely proud of Fort Polk and of its missions in the national defense. I have personally supported the development of Fort Polk. I have repeatedly called for it to be declared permanent and developed. I have pleaded for permanent housing and a new modern hospital. I have consistently supported the Army's requests for authorizations for Fort Polk and worked to increase appropriations.

But it should be understood in the highest councils of the Nation that an installation such as Fort Polk does not exist in a vacuum. It is an integral part of the community in which it operates, and as such it must assume the larger share of social and economic responsibilities. Fort Polk has an illustrious history. It is unfortunate that its history is marred by all too many deactivations.

The men who have commanded at Fort Polk have said that it is one of the finest installations, in terms of geographical location, weather, and terrain, in the Army's roster. Yet it is relegated to a second-class existence. If the testimony of these professional soldiers is to be believed, then Fort Polk should have been declared permanent long ago and developed so that it might contribute its full share to the defense of the Nation.

I cannot believe that these men would either deceive us or mislead us. And certainly, as military men of long experience, they could not have been mistaken. I do not think they were guilty of either. I shall continue to work in the House and in committee to effect a policy by which the Army can make the best and widest use of this excellent facility in the national interest and for the national defense, and hope that the Department of Defense will still come in and request in the fiscal 1969 military construction bill, which is presently before our committee, permanent family housing and a new, much-needed hospital at Fort Polk, La.

Thank you, Mr. Speaker.

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

Mr. LONG of Louisiana. I am happy to yield to the distinguished majority leader.

Mr. ALBERT. I am glad to hear my distinguished friend describe a great installation in his district. It so happens that in June 1941 I was stationed at what was then Camp Polk in the first division ever to occupy it, the 3d Armored Division. I concur in what the gentleman has had to say about the training, the weather and the cooperation of the residents of the area. I found that to be true as a soldier myself when the camp was first opened.

Mr. LONG of Louisiana. I thank the distinguished majority leader for his kind remarks relative to this great installation.

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

Mr. LONG of Louisiana. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Speaker, I would like to say that the House Subcommittee on Military Construction, Appropriations, devotes a lot of time to housing for the enlisted men, civilians, officers, and I am very happy to hear the gentleman talk on this subject.

In 1966 we appropriated $1.2 billion, mostly at the insistence of my committee and the gentleman's committee, the Committee on Armed Services.

Mr. LONG of Louisiana. That is right.

Mr. PATTEN. And it broke our hearts to find out some months later that this housing program was being deferred on account of economy and other reasons.

Mr. LONG of Louisiana. I recall that.

Mr. PATTEN. So I want to commend the gentleman. I have seen the temporary hospital constructions at Fort Polk, and I have seen the other temporary facilities, and it does not take any imagination whatsoever to know that if you have 43,000 people there it is a shame they cannot have decent housing.

In fact, many of us believe that if we provided proper housing we would not have so much need for the Selective Service System, and that people would be glad to make careers in the Army.

So, Mr. Speaker, I am glad to hear the gentleman make this statement today. I hope that the gentleman will be able to get these remarks before our chairman, the gentleman from Florida [Mr. SIKES], and the other members of our committee, so that we can add fuel to the argument. I would say further that the committees of the House have urged more proper housing than any other part of the Federal Establishment.

Mr. LONG of Louisiana. I agree with the gentleman.

Mr. PATTEN. So I say to the gentleman keep up with your good work.

Mr. LONG of Louisiana. Mr. Speaker, I certainly appreciate the remarks made by the gentleman from New Jersey, and for his observations, his contributions to the servicemen, and to the House of Representatives, and to this discussion here today.

COMMITTEE ON RULES—PERMISSION TO HAVE UNTIL MIDNIGHT TOMORROW NIGHT TO FILE A PRIVILEGED REPORT

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file a privileged report.

The SPEAKER pro tempore (Mr. PATTEN). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

STATE OF OUR AGRICULTURE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, the President has sent to the Congress a highly realistic and commonsense farm message. He has frankly stated that we know of no real panacea, but that we will continue to struggle to improve the farm economy. He pointed out that farm income between 1952 and 1960 dropped almost 20 percent and farmers netted $2¼ billion per year less in 1960 than in 1952 in spite of the fact that their production had increased. In addition to that, the Commodity Credit Corporation had by 1961 accumulated $8 billion in farm commodities which would someday need to be fed back into an economy which, on the average, was able to produce more than could be sold at a reasonable price.

While net income increased 55 percent since 1960 and, to a large extent as a result of farm programs passed since that time, the President states that he and his administration will not be satisfied with that progress and will continue to strive to make more progress. The message called for an extension of existing commodity programs and for some improvements. He recognizes that while we are not completely satisfied with the re-

sults, the only alternatives presented amount to abolition for these recently enacted programs and certainly would result in a decrease in farm income back toward the 1960 level. These programs need to be extended for they have not only increased farm income, but they have also resulted in an increase in exports and in reducing inventories down to a manageable level more in line with the reserve needs of the country.

As the President stated in his message:

> For more than thirty years we have tried to balance supply and demand, to shatter the income-depressing cycle of glut and scarcity.
>
> We have not yet succeeded in reaching that difficult goal—but in recent years we have made great strides. The foundation for progress is now in place with the Food and Agriculture Act of 1965. That act gives us the machinery to tailor production to demand, to produce the right kind of food—at the right time—in the right amounts.

Some people have been pointing to the "parity" ratio in an effort to ridicule the progress made and in that way to argue that the feed grains program should not be extended. The parity ratio does not include the money farmers receive for their diverted land, nor does it take into account increases in productivity per acre and per hour. It is not designed to measure progress or net income and to claim this can be done with a yardstick that does not count money received from the Government is ridiculous. While the parity ratio dropped, realized net farm income has increased from $11.7 billion in 1960 to $14.5 billion in 1967. During the same period the net average income per farm has increased from $2,956 up to $4,573. Cash receipts from marketings increased from $34 billion in 1960 up to $42.5 billion in 1967, and farm foreclosures dropped from 5,100 in 1960 down to 2,400 in 1967.

Changes in farm production methods have been more rapid and adjustments required to overcome the problems increased; but the feed grains program and other programs enacted in the past few years have permitted farmers to make these adjustments and still be better off.

Tractors are now much bigger on an average; one man can produce more; the machinery one man can handle costs more but it will tend several times as many acres before wearing out; and some costs per acre, such as seed corn have increased while other costs, such as nitrogen fertilizer, have been reduced. Farmers using 200 pounds of nitrogen per acre may find that nitrogen cost for that amount per acre is $14 less than it was a few years ago and this has gone a long way in offsetting increases in cost of production per acre. Since the yields per acre have increased considerably and the number of acres that one man produces has increased, there has also been some help on reducing costs per bushel of grain produced.

All of these factors are the reason why a parity price ratio of 80 in 1960 compared with 74 in 1967 does not tell the story. For example, when the parity ratio is adjusted to show the Government payments, it is increased to 79 in 1967. Although it is very difficult to measure the difference productivity should be credited with, it certainly would raise it far above the 80 ratio we had in 1960.

Parity is a yardstick of economic health which has become outmoded as an indicator of progress or as a yardstick to measure net income.

In the 1920's, equality for farmers became a much sought after goal by farmers who properly felt that they should receive a fair share of the national income. High tariffs protected industry and the immigration laws protected labor, but farmers bought in a protected market and sold in the world market.

The fair-exchange value was devised in 1924 to give farmers the same purchasing power for their products which the products had brought in the years 1910 to 1914. Thus was born the parity concept which soon became national policy.

The Agricultural Adjustment Act of 1938 used the term "parity" for the first time in legislation. Parity income was to be measured by per capita net income from farm operations as compared with per capita net income of persons not on farms—both were to be related to the August 1909–July 1914 base.

President Roosevelt envisioned parity for agriculture as a longtime principle to be achieved by programs and methods which would be improved over the years. He said:

> What counts is not so much the methods of the moment as the pathways that are marked out down the years. . . . I like to think that never again will this Nation let its agriculture fall back into decay. . . . Methods and machinery may change, but principles go on, and I have faith that, no matter what attempts may be made to tear it down, the principle of farm equality expressed by agricultural adjustment will not die.

Agriculture Secretary Ezra Taft Benson did not share President Roosevelt's parity goals for agriculture. He said:

> Price supports should provide insurance against "undue" disaster to the farm-producing plant and help to stabilize national food supplies.

He proceeded to lower price supports and succeeded in persuading President Eisenhower to veto four different bills passed by Congress which would have prevented Benson from lowering support levels.

The Democratic Congress, however, stopped Secretary Benson from lowering all price supports to the disaster levels he advocated. It could not, however, prevent him from administering the programs in an aggressively unsympathetic manner; not only did the farm price parity ratio fall from 103 in 1951–52 to 80 in 1960, but also realized net farm income declined $2.4 billion in the 8 years he was in office.

Regardless of the yardstick which is used, however, we must continue to strive to bring about an increase in farm income. Net income per farmer, while higher than it was under Benson, is now pegged at 61 percent of what the nonfarm individual receives and this level should be improved.

President Johnson, Secretary of Agriculture Orville L. Freeman and others now work with all their energy to increase the income of the farm family to a level on a par with the income of the city and urban family.

Farmers have made substantial economic progress under Secretary Freeman's administration of the voluntary programs approved by Congress in the Food and Agriculture Act of 1965.

It is apparent that a very important decision with regard to agriculture, and especially as it affects the midwestern farmer and the merchants and others whose prosperity is affected by our farm economy, will be made within the next year. The feed grains program could not have been passed and extended without the help of a large number of Democratic Congressmen who represent city districts. Strong leadership urged them to cooperate and to understand the need for help for the farm economy. In return, it was expected that there would be a better understanding of urban problems. If those who want to divide the urban people and farm people instead of building this kind of cooperation are in the majority in the next Congress, the feed grains program and the foundation upon which the improvements in our farm economy has been made, will undoubtedly go down the drain. Those who want to again try the theory of the farmer going it alone will then have their way and, in my opinion, it would again result in the same disastrous results that occurred in the late 1920's and were well on the way in the late 1950's.

I am pleased to see that instead of presenting a "pie in the sky" proposal the President has sent a message to Congress calling for a very meaningful and realistic approach to our farm problem and setting forth a seven-point plan based upon extension and improvement of existing laws so that the men and women who produce our food can share more fully in the abundance they helped to create.

ENFORCEMENT OF CIVIL RIGHTS LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 60 minutes.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, throughout America today public officials are echoing the call for law and order. But for all the talk about riots in the cities and crime in the streets, seldom is there a mention of a fundamental hypocrisy in law enforcement. Despite legal prohibitions against racial discrimination, discrimination persists without effective legal redress. America remains a white man's society, where Negroes and Spanish-speaking Americans are shortchanged. Until civil rights laws are vigorously enforced, black America can

hardly be expected to have faith in white America.

In no area is this hypocrisy more apparent than in job discrimination. In no area is the right to equal treatment more clearly written into law and public policy. And in no area is the law less enforced.

In Newark, which exploded in riot last summer, construction projects will soon begin using Federal funds under the model cities program. The work force, constructing the buildings in full view of passersby, will be almost entirely white. Unemployed Negro residents, many of whom were driven by despair to the point of rioting last summer, will witness an almost all-white work force in jobs paying $6 and $8 an hour in their own neighborhood, knowing that these jobs are barred to them. The irony of public officials who call for law and order, but fail to uphold laws guaranteeing equal treatment is not lost on the ghetto.

MINORITY GROUP EMPLOYMENT

It is clear that Negroes, Spanish-speaking Americans, and other minority groups are experiencing a major crisis of unemployment. Second, it is clear that, where they are employed, they are concentrated in dead end jobs, even when they are compared with whites of comparable formal educational levels.

Throughout the period since World War II Negro unemployment has been at least twice white unemployment. A Department of Labor report, dated February 20, 1968, for the year 1967, puts the unemployment rate in the 20 largest cities for nonwhite workers at 7.6 percent. The comparable rate for white workers is 3.7 percent. For nonwhite teenagers the unemployment rate is 31.6 percent—nearly three times the white teenager rate of 11.5 percent.

Despite the legislative gains of the civil rights movement, the ratios have not improved. When unemployment is generally high, Negroes suffer more.

In St. Louis nonwhite unemployment averaged 11.3 percent—more than three times the white rate of 3.5 percent.

In four other cities, it is almost three times as high: Chicago, 8.2 percent compared to 2.8 percent; Philadelphia, 7.5 percent compared to 3.2 percent; Cleveland, 10.1 percent compared to 3.4 percent, and Baltimore, 8.0 percent compared to 3.3 percent.

In October 1967, the Bureau of Labor Statistics of the Department of Labor issued a report entitled "The Social and Economic Conditions of Negroes in the United States," it shows that in 1965, 14.3 percent of Negro men were unemployed in the Hough section of Cleveland, and 14 percent in Watts.

Even more revealing are statistics from the same study on "subemployment." This category includes workers who have given up looking for jobs, or who have been unable to get full-time jobs, or who are forced to work for pay scales below the Federal minimum wage. When these factors are included, the rates for slum areas are catastrophic—higher than in the United States generally during the depression. In the 10 slum areas studied, an average of one out of three workers—32.7 percent—is subemployed.

In the slum areas of certain major cities, the rates are even higher:

	Percent
St. Antonio	47
New Orleans	45
Phoenix	42
St. Louis	37
North Philadelphia	34
East Harlem	33

The concentration of employed Negroes in low status jobs is similarly catastrophic. Despite claims that it is low educational attainment which keeps Negroes in poor jobs, equal education does not produce equal employment opportunity.

A study by NAACP labor director Herbert Hill uses Census data to show that eight out of 10 negroes with eighth-grade education or less are in unskilled jobs, but only three out of 10 whites are in unskilled jobs.

According to a Census Bureau study by Herman Miller, "the relative earnings gap between whites and nonwhites increases with educational attainment." Hearings, U.S. Senate Subcommittee on Employment and Manpower, 88th Congress, page 325. The same study estimated that on a nationwide basis Negro factory hands earn 32 percent less than their white counterparts.

In the Federal Government Negroes comprise 9.7 percent of all classified employees, but only 1.6 percent of those above grade 11.

More than any other factor, it is discrimination in employment which keeps racial minorities at such low levels.

Despite statutes and executive orders, which purport to guarantee equal opportunity in employment, we are witnessing the administrative nullification of civil rights laws through the failure of the Government to enforce them.

LEGAL PROTECTIONS

The right to employment on an equal basis has been embodied in our law since 1868—100 years. It has been the policy of the U.S. Government since 1941 not to let contracts to employers who discriminate.

Today a Negro worker seeking employment may be protected by as many as six Executive orders and laws, none of which is effectively enforced—

First. Many cities have ordinances prohibiting discrimination; but few have effective enforcement mechanisms.

Second. Thirty-eight States have fair employment practice commissions—FEPC's. But most are badly understaffed, and all but New York's state commission against discrimination lack the power to initiate proceedings.

Third. Discrimination by a trade union is an unfair labor practice under the National Labor Relations Act. But enforcement by the NLRB depends on the case method, and out of the thousands of NLRB decisions, only about 10 have involved unfair labor practices based on racial discrimination.

Fourth. A Department of Labor regulation—29 CFR 30—issued on June 1963, provides that trade union apprenticeship programs in which there is discrimination are to be decertified by the Bureau of Apprenticeship and Training of the Department of Labor. In the 5 years since that order was issued, no apprenticeship program has ever been decertified for discrimination.

Fifth. Title VII of the Civil Rights Act of 1964 prohibits discrimination in most employment. But enforcement of title VII is hampered by the cumbersome conciliation mechanism established by the act and the lack of statutory power to issue cease-and-desist orders. Since July 1965, out of more than 8,000 complaints, only 14 have resulted in litigation by the Department of Justice as provided in the act.

Sixth. Finally, Executive Order 11246 prohibits most companies which hold contracts with the U.S. Government from discriminating. This protection is the most far reaching, and the least utilized.

EXECUTIVE ORDER 11246

Executive Order 11246 was issued by President Johnson in September 1965. It is the latest in a series of orders dating back to 1941, which prohibit job discrimination by Federal contractors.

Unlike previous orders, 11246 covers not only employment directly related to the particular contract involved, but all employment in companies with U.S. Government contracts in excess of $10,000. In this way, the order is estimated to cover one job in three in the national economy, or between 20 and 25 million jobs out of 74.1 million jobs.

The language of Executive Order 11246 is unambiguous. It specifies that language shall be written into Federal contracts providing that:

> The contrator will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, or national origin.

The order also requires contractors to furnish the Government with a breakdown of racial employment data. Agency contract reviews are mandated, whether or not there have been specific complaints. And, unlike title VII of the Civil Rights Act of 1964, the order contains a potent enforcement sanction—the withholding or cancellation of lucrative Government contracts. It provides that the Secretary of Labor or the appropriate contracting agency may—

> Cancel, terminate, suspend or cause to be canceled, terminated, or suspended, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract.

If the administration took this order seriously, it could open new, formerly denied job opportunities to millions of Americans. Yet, the history of Executive Order 11246 is an inexcusable story of bureaucratic betrayal.

Since that order was issued in September 1965, not one contract has been canceled for noncompliance. Nor was a contract ever canceled under any of the predecessor orders.

Precious few contracts have ever been held up, even in cases of overt, documented discrimination. Companies, which have been cited for discrimination by the Equal Employment Opportunities

Commission or State FEPCs or against whom the Department of Justice has brought action under title VII of the Civil Rights Act of 1964, continue to benefit from Federal contracts in flat contravention of the order.

This leniency tells other companies, in effect, that they have nothing to fear from the order, that it is not to be taken seriously. Despite the good intentions of many equal opportunity officials, the complaint bureaucracy subverts the purposes of the order.

Under a system established in 1965, the principal enforcement body is the Office of Federal Contract Compliance—OFCC—in the Department of Labor. However, in practice, OFCC is merely a loose supervisory body, with a staff of only 12. Actual compliance enforcement is delegated to an equal opportunity program in each major Federal agency which contracts with the private sector.

This system subordinates an agency's compliance staff to officials who place the smooth flow of contracts above the promotion of job equality. The result is a dismal picture of mass tokenism. If a company can demonstrate anything remotely resembling "progress," it is usually "let off the hook." In the absence of firm support from higher officials, compliance officers are discouraged from energetic action, for their efforts will only be undermined. Where individual compliance officers here and there do make vigorous efforts to monitor contractors, they often do so at the peril of their own careers.

What has emerged instead of effective enforcement is a totally ineffective pattern of tokenism and voluntary compliance.

The so-called plans for progress program emerged in 1961 to enlist voluntary support of major companies which would declare themselves "equal opportunity employers" and pledge to recruit minority workers. More than one equal opportunity official has said that it is common knowledge that joining plans for progress enables a contractor to avoid close supervision under Executive Order 11246. In fact, plans for progress was sold to many contractors on precisely these grounds.

I do not mean to impugn the sincerity of every plans for progress employer. Plans for progress includes some genuinely progressive organizations. But it also includes companies against which the Department of Justice is proceeding, and other companies whose policies on equal employment have been deplorable.

Recent Equal Employment Opportunity Commission hearings in New York City established that out of 100 major companies, which voluntarily submitted information, the 46 which were signatories of plans for progress had minority employment records much worse than the 54 which were not. The Equal Employment Opportunities Commission report dated January 18, 1968, states:

> While non-members had 1.2% Negroes in positions as officials and managers, Plans for Progress members had only 0.3% in these jobs.

Voluntary compliance is no substitute for enforcement. It is an easy way out, which tells minority job seekers and employers alike that the government is not serious.

On February 15, 1968, more than 2 years after Executive Order 11246 was issued, regulations pursuant to that order were proposed by the Office of Federal Contract Compliance. The Office of Federal Contract Compliance has been operating under regulations which apply to the previous order, which exempted certain categories of contracts and related to the President's Committee on Equal Opportunity. This is a sad indication of how seriously the administration takes its own order.

In the 2 years and 5 months since September 1965, when President Johnson issued the Executive order, the racial crisis has tragically deepened in large part because Negroes continue to be denied job opportunities. Recently the President announced a job opportunities program in the business sector for the hard-core unemployed, relying once again on the voluntary cooperation of the private sector, in effect cajoling industry to take minority trainees. Certainly substantial progress could be made by simply enforcing an order already on the books.

THE DOD CASE

I have said that the bureaucratic system which delegates contract compliance authority militates against effective enforcement. Let me describe, chapter and verse, the undermining and eventual dismemberment of the most effective Federal compliance program—that of the Department of Defense.

Approximately 80 percent of the dollar volume of Government contracts comes through the Department of Defense. About 20 million jobs are with companies which in one form or another do business with the Department of Defense. All of these jobs could be available on an equal opportunity basis.

For a little over a year the Department of Defense had a contract compliance program which took seriously Executive Order 11246. Beginning in October 1965, following the issuance of the order, separate Army, Navy, and Air Force compliance programs were centralized under the direction of a dedicated official named Girard Clark, with 94 men under him. The Department of Defense compliance program began reviews of all Defense contractors industry by industry. Corporations in a particular industry were reviewed at random. Where there seemed to be a pattern of job bias, employment patterns of the entire company were reviewed in depth. The company's senior officials were then told what steps were necessary in order to continue receiving defense contracts. In this way, unprecedented strides were made and employment barriers broken. In case after case, when corporations were confronted with a credible risk of loss of contract, they proved cooperative.

The BVD Co., for example, whose only link to the Defense Department was through the sale of articles to PX's and ship stores was informed that it could no longer do business with the Government until it took steps to desegregate plant facilities in the South—Pascagoula, Miss. Only after the company agreed to take the necessary action, did the Defense Department learn that it had in this way effected the first industrial desegregation in the State of Mississippi.

A few companies refused to open employment opportunities to Negroes, and they were barred from receiving further contracts. During the year in which the program was operating effectively, there were 40 top-level confrontations involving 35 companies. All but seven agreed to make the necessary changes in opening employment opportunities to Negroes.

The most spectacular and effective confrontation involved the Newport News Shipbuilding and Drydock Co.

The Newport News Shipyard, although a private company, depends almost exclusively upon Government contracts. In 1965, the NAACP filed complaints with EEOC, to the effect that Negro workers were barred from good jobs, paid lower wages for performing the same work, impeded from entering the company apprentice program, made to use segregated toilet and locker facilities, and other related complaints. The company initially refused conciliation. It was only after the Department of Defense and the Office of Federal Contract Compliance threatened to refuse the Newport News Co. bids on four submarines that the company agreed to integrate its facilities and open job opportunities to Negroes on as equal basis with whites. According to Alfred Blumrosen, then Chief of the Department of Labor Conciliation Service, the Newport News case was "the only time during my stay in Government when Justice, DOD, OFCC, and EEOC worked together"—CONGRESSIONAL RECORD, volume 113, part 18, pages 23518–23519.

The Newport News success clearly proves that the Government has the power to open up jobs to Negroes, if it only has the will to use it.

By August 1966, when the Newport News conciliation agreement was signed, the Department of Defense compliance program was already on the way out. The program had incurred the wrath of both industry and many senior procurement officials. For example, a panic was created at the Department of Defense when sanctions were recommended against U.S. Steel for overt discrimination at the Fairfield works at Birmingham, Ala. Although the compliance program director found that the charges were accurate, and that in no case was U.S. Steel the sole source of supply, top officials in the Department overruled the director of the compliance program and declined to take action.

Every time compliance officials are overruled in this way, industry is again served notice that it does not have to take the equal opportunity requirement very seriously. Every time an agency's compliance staff can be circumvented, the force of the order is undermined.

In February 1967, the DOD compliance program was reorganized out of existence. Gone was the centralized compliance office; compliance was put under the Defense Contract Administration Service, where it could no longer be an embarrassment. Actual contract super-

vision is now accomplished through regional procurement offices. There no longer exists an independent office within DOD which sees its task as the promotion of job equality. Compliance officers are now subordinate to procurement officers, who are much more inclined to put a premium on the maintenance of cordial relations with contractors.

The company reviews, which were an effective means of opening up job opportunities in an entire company, have been abolished. In short, the former Department of Defense compliance program was dismembered for being too effective.

In September 1967, 5 months after the effective DOD program was dismembered, officials of the new DOD program explicitly refused to cooperate with the supervisory Office of Federal Contract Compliance—OFCC. Specifically, they refused to inform OFCC in advance of compliance reviews, to provide OFCC with review summaries, or to notify OFCC when a defense contract officer had requested a review. DOD representatives said they regarded it "as an interference with their management prerogatives for OFCC to have any role whatsoever in the establishment of priorities, and in DOD determinations of contractor compliance."

This is a sorry contrast with the successful result of DOD–OFCC cooperation in the Newport News case a year earlier.

As an outrageous example of the failure of current DOD compliance policy, I cite the example of the Timken Roller Bearing Co., of Canton, Ohio. No less than five Government agencies have acknowledged that there is job discrimination at Timken. More than 2 years ago, complaints were raised that Negroes at Timken are kept in dead-end jobs, regardless of their seniority.

In the summer of 1966, complaints were filed with the EEOC and the Ohio Civil Rights Commission, both of which have since acknowledged that extensive discrimination is practiced by Timken.

The OFCC has publically charged Timken with refusal to cooperate—Wall Street Journal, November 1, 1966, page 1. The National Labor Relations Board has documented that Negroes are kept out of "white-only" job progression lines.

To this day, nearly 2 years after documented proof of deliberate and massive discrimination, the Timken Roller Bearing Co. continues to get government contracts.

Since the undermining of the Department of Defense program more than a year ago, a Government mandate to open up millions of jobs has gone unused. A random examination of OFCC employment data on defense contractors shows hundreds of companies located in areas of Negro population concentrations, which have large payrolls and employ no Negroes whatsoever.

It should be stressed that a great many of these jobs involve skills which can be learned in apprenticeship training or on the job.

One company in New York employed over 1,000 workers throughout the State, and not one Negro. Another company in New York City employed 429 workers and no Negroes. A major airline had a payroll of 129 in New York, and no Negroes. Innumerable other companies employed Negroes, but only at unskilled or menial levels.

With many thousands of companies reporting employment data, it is inconceivable that the Department of Defense can even pretend it can fulfiill its responsibility with a total compliance staff of 50. In the entire New England region there are only three DOD compliance reviewers.

SOCIAL SECURITY ADMINISTRATION

The Social Security Administration is another agency which has failed to enforce its compliance program and to open up the vast job potential for Negroes in the insurance industry. Most major insurance companies are covered by Executive Order 11246 because they are medicare intermediaries, or participate in other Government insurance programs.

While a few companies have made notable progress, by and large white collar jobs in the insurance industry remain closed to Negroes and Spanish-speaking Americans. The Social Security Administration has a great deal of leverage to open up these jobs, but it is failing to use it.

There are companies in clear violation of the order which continue to get Government contracts.

Three southern insurance companies in their company headquarters have no Negroes above the clerical levels, despite the fact that the cities in which they are located have large Negro populations.

One major northern company in a city with a Negro population of 19 percent has 1,800 employees above clerical levels in its home office, and precisely 13 are Negroes. Another northern company in a city with a Negro population of 11 percent had more than 2,200 employees above clerical levels, and 28 were Negroes. Another northern company had nearly 1,000 employees all told, and one was a Negro.

These companies should be clearly informed of their responsibilities under Executive Order 11246. If they fail to show progress, they should simply be denied future Government contracts.

The Social Security Administration has never imposed sanctions upon a company, even though it is dealing with an industry with a notoriously poor record, some of whose companies are sincerely making efforts while others are doing nothing. This is a deplorable abdication of agency responsibility.

THE FEDERAL HIGHWAY ADMINISTRATION

The compliance program of the Federal Highway Administration is another which has consistently failed to carry out the intent of Executive Order 11246. Billions of dollars of highway trust fund contracts are supervised by this agency, which is supposed to insure job equality on federally financed highway projects.

The highway compliance program has been criticized by the Office of Federal Contract Compliance for its failure to implement the Executive order. A full report of the failure of the highway compliance program is currently on the desk of the Secretary of Transportation, and I hope that he will act upon its recommendations.

One notable failure of the highway program is its refusal to utilize "preaward" compliance reviews. As long ago as January 10, 1966, the Secretary of Labor sent a memorandum to the heads of all Government contracting agencies urging the use of preaward reviews. The Secretary wrote:

"This is an appropriate occasion to urge that the contracting agencies re-examine their contract award procedures to ensure that contracts are not awarded to those who have not met past obligations or are not in compliance.

"The pre-award process must be strengthened to meet this need."

It should be clear that compliance officials have much more leverage to ensure that contractors are not discriminating before contracts are actually signed, rather than after. This is the importance of the preaward compliance review.

The Office of Federal Contract Compliance has continued to urge the use of preaward reviews. In the proposed OFCC regulations circulated on February 16, preaward reviews would be made mandatory on contracts exceeding $1,000,000 in value.

Nevertheless, the Federal Highway Administration has flatly refused to follow the recommended OFCC preaward procedure. Instead, compliance reviews are conducted on a preconstruction basis. This procedure takes all the teeth out of enforcement. Without a preaward review, a construction company can get a contract whether or not it is in compliance, and it is expected to take the necessary steps after the Government's strongest sanction power—to withhold contracts—has been removed. It is a well known bureaucratic fact of life that contracts, once placed, are seldom withdrawn. And the fact that no contract has ever been canceled for noncompliance with Executive Order 11246 is the proof.

BUILDING TRADES

Mr. Speaker, no discussion of the Federal Government's abdication of equal opportunity enforcement would be complete without considering the building trades. Here is one of the clearest instances of denied job opportunities for Negroes, which the Federal Government has the power to prevent.

The 18 building trades internationals have more than 3.5 million members. In 1968 the total national construction expenditure will exceed $80 billion, of which approximately 50 percent will be for wages. For more than a decade, a variety of Federal and State agencies have documented a general pattern of exclusion of Negroes from the building trades, with the exception of the so-called trowel trades, which traditionally have been open.

The statistics are a matter of record. Let me cite a few examples.

A Department of Labor report of August 1967, entitled "Manpower, Automation and Research, Monograph No. 6" contains the significant sentence:

The 1960 census showed only 2,196 Negroes in all the trades throughout the country. That figure was one more than had been recorded in the 1950 census ten years before.

In Cleveland, in 1966, after a decade of complaints, demonstrations, and negotiations with unions, the five major craft

locals in the building trades had exactly four Negro apprentices—Civil Rights Commission Annual Report, 1967.

In Cincinnati, in 1966, the scene of civil disorder last summer, nine building trades locals had no Negro apprentices. On July 24, 1967, the U.S. Department of Justice filed an action against Local 212 of the International Brotherhood of Electrical Workers,—Cincinnati—charging the exclusion of Negroes.

In Pittsburgh, six locals representing over 10,000 workers, had three Negro members.

In Atlanta, in 1966, five building trades locals had no Negroes.

In Houston, Negroes are able to get construction jobs only as cement masons.

In Philadelphia, building trades locals have been held to be discriminatory by the Philadelphia Human Rights Commission—U.S. Senate Committee on Government Operations hearing, "Federal Role in Urban Affairs," April 18, 1967, page 3130ff.

The Missouri State Advisory Committee to the U.S. Commission on Civil Rights reported in 1967 that in Kansas City Negro membership was "restricted in a number of unions, such as plumbers, sheet metal workers, steamfitters, operating engineers, and electricians."

Similarly, the Louisiana State Advisory Committee to the U.S. Commission on Civil Rights reported that in New Orleans, "In some crafts, notably the electrical workers, plumbers, asbestos workers, boilermakers, pile-drivers, elevator constructors, hoisting engineers, glassworkers, ironworkers, sheet metal workers, and sign painters, Negroes are completely excluded."

Arthur M. Ross, former Commissioner of the Bureau of Labor Statistics, in a study of Negro underemployment, concluded that, if the percentage of the Negro work force in the building trades was proportional to white employment, Negroes would hold 37,000 more jobs as carpenters, 45,000 more as construction workers, 97,000 more as mechanics, and 112,000 more as construction foremen—Fortune magazine, January 1968, page 170.

The Federal Government has the power to open up these jobs, and this power is seldom used.

If Executive Order 11246 were implemented, unions that discriminate would have to choose between admitting minorities, or losing work on Government contracts.

Despite widely acknowledged discrimination in the federally financed San Francisco Bay Area rapid transit project, a representative of the Office of Federal Contract Compliance testified before the U.S. Civil Rights Commission that his efforts had failed to bring about the employment of one minority plumber in the San Francisco Bay area—Civil Rights Commission Annual Report, 1967.

In the few instances of resolute action, it has been followed by backtracking and even apologies, paralleling the sad history of the Department of Defense program.

Because of entrenched discrimination in the Cleveland building trades locals, the Office of Federal Contract Compliance selected Cleveland as a target area for concentrated enforcement in early 1967. The OFCC insisted upon proof—not pledges—of nondiscrimination in the form of Negro apprentices and journeymen. By the summer of 1967, few Negroes had been hired, and in a rare display of determination, the OFCC held up a total of $80 million dollars of Federal funds for construction contracts. This resulted in 112 jobs for Negro and Puerto Rican workmen by the end of 1967—Washington Post, December 31, 1967.

An article in the Wall Street Journal of October 16, 1967, based on an interview with Department representatives, described the Labor Department as "working on a whole new approach to the problem of putting more Negroes in the skilled construction trades. The aim is to change the Department's policy regulating union selection of apprentices from 'nondiscrimination' which officials consider a negative stance to a positive policy demanding 'affirmative action' by the unions that would insure that more Negroes enter the skilled trades."

However, instead of using the Cleveland experience to break down other barriers, the Department of Labor has retreated. At the building trades convention on November 29, 1967, the Secretary of Labor in a speech promised that the Department would not hold up contracts again in order to open employment to minority groups. "It isn't right as a general policy," said Secretary Wirtz, "and it won't work."

In addition to Executive Order 11246, the Government has the power to open up jobs in the building trades under section 29, part 30, CFR, which provides for the decertification of apprenticeship programs in which there is discrimination.

Each apprenticeship and training program registered with the Bureau of Apprenticeship and Training of the Department of Labor is required to insure that "Selection of Apprentices under the program shall be made from qualified applicants on the basis of qualifications alone and without regard to race, creed, color, national origin. . ." (29 CFR 30)

The Department of Labor was considering amendments to 29 CFR 30 which would have tightened the regulation and made enforcement more effective. The proposed amendments would have required not only nondiscrimination by certified apprenticeship programs, but also affirmative action to insure equal opportunity; second, a stipulation that test criteria must be job-related; and third, removal of enforcement activity from the overly lenient Bureau of Apprenticeship and Training, as was recommended in the Marshall report, the Labor Department's most thorough study of minority participation in apprenticeship programs.

These changes have not been made, and a recent letter—February 13, 1968—from the Secretary of Labor to the president of the building trades department said that amendments to 20 CFR 30 would not be made.

Through the Secretary of Labor's speech of November 29 and the exchange of letters of February 13, 1968, the Labor Department has relented in the use of the Government's two principal compliance mechanisms—Executive Order 11246 and 29 CFR 30. In his letter of February 13, the president of the building trades department pledged that building trades would voluntarily recruit minority apprentices.

A nondiscrimination pledge was also made to President Kennedy in 1962.

Pledges are always welcome, but they remain subject to proof. Careful scrutiny is especially necessary in the building trades in light of the past record. The building trades department has always maintained that it lacks the power to compel its local affiliates to act. The text of the February 13 letter goes no farther than to promise to urge locals to open their apprenticeship programs.

Too often voluntary compliance leads to tokenism. The contract compliance requirements under Executive Order 11246 and the equal opportunity apprenticeship regulations—29 CFR 30—must be enforced.

MINORITY GROUP EMPLOYMENT IN THE FEDERAL GOVERNMENT

I have pointed out how the failure to enforce existing laws and orders impedes progress in the private sector. There is also a failure to promote equal employment opportunity within the Federal Government.

I noted that in the Federal civil service Negroes comprise 9.7 percent of the employees, but only 1.6 percent of those above GS–11.

In certain agencies the statistics are particularly distressing.

In the Selective Service System, out of 51 employees above GS–11, none is Negro.

In the Government Printing Office, with 92 employees above GS–11, none are Negro.

The Interstate Commerce Commission has 880 employees above GS–11, and one is a Negro.

The Federal Insurance Deposit Corporation has 726 employees above GS–8, and no Negroes.

In the Social Security Administration, out of 641 district managers, five are Negroes, and none in the Deep South. There are 50 social security regional representatives, and no Negroes—"Study of Minority Group Employment in the Federal Government," 1966—Civil Service Commission.

Taking the civil service as a whole, there are similar regional discrepancies.

The Atlanta civil service region covers seven Southern States. Negroes make up 13.1 percent of civil service employees generally, but only one-half of 1 percent of GS–12's or over.

In the Dallas region, covering four States, they are 9.1 percent of employees, but three-tenths of 1 percent of those above GS–11.

In the entire State of Arkansas, with 1,400 Negroes on the Federal payroll, not one is a GS–12 or higher, although 733 whites are.

In Louisiana one out of five Federal employees is Negro, but above GS–11 only one out of 500.

The record for other minorities is nearly as bleak. For instance, in New York City, Puerto Ricans comprised 5.2 per-

cent of postal field employees, but only 0.9 percent of those above level 11.

In San Antonio, Spanish Americans comprised 34.5 percent of postal field employees, and there were no Spanish Americans above level 12—"Study of Minority Group Employment in the Federal Government," 1966—Civil Service Commission.

If the Federal Government does not do more internally, can it expect private enterprise to do better? Is it surprising that the Government is failing to enforce equal employment opportunity for industry, when many Government agencies have records comparable to the contractors they ought to be sanctioning?

CONCLUSION

In Federal agency after agency, there has been a default of responsibility to insure equal employment opportunity. No matter how effective guarantees may look on paper, they have been nullified in practice.

It is inexcusable that jobs created in part by tax dollars paid by minorities remain closed to minorities.

It is also appalling that the U.S. Government is failing to use its existing authority to help remove one of the prime causes of legitimate Negro anger. For years moderate civil rights groups have attempted to move the Government to use its powers. For years the Government has moved only where forced to. And now, in the face of drastic underemployment and rising discontent, does anyone have the temerity to wonder why Negro leaders are not heeded?

The Federal Government has demonstrated by its inaction that, despite pious calls for racial equality, the smooth flow of contracts and harmonious relations with industry and labor still take precedence over the promotion of job equality.

In a few weeks Dr. Martin Luther King will confront the Congress to seek more spending for jobs and urban needs, and the passage of stronger civil rights laws. Certainly Congress must act in these areas. However, a great deal could be accomplished if the administration simply took contract compliance seriously. If instead of stressing voluntary compliance, which has not worked, the administration made it clear that it would back up compliance enforcement and actually canceled some contracts, and if officials were chastised for too little enforcement instead of too much, the effect on the entire range of job opportunities for minorities would be dramatic.

In short, the power to end job discrimination is in the Federal Government's hands. Although upgrading educational systems is important, millions of Americans continue to be denied entry into jobs and apprenticeship training programs for which they have the skills—simply because of discrimination.

If the laws and executive orders outlawing job discrimination are not taken as seriously as other laws, the racial crisis will continue to deepen. I hope that President Johnson will give top priority to the enforcement of equal employment opportunity.

The time is long overdue to fulfill the pledge to black Americans and other minority groups that their Government upholds not only the laws that protect middle class white Americans, but also the laws designed to protect them.

SUSAN B. ANTHONY, OF MASSACHUSETTS

Mr. CONTE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, February is the anniversary of the birth of many of America's greatest historical figures—Washington and Lincoln among the most notable. It is also the month in which Susan B. Anthony was born. This great and tireless crusader for women's suffrage has been an inspiration to men and women alike who cherish the cause for which she stood—the cause of freedom and equality.

The people of the First District of Massachusetts have always taken enormous pride in the fact that Miss Anthony was born in the Berkshire town of Adams in 1820. I have introduced a bill in Congress which would authorize the Secretary of the Interior to designate the Anthony birthplace as a national historical site.

Susan Brownell Anthony was a citizen of the world in the finest tradition of Washington and Lincoln, each of whom had a similar dream and a similar struggle in behalf of all mankind.

The story of Susan B. Anthony is a familiar one to all Americans. Her name has become synonymous with courage, vision, freedom, and democracy, and it is entirely appropriate that each year her memory is honored with ceremonies near her statue on the crypt of the U.S. Capitol.

It is a credit to the National Woman's Party that this annual commemoration is so well organized and so fittingly conducted, and that the memory of this great American is so graciously perpetuated.

This year the ceremonies were particularly important because of the participation of the Speaker of the House of Representatives, Senator MARGARET CHASE SMITH, of Maine, and other distinguished Americans.

The magazine of the Daughters of the American Revolution has published an article dealing with the life of Susan B. Anthony. Its author is Mrs. Ada Crebs Trigger, of the Du Bois chapter in Pennsylvania, who each year plays an important role in the commemoration ceremonies at the Capitol.

Mrs. Trigger's article captures the spirit of Miss Anthony's life and crusade. Each of us can learn from one example she set. A study of her, Miss Anthony's, life would assist every American who would seek to safeguard the rights of free people and uphold the lamp of democracy.

I therefore include this article at this point in the RECORD:

SUSAN B. ANTHONY

(By Ada Crebs Trigger, Du Bois Chapter, Pennsylvania)

February is the birth anniversary month of Susan B. Anthony. Efforts have been made for years by the Susan B. Anthony Memorial Committee of the National Woman's Party to increase the celebration of Susan B. Anthony's birthday, and to have greater recognition given to her place in American history by public schools and libraries and other public places. This is part of a general effort for recognition of the contributions made by women to the building up of our nation—contributions that have had but little notice and little appreciation.

Ida Husted Harper writes in her *Life of Susan B. Anthony:*

"Every girl who now enjoys a college education, every woman who has a chance of earning an honest living in whatever sphere she chooses, every wife who is protected by any law in the possession of her person and property, every mother who is blessed with the custody and control of her own children, owes these sacred privileges to Susan B. Anthony. We do not underestimate the splendid services of other Pioneers or their successors, but it is Susan B. Anthony's name that stands, and always will stand, as the everlasting symbol of women's emancipation."

Susan Brownell Anthony was born February 15, 1820, in Adams, Massachusetts, where her father, Daniel Anthony, owned a cotton mill. Later, the family moved to Rochester, N.Y., and their home there has now been acquired and restored by a committee of women as a museum, containing the records of Susan B. Anthony's great work for women. It is now known as "Susan B. Anthony's House."

Susan B. Anthony was given an unusually good education, compared to that given most girls in those days. When she was seventeen, her father lost his property in the panic of 1837, and, because teaching was then almost the only paid occupation open to women, Susan became a teacher to help with the family income. Her first personal experience of the degraded position of women came when she found that she had to accept $2.50 per week for work for which a man teacher was paid $10.00.

She also discovered that the little money she earned would not be her own if her father chose to keep it—which, happily, Mr. Anthony did not do. She looked about her and found that until a girl marries, she was under the legal control of her father, and from the day she married, until she died or was widowed, she was under the legal control of her husband. A married woman could own no property, she had no control over her children, since they belonged by law to the father, she could not testify in a court of law, could not sue or be sued. No woman, married or unmarried, had any way of protesting against such injustices, for women were barred by customs from public platforms, and women who wrote on the subject were practically ostracized.

Susan B. Anthony broke this first taboo by daring to speak at a convention of the New York State Teachers Association. No woman had ever before asked to be heard, but the men, by a majority of one, voted that she might speak. After that, she made many speeches—advocating modern ideas of education, women's rights and the abolition of slavery.

As the years passed, women by the thousands became supporters of woman's claim to the vote. Girls went to college, studied medicine, law and science. Practically all trades and professions were invaded—but not at equal pay. The invention of the typewriter and the telephone increased the importance of women in the world of business.

Miss Anthony worked for 50 years for Equal

Rights for Women, especially for the voting privilege. She appeared before every session of Congress for many years. Her slogan was: "Principle, not policy; justice, not favor; men, their rights and nothing more; women, their rights and nothing less."

During Miss Anthony's later years Votes for Women was no longer laughed at. But few people believed it would ever be attained. Miss Anthony knew that it would be. She saw how the world had changed since her girlhood, and she knew that the mind of the nation would one day be changed on this question. She, who in her youth had been insulted, abused, pelted with rotten eggs and decayed vegetables for daring to advocate votes for women, in her ripening years was one of the most famous and respected women in the United States.

In Washington, she was an honored guest at the White House, though no President would then ask Congress to pass the Suffrage Amendment. She was a Life Member of the Daughters of the American Revolution (Number 26155), and for several years was invited to sit on the platform at the National DAR Congress as a guest of honor and to address the assembly.

When she traveled abroad, she was shown great respect. Queen Victoria received her at Buckingham Palace. In Berlin, the Kaiser and his family honored her. To woman all over the world her name became a symbol of hope and encouragement.

She never grew weary, never lost faith, never stopped working. At 70, 75, and 80 years, and beyond, she continued to travel over the United States, lecturing and organizing. At 83 years of age, she was in Berlin, helping to organize the International Woman Suffrage Alliance. At 86, she attended a convention of the National American Woman Suffrage Association in Baltimore.

A banquet in her honor was given in Washington when she was 86 years old. The invitations were accepted by leading statesmen, writers and other public persons. She planned, for this occasion, to put aside her little red shawl which had so often covered her shoulders as she trudged up the steps of the Capitol seeking Equal Rights for Women. She wore, instead, a new white silk shawl. Below her sat the gentlemen of the press. They took one glance and sent a note to her, saying, "No red shawl, no publicity." She sent for the shawl, which had become a symbol of heroism. The little red shawl is now a treasured possession in the collection of the National Museum in Washington.

The day of Susan B. Anthony's funeral in 1906, in the Suffrage movement, especially Elizabeth Cady Stanton and Miss Anthony, then proceeded to have introduced in Congress an Amendment of their own, an Amendment expressly giving the vote to women. This Amendment was first introduced in Congress in 1878. It was the Amendment that was finally adopted in 1920, and is the Amendment under which American women are voting today.

On the 114th Anniversary of Susan B. Anthony's birthday, in 1934, in an address before the United States Senate, Senator Arthur Capper of Kansas said: "This month of February has furnished this Nation with three of the greatest warriors for liberty in its history, George Washington, Abraham Lincoln and Susan B. Anthony; and may I express the hope that somewhere in this National Capitol a fitting memorial, in keeping with the memorials erected for George Washington and Abraham Lincoln, may be erected to that other great American—Susan B. Anthony."

Today, in the Capitol at Washington, down in the crypt, standing alone, far beneath the dome, is a glorious monument to Lucretia Mott, Elizabeth Cady Stanton, and Susan B. Anthony, the three great Pioneers of the movement for Equality of Rights for Women. It was made by Adelaide Johnson, sculptress. The monument was presented to Congress by the *National Women's Party* on Susan B. Anthony's birthday anniversary in 1921 after the Suffrage Victory. The monument was formally received on behalf of Congress by the Speaker of the House of Representatives. Throughout the world this is the only monument of women, to women, sculptured by a woman, presented by women, standing in any National Capitol.

The Susan B. Anthony Memorial Committee of the National Women's Party has labored to have Susan B. Anthony's fame perpetuated. The Committee was also instrumental in having a Susan B. Anthony postage stamp issued, marking the 16th Anniversary of the adoption of the Suffrage Amendment to the Constitution. Over 200 million stamps were printed. It proved to be one of the most popular of the special stamps. Later, in 1955, another Susan B. Anthony stamp was issued, a 50 cent regular series and is still available. The Women's Party also worked to have a Giant Sequoia Redwood tree in California named in her honor. The Women's Party, along with the DAR, gave particularly active support to the effort to have a statue of Miss Anthony placed in the New York University Hall of Fame in 1950. Susan B. Anthony was one of six from a listing of 186 to receive this recognition from New York University at that time. The other five Americans elected to the Hall of Fame at the same time were: Dr. William C. Gorgas, Surgeon General of the Army, who rid Havana and Panama of yellow fever; Theodore Roosevelt and Woodrow Wilson, Presidents of the United States; Alexander Graham Bell, inventor of the telephone; Josiah William Gibbs, discoverer and interpreter of laws of Chemical Equilibrium.

These honors that have been given Miss Anthony since her death are an indication that she is gradually winning recognition as an emancipator of women, and will have a place in history with those other great American emancipators, George Washington and Abraham Lincoln.

THE CONGRESSIONAL REORGANIZATION ACT OF 1968

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of California. Mr. Speaker, I have today introduced a bill (H.R. 15687) entitled "The Legislative Reorganization Act of 1968."

This bill is the culmination of efforts to meet objections which have been raised by Members of the House and others to some of the provisions of S. 355, the Legislative Reorganization Act of 1967—the so-called Monroney-Madden-Curtis bill—as passed by the Senate. My bill is a composite of suggestions made by House Members, many of which have been incorporated in four committee prints of S. 355, prepared at the instruction of the House Democratic members of the Joint Committee on the Organization of the Congress, as well as suggestions by some of my colleagues on the Rules Committee.

Although there are many changes, most of which consist of perfecting the language and refining the Senate-passed bill, there are four principal areas of difference between my bill and the Senate-passed version of S. 355. They are as follows:

First, committees: Committee procedures relating to meetings and hearings of committees have been substantially modified to preserve greater flexibility for committee operations.

Second, House committee jurisdictions: The entire section making changes in jurisdiction of House committees has been stricken, but the committee jurisdiction provisions relating to the Senate have not been touched.

Third, the functions of the Joint Committee on Congressional Operations, as set forth in the Senate-passed bill, have been expanded to include the policing of lobbying activities, both those of the general public and those of the executive branch of the Government.

Fourth, title V of S. 355, the regulation of lobbying, has been rewritten to vest administration of the act in a Joint Committee on Congressional Operations rather than the Clerk of the House and the Secretary of the Senate, under present law; or in the Comptroller General, as provided in S. 355; or in the Attorney General, as provided in the Bolling bill (H.R. 10748). My bill would provide for fair but effective enforcement by authorizing the joint committee to adopt regulations to implement the act after notice and hearings, and would grant the committee subpena power. To meet the objections of vague phraseology in the act and the resulting uncertainty as to its coverage, my bill would authorize the committee to make advisory rulings.

Some might regard the administration of lobbying legislation by a congressional committee a novel idea. It is not. As a member of the Assembly of the State of California, I had something to do with the preparation and enactment of the California lobbying law, chapter 8 of the California Code, sections 9900 to 9911, entitled, "Regulation of Legislative Representation," adopted in 1949. The California law provides for the filing of statements by lobbyists—named legislative advocates—and the registration of lobbyists with committees of the California Legislature and, in my opinion, that law has worked quite well. In addition, I point out that efforts to influence legislation are intimately concerned with the legislative process and should be of greatest interest to the Congress, itself. By the same token, legislators should be far better equipped than the Comptroller General or the Attorney General to distinguish between the proper and salutary exercise of the right of free speech and providing information and arguments to the Congress, on the one hand; and undesirable pressures to influence legislative decisions on the other.

In my opinion, based on my experience as a legislator, both in the U.S. House of Representatives and the Assembly of the State of California, the provisions of my bill on the regulation of lobbying are stronger and more workable than either the existing law, title III of the Legislative Reorganization Act of 1946, or the amendments proposed in title V of S. 355. By vesting the administration of the act in an agency of the Congress, we would be recognizing the very wise observation made by Mr. Justice Jackson of the U.S. Supreme Court in his dissenting opinion in *United States* v. *Harris* (347 U.S. 612):

After all, it is Congress that should know from experience both the good in the right of petition and the evils of professional lobbying.

Mr. Speaker, I agree with the majority of my colleagues, both in the House and the Senate, that congressional reform is long overdue. It is for that reason that I have devoted a great deal of my personal time and have drawn on staff assistance, including the House Legislative Counsel and the Legislative Reference Service, in an effort to work out a bill which I hope the Rules Committee can report to the House for its consideration in the near future.

In this effort, I have no pride of authorship. My purpose is to cooperate with the leadership on both sides of the aisle and the Members of the House and the Rules Committee in getting some form of congressional reorganization adopted in this Congress. The bill is a long and complicated one and I have no doubt there are portions of it which are susceptible to further refinement and perfection. I solicit the examination of my bill by my colleagues in the House and would welcome any constructive suggestions they might care to make.

PRESIDENT JOHNSON'S FARM MESSAGE

Mr. PURCELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PURCELL. Mr. Speaker, in his farm message submitted to Congress this week President Johnson has called for action on the farm front—action to improve farm income and increase the opportunity for all rural Americans to improve their economic progress.

High on the priority of business for us should be early extension of the programs for major commodities provided in the Food and Agriculture Act of 1965, which expire with the 1969 crops. Farmers must plan far ahead to deal, as they must, with the 12-month cycle of the seasons. They deserve timely action to permit orderly planning.

However, let us not think of this legislation as being for the benefit of farmers alone. Few of the ills of rural America can or will be cured without fair prices and equality of economic opportunity for farmers. Nor without these can we assure the American people of the continued abundance we have come to expect as a matter of course. Thus, early action on farm income legislation is important to all Americans, rural and urban.

No doubt the current programs can yet be improved upon. The successful experience is undeniably there to build upon. There are 78 crops whose annual values are regularly reported in statistics. Between 1960 and 1967, their total value rose by 15 percent. But among them are 15 major crops which have chronically been in trouble price-wise, and therefore, have been provided with price support programs, and where necessary with supply adjustment programs.

The farm value of these 15 price-supported crops, including payments earned by participating farmers, rose from 30 percent from 1960 through 1966—twice as much as the aggregate of 78 crops on which value records are kept.

Even with the temporary setback to farm prices in 1967, the 15 program crops showed a farm value through 1967 of 26 percent higher than in 1960. Growers of these crops benefited even more than the crop values indicate because they had less expense—planting, tending, and harvesting about 5 percent less acreage in 1967 and 11 percent less in 1966.

The return per acre for the total of 15 program crops in 1967 was $83.32, including payments, or 36 percent more than in 1960. This is an overall average including nonparticipating farmers as well as program cooperators, who of course would have a higher per acre average return, including earned payments.

In other words, agriculture has been better off by keeping some 10 to 12 percent of its productive capacity in reserve during recent years. This has certainly not shorted consumers, either. The parallel is rather striking with American manufacturing industry, which holds in unused reserve just about the same percentage of its production capacity.

The National Advisory Commission on Food and Fiber, in its recent report, only confirmed other studies when its concluded that American agriculture is likely to have excess production capacity for years ahead.

Unless the Government acts to hold land out of production, excessive market supplies would seriously depress farm prices. The study made for the Commission by Iowa State University economists indicated that without programs, the price of corn would fall to 75 cents a bushel, wheat to $1.27, soybeans to $1.23 and cotton to 17 cents a pound.

History shows that a 10-percent drop in feed prices usually is followed soon by an increase of 1½ percent in total livestock production, in turn bringing 5 to 6 percent drops in livestock prices.

The bulwark against such disasters—disasters not to the farm economy alone, but reverberating throughout the entire economy—is extension of the commodity programs. But the opportunity is at hand to improve them as well. And the need for such improvement has been made evident in the last year especially, by market and price effects of the rapid shifts in world supply and demand balances.

Along with the basic commodity programs of supply adjustment and price support, we need measures to isolate from the market quantities of strategic commodities which will afford us security reserves, without their cost having to fall upon farmers in depressed prices.

Provision for such security reserves is a natural and logical and necessary companion to the programs of production adjustment and price support.

President Johnson's farm message identified the strategic reserve as the National Food Bank and urges its enactment. I concur in the President's recommendation wholeheartedly.

Thank you, Mr. Speaker.

THE UNQUESTIONED RESPONSIBILITY TO SUPPORT OUR PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. KEE] is recognized for 60 minutes.

Mr. KEE. Mr. Speaker, I request this time to address the House on "The Unquestioned Responsibility To Support Our President."

In the early and formative years of our government we were fortunate that our selfless and dedicated leaders devoted their talents and wisdom to building a government structure best designed to preserve for posterity the freedom and independence they had won. The patriots who framed our Constitution at the Philadelphia Convention of 1787 were men who had been active in public life in the Original Thirteen Colonies, men who had served in the Continental Congress, and men who had fought in the Revolution.

They realized that the Articles of Confederation which had first bound the States together would be inadequate for the growing needs of our new Nation. Our truly representative democracy was made possible through the Constitution which they drafted at Philadelphia. Our form of government has been responsible for our progress as a nation and for the maintenance of our rights and freedom.

To Washington, to Franklin, to Madison, and the other great statesmen of that day we owe our priceless heritage of citizenship in the world's best government, the world's finest government.

Under our Constitution, the President is our National Executive. To him is entrusted the heavy responsibility of heading our Government and preserving and protecting our charter of freedom and liberty. He is our civilian head of Government. He is Commander in Chief of our Armed Forces. He is the one with the responsibility to speak for the American people in the conduct of our foreign relations.

Now we cherish our democratic form of government because we know that it is the best form of government yet devised by the mind of man. This is to use the words that Lincoln used, "a government of the people, for the people, and by the people." The fundamental doctrine of our governmental system is majority rule with recognition of and protection for minority rights. We go to the polls every 4 years and we elect our Chief Executive. He is the head of his political party, of course, but more importantly, he is the President of all Americans regardless of party political affiliation. He is sworn to serve all of us to the best of his ability. The man chosen for this demand is entitled to and must have our support if he is to function efficiently in our behalf.

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

Mr. KEE. Mr. Speaker, I am happy to yield to the Representative from the State of Oklahoma, our very capable and distinguished majority leader, Congressman ALBERT.

Mr. ALBERT. Mr. Speaker, may I commend my distinguished friend upon the remarks he is making. The gentleman

has made a strong statement on behalf of our great President which is very appropriate and very timely. The President has no stronger supporter in this body than the gentleman from West Virginia [Mr. KEE]. I join him in what he has said. I say also to all my colleagues that the loyalty and the fidelity of the gentleman to his country, his party, to this House, and to its leadership and members have never been surpassed by any Member I have ever known. The gentleman is a great Congressman. He represents his district with outstanding devotion and ability. He is honest, he is sincere, he is industrious, he is effective. He is making an important address this afternoon. I congratulate him on the high quality of his statement.

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

Mr. KEE. I am happy to yield to my colleague the gentleman from Texas, for whom I have great admiration [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I should like to commend our distinguished colleague for an extremely significant statement. As always the gentleman from West Virginia [Mr. KEE] is constructive and responsible. I think what he is saying is very vital to the very democratic process itself. It is true of any President. It has been true of every President. It is true of those Presidents who belong to the same political party that we individually belong to. It is equally true of those who belong to another political party. Particularly of our present occupant of the White House I should like to say that no man has come to that great responsible office better prepared from a background of intimate knowledge and experience. This is not only knowledge and experience of the institutions that make up this Government but the human beings who make up those institutions. No man has worked harder or at greater sacrifice of his personal repose to keep his promises to the American people and to serve faithfully than President Lyndon B. Johnson.

Mr. Speaker, I am grateful as one American for the statement being made here today by the gentleman from West Virginia [Mr. KEE]. I think he touches on a very vital point when he says that the President of the United States, whoever he may be, speaks for all of us and for the Nation in foreign affairs. There was a time when we accepted as a fundamental doctrine that partisanship should stop at the waters edge. I believed that when Mr. Eisenhower was President. I believed that when Mr. Kennedy was President and I believe it now when Mr. Johnson is President. I am convinced that some of the carping and the criticism that emanates from certain quarters of the United States today over the President's handling of the very delicate and difficult situation in Southeast Asia is responsible for prolonging that situation. Surely the men in Hanoi cannot be expected to understand our system of tolerance for dissent and protest. It is a sacred system but I am convinced that the carping and the unfair criticism, some of it bordering almost upon deliberate aid and comfort to the enemy, has encouraged the men in Hanoi to the false belief that this country is just about to fold up and fall apart at the seams.

Therefore it seems to me that a statement of the type that Mr. KEE is making serves a very great purpose, and I want to commend my distinguished colleague upon his constructive review of our basic constitutional position in this country, and his great statement of support for the President of the United States.

Mr. KEE. I thank the distinguished Representative from Texas [Mr. WRIGHT] for his usually well thought out and pertinent contribution to the job we are all trying to accomplish together.

Mr. HECHLER of West Virginia. Mr. Speaker, will my West Virginia colleague yield?

Mr. KEE. I am delighted to yield to my distinguished colleague from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I would like to add my commendation to the position voiced by my colleague the gentleman from Texas [Mr. WRIGHT], and for the very learned remarks that my colleague from West Virginia [Mr. KEE] is delivering.

Mr. Speaker, I might also say with reference to the remarks that the previous speaker, the gentleman from Texas [Mr. WRIGHT], made, that on the 13th of February 1968, there was an outstanding address delivered at the Civic Center in Charleston, W. Va., by my colleague from Texas [Mr. WRIGHT] before 1,000 guests at a dinner during which he elaborated upon the position of the Presidency in our American system. Mr. WRIGHT underscored the necessity to remember that the President of the United States is the President of all the American people.

Mr. Speaker, I have served in the House of Representatives now under three Presidents, coming here in 1959 when President Eisenhower was in the White House. At that time I was a little surprised to have a few Democrats in my State call to my attention that my voting record on foreign affairs in support of President Eisenhower was very strong. I answered then, as I know the gentleman in the well has answered, that whoever is President of the United States is President of all of the people, regardless of party.

I had the good fortune to serve as a research assistant to President Franklin D. Roosevelt, and also as a research director at the White House under President Harry S. Truman. The Presidency is preeminently a position of moral leadership, and I am delighted that the gentleman from West Virginia is underscoring that fact.

I believe that the remarks of my colleague from West Virginia are unusually pertinent, as they apply to modern developments in this great Nation of ours. I believe that the historical research he has done on his address has been deep, useful and meaningful, and I congratulate him for taking the floor today on a subject which he is so well expounding.

Mr. KEE. I thank my distinguished colleague from West Virginia.

Mr. GRAY. Mr. Speaker, would the distinguished gentleman from West Virginia yield to me?

Mr. KEE. I am pleased and delighted to yield to my beloved colleague from Illinois.

Mr. GRAY. I thank the gentleman for yielding.

Mr. Speaker, I want to join my distinguished colleague, the gentleman from Texas [Mr. WRIGHT] and the distinguished gentleman from West Virginia [Mr. HECHLER] in commending our able and distinguished friend for taking the lead this afternoon in reminding us of some things that we should be constantly aware of, and that is the great need to support our President, particularly in these perilous times.

As a pilot, I believe I could put my few remarks in proper perspective by comparing our great leader, the President of the United States, with an airplane flight.

If you have a twin-engine airplane, and you start down the runway and you have one throttle pushed forward, and you reach back and pull the other throttle back you are not liable to get airborne. And the President, in trying to bring our ship of state into a period of peace and prosperity, and certainly while he is giving full throttle around the world to try and uphold freedom and democracy, those at home who are pulling back on the other throttle and saying "No, I do not believe we should have troops in Vietnam, I do not believe we should defend our freedom, should not honor our commitments, I do not believe that we should try to stop communism in its tracks," are merely dethrottling, they are merely slowing up the day when we are going to reach this period of peace and prosperity.

I believe those armchair generals that I will not call by name, who are going around the country, some of our party and some of the other party, trying to tell the Commander in Chief how to run the war in Vietnam and trying to tell our great commander in Vietnam, General Westmoreland, that he has miscalculated many things, and that there is a credibility gap in all these things, are doing a great disservice to the American people.

How long it takes to reach that ultimate day that I have spoken about here of peace and prosperity, will in great measure depend upon how fast and how unanimously the American people want to join our great President in giving him that support. Whether you agree with him politically—whether you agree with his manner of handling the war—the least that we can do if we do not have all the facts is to keep our mouths shut.

I am sorry to see so many people going about the country and going around to our young college students trying to tell the military how to run a military war.

I want to again commend the distinguished gentleman from West Virginia for his efforts in behalf of our President and say that as long as I have a breath, I intend to be a good American and support our Commander in Chief when his objectives are so clear in wanting to win an honorable peace in the world and attain greater prosperity at home.

I am only sorry that there are not more Members on the floor of the House today to join in these remarks. But I would remind the gentleman of the Good Book

when it said great things can be accomplished by a small number of people.

I know the gentleman has not been in the best physical health in the last few days, and for this reason particularly I appreciate the gentleman standing up and speaking out on behalf of our great Commander in Chief. It is a great honor and a privilege for me to join you in this support.

Mr. KEE. I thank my distinguished colleague for his most pertinent remarks.

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

Mr. KEE. I am delighted to yield to my distinguished colleague.

Mr. SCHWENGEL. Mr. Speaker, I want to join my colleagues on the other side in paying tribute to the statesmanship and service of our colleague now in the well. I am sure he feels very deeply what he is telling us.

But I have a question or two which I think ought to be in the RECORD. I am sure he does not want to leave the implication, as I have understood, as to those who are making this criticism, that it should be directed mostly to the other side—or to this side of the aisle.

Is it not true that the division goes across party lines with reference to the problems in Vietnam and Asia?

Mr. KEE. I will state to my distinguished friend, the gentleman from Iowa, that a little further on in my remarks I state that the fact is that most of the criticism comes from my own political party and not from yours.

Mr. SCHWENGEL. Therefore, you are talking then about them?

There is one other point which I think ought to be very clear in our understanding of this. If maybe the President is wrong and people feel it honestly that he is and feel deeply about it, is it not our obligation to speak of this and while we are speaking of it, of course, I think we ought to point to some other approaches to this.

I am sure the gentleman does not want to imply that we have no right to make probes or studies and to make evaluations of programs when, in fact, we have to vote the money to carry on these programs. This has been quite a substantial amount.

One very well-known authority has suggested that we have already spent $90 billion in Vietnam and has said the prospect is that another $30 billion will be spent this year, so that he says we will have spent $120 billion. That is a lot of money on that particular problem.

Then in view of what has happened in the last 2 weeks, it must be quite evident that something is wrong. So I have the feeling that we do have the right and indeed an obligation to make some probes and studies on our own. I have done just that.

I have taken a group of citizens, mostly civilians, to Vietnam, and not at the taxpayers' expense. We wrote a very objective report which has been applauded by both doves and hawks. So I think we have struck some chords and have said some things that need to be said.

The point I want to make is that you do not want to imply that we have no right to criticize. Indeed, we do have an obligation and maybe in criticising we are helping the President, to point at some of the weak spots in his program. This is the point that I wanted to make.

Mr. KEE. I am very happy that you have, and I congratulate you on it. I shall cover that subject a little later in my remarks. But presently I will reply by saying "yes," when you talk about constructive criticism. When it is constructive criticism, absolutely. Under our form of government the American people will go to the polls on November 5 and make their choice as to whom they wish to be their new leader and their new Commander in Chief to take office in January of next year.

I shall refer to constructive criticism a little later. It is very vital, absolutely.

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

Mr. KEE. I am happy to yield to the very distinguished Representative from the State of Florida, a man who has been a personal friend for many, many years.

Mr. PEPPER. Mr. Speaker, I wish to join my colleagues in commending in the warmest way the able and distinguished gentleman from West Virginia for the very thoughtful and very scholarly dissertation that he is giving us or favoring us with this afternoon on the character of the responsibility of the exalted office of the Presidency of the United States. I think too seldom do we engage in what might be called a constitutional discourse of such character. If our people ever needed to understand the awful responsibility that our chief magistrate bears it is now, in this critical time when his shoulders, his heart, and his head are so burdened with the terrific responsibility which he bears, not only to our people, but to freedom in the world today.

I also wish to commend the able gentleman for the splendid support that he has given to our President in meeting the many problems at home and abroad which he has had to face. I know the distinguished gentleman from West Virginia has been a leader in the great Appalachian project which will mean so much to so many people, not only in his immediate area, but in the whole Appalachian Range. There comes to my mind what he has done for the building of highways, for the cause of education, for the expansion of the social security program, for medicare, the whole health program that the President has proposed from time to time to the Congress. He has been one of those men that the President could always rely upon to support programs which meant something for the people because his heart, like the heart of his great and gracious mother, whom I have been privileged to know for a long time, and his great and distinguished and eminent father, whom I had the privilege to know when I was in the other body; like them he has a warm heart which has for its first concern the welfare of all the people of his great district, State and country.

So we are very fortunate to have such a man in the House of Representatives carrying on a great family tradition as he does of dedicated and devoted public service.

As I have said, I am proud to join my colleagues in commending the gentleman for the very splendid address he is making to the House this afternoon on the character and the responsibility of the exalted office of the Presidency of the United States. I thank the gentleman.

Mr. KEE. I am deeply grateful for the remarks of one of the most capable men who has ever served in the U.S. Congress, my distinguished colleague, the gentleman from Florida, Representative CLAUDE PEPPER. He is a man with a feeling for people. He is a man with a heart. And he is a man who, when he speaks, gives facts. I have the greatest respect for him, and I am in your debt.

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

Mr. KEE. I am happy to yield to the distinguished gentleman from the State of Texas [Mr. KAZEN].

Mr. KAZEN. Thank you very much, I want to thank my colleague for yielding. I also wish to join with my other colleagues in commending the gentleman in the well for his very scholarly and, above all, very timely remarks which he makes at this time concerning the Presidency and the legal government of this great Government of ours. I fully agree with the gentleman when he says the form of government that we have is the best yet devised by the mind of man. I sometimes wonder if these protesters and critics and dissenters, of whom we have so many lately, would feel as free to do the things they do in this country if they lived somewhere else.

That brings to mind the fact that even they, just a few short years ago, proved—or people of their caliber proved—this was the finest country on earth. As my colleague will remember, right after the Korean war, several of our young men defected and decided to remain behind the Iron Curtain, and every single one of them came back after he had a taste of that life.

I do not condemn criticism. In fact, this makes our country great, this difference of opinion. If we all had the same opinion, we would not have to have a Congress of the United States. We would have only one man appear and run the show, as some people have done in some other countries. Differences of opinion make our country great. Criticism, yes; dissent, yes; so long as people do not forget they are doing it for the good of the country and do not try to tear the country down.

This is why I commend the gentleman in the well for his well-thought-out remarks in saying and in showing this is the finest government on the face of the earth, run by a democratic process, second to none in this world.

Also, I commend the gentleman for the tremendous work he has done and for his great contribution to these United States. I consider the gentleman in the well one of the finest Americans who lives in this country at this time, always defending this country and always going along with what is good for this country. It is a great pleasure for me to join in the remarks and endorse the remarks of the gentleman from West Virginia.

Mr. KEE. Mr. Speaker, I am indeed

grateful to my colleague whom I hold in the highest esteem. I thoroughly enjoy the privilege of having the honor to sit next to the gentleman on one of our committees.

Going back to what I started to say, Mr. Speaker, when I referred to the fundamental doctrine of our governmental system as majority rule and the declaration of and protection of majority rights, when we go to the polls every 4 years, I refer specifically to the fact that the man chosen, regardless of his political affiliation, to be our President—there is an unsurpassed demand placed upon the individual who is our President, and our President is entitled to and must have our support if he is to function efficiently in our behalf.

Further answering my distinguished colleague, this does not mean that any President is supposed to receive blind support. In our democracy there is an important role for what is termed "the loyal opposition" of the party in power. Criticisms offered in a constructive spirit do keep officials on the alert. I am talking about our Federal officials.

In the field of domestic policies this is particularly true. This does not follow in the field of foreign policy, and it has become a tradition with American citizens that in our dealings with other countries we let "politics end at the water's edge." We unite behind the President, regardless of his political affiliation, to support him in what he does for us with other nations.

This tradition still holds with the majority of the American people and with the majority of those who represent them in our National Legislature in Washington.

We may have differences of opinion during the making of policy, but once the decision has been made, we feel bound to support it. Ths is in accordance with our fundamental principle of rule by the majority, and it represents the only feasible way of making our democracy responsive to the will of the majority of the American people.

For example, one of my distinguished colleagues described his early misgivings a few years ago on the Executive's policy on the Suez crisis.

He hoped we would support the British, the French, and the Israeli, and said so forthrightly before our policy had been finally formulated. In spite of his own personal feelings he respected and supported the final policy decision, because the final decision had been reached through our democratic processes.

As a people we have historically been tolerant toward even violent expressions of opposition and have remained keenly aware that suppression of dissent could only lead to destruction of fundamental freedoms most near and dear to us. All of us do not approve all of the laws on our statute books, but it is inconceivable to us that we should observe and abide by only those which had our personal approval—that could only lead to anarchy.

It would be an understatement to say that our present commander in chief has a burden of responsibility greater than that borne by any of his predecessors. In addition to multitudinous pressing domestic issues of paramount importance, he is confronted with a mass of critical and continuing foreign policy problems. All of them require the utmost attention that he and the best minds in our Government can devote to them, in finding the answers to these problems. The cold war is still with us. We have a truce in Korea and the world is plagued by constant overt and covert probings and hostile actions of the Soviet and Chinese Communists. American boys are making the supreme sacrifice in Vietnam in an effort to halt a most brutal and inhuman aspect of Communist aggression.

The President has the chief responsibility for U.S. policies in meeting and attempting to solve the problems and dangers we face. His decisions are not unsteady nor are they arbitrary. While his is the final responsibility, his decisions are taken only after painstaking study and consideration. In foreign policy and military matters this means consideration and recommendations by the Joint Chiefs of Staff, members of the Cabinet, and by the National Security Council. In reaching decisions, the President has the assistance of the best intelligence estimates available, as well as the recommendations of those officials best qualified to assess and judge. We may not always be happy with certain aspects of policies so decided, but as individuals we are not in as good a position as the President to pass judgment on the facts. We have an obligation of citizenship to support him. The eyes of the world are focused upon the actions, the eyes of the world are focused on the spoken words of our President.

Over the past several years a great deal has been said about the so-called "obligation to dissent." Legitimate criticism, even if not exactly inspired by constructive motives, can be helpful, if it stimulates and helps in the dissemination of facts. If it continues after a decision is properly reached, it can degenerate into mere disgruntled opposition and obstruction, particularly if no reasonable clear cut and workable alternatives are proposed.

Such opposition is not in accord with our basic constitutional principles of government. It is in basic violation of the doctrine of rule by the majority and can actually result in attempts to impose the will of a minority.

For a good many years our Presidents, both Republican and Democratic, have enjoyed the support of minority leaders and Members on foreign policy matters.

This is still largely true. This is one of the sad and perplexing phenomena of our time, that a most vocal opposition to our President's foreign policy determinations comes from a relatively few members of his own political party, and that is our side of the aisle and not yours. Now I am not going to mention any names. I do this not only because it will violate the rules of this august body but because I sincerely wish to avoid the rancor and to avoid the bitterness that all too often occur from an injection of personalities into a discussion. I do want to emphasize my conviction that it can be inconsistent under certain circumstances for an official to ignore or even to refuse to adhere to political decisions reached through our democratic processes. As an individual citizen, or even as an individual Member of the legislative body, which we all are, or even as an individual American, there can be no question of that individual's right openly to disagree. I do question the propriety of using an office held through political party membership to subvert the policies of an administration whose head is also chief of that party.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield to me at that point?

Mr. KEE. Yes, I yield to the gentleman.

Mr. SCHWENGEL. I find myself in support with much of what the gentleman has said. He is saying some things I believe that need to be said. However, I also want to point to our own neglect in this regard. Maybe we were too hasty—when I say "we," I mean the legislative bodies on both sides—in approving the proposition that made possible the implementation of the present or apparent present policy in the Far East. What I am trying to say is maybe we ought to do more debating before we approve policies. We are called on to approve them. The other body is more directly involved here.

So I think we should do some introspective thinking here and be considerate of the consciences of the people on the other side who feel that they did not have information they should have had on which to base a decision that had to be made when they only tentatively approved the policy. So while I think it is worth while for you to call attention to these things, and we need to shoulder them. I think we also ought to recognize in this situation maybe not enough debate was held before policy was made. On this point the criticism maybe should be pointed at the State Department as well as at the great Committee on Foreign Relations of the other body as well as our own because we have to approve the appropriations and make the money available to implement that policy. I think this point ought to be made while we are discussing this matter and that is the reason why I rise.

I thank the gentleman very much for giving me this opportunity.

Mr. KEE. I thank the gentleman and I thoroughly agree with him. I could not agree with him more on his statement. This situation calls for our President, and I am referring now to some folks who might not be—I am talking about Federal officials and I am talking about some members of my own political party and not yours—some folks who have not done some of the things that they should have done. This sort of a situation, which is what I am talking about now, causes our President, and he is your President as well as mine, it causes our President to labor under serious disadvantages not experienced by the head of a business firm.

Unless the conscience of a disagreeing official leads him to support a policy, a policy that he does not like, or at least not to hinder it, or alternatively resign from his particular position; he knows the President of the United States has to endure the situation. The only recourse is to the people themselves at the polls,

but that is a lengthy process, and not practical as a solution, and this can lead to quite disproportionate effects resulting from efforts of a tiny minority.

Now, here at home the American people will not be misled by a minority, although such criticism I have had in mind when I prepared these remarks can lead to dangerous misconceptions by both our friends and our enemies in foreign lands. It has already been charged that the Vietcong have been encouraged to believe that if they can hold out long enough and sufficiently increase their military efforts, that the American people will weary of the conflict and give up the cause for which we are fighting.

The very prominence and importance of the position held by some critics enhances this view in their eyes.

President Johnson in his recent state of the Union address said, and I quote:

> For two decades America has committed itself against the tyranny of want and ignorance in the world that threatens the peace. We shall sustain that commitment.

This brief statement reduces to the simplest terms the many facets of U.S. foreign policy. Our President is doing his best to live up to his oath of office. I have the greatest faith in our democratic institutions. It is inconceivable to me that the American people will ever elect a fellow citizen to this great office who does not strive to justify the confidence reposed in him by the electorate. We cannot expect the President to be infallible. No man is infallible. But we can expect him to be honest in his judgments and honest in the discharge of his duties. Should any man so fail, we have a constitutional remedy.

I know that President Johnson is deeply distressed because of the conflict in Vietnam, as much as any one of us, more so for the simple reason that he and he alone has the authority to take action. It weighs heavily on his heart. And I know that our President wishes as deeply as any American citizen that it were not essential to our own security here at home to maintain heavy military and aid expenditures. I believe it is time that we give a little serious thought to the possible consequences of failure to support the dedicated man who heads our Government. As individual citizens, determined to preserve the right guaranteed us by our Constitution we have a vested interest in maintaining our orderly democratic processes. We have an obligation to respect the rights of minorities, but we have no right to allow minorities to thwart the will of the majority.

We have some very high-caliber men in all branches of our Government, and I credit all of them with the highest motives of patriotism. I even credit the sincerity and patriotism of those who criticize the President's policies. I deplore the fact that a few have taken advantage of their positions to supercharge their criticism.

I think the gentleman knows what I mean by that.

Mr. Speaker, in these trying times, with American boys making the supreme sacrifice in Vietnam for the protection of our own people here at home at this very minute, we are meeting here now and the time has already passed when we as a people should be united in our support of U.S. policy which has for its primary and ultimate objective our own security and well-being.

President Johnson has our full and unqualified support.

Unless we fulfill this sacred obligation of citizenship, history will record the degree of our own failure. History will also record the wisdom of the decisions and actions of our President.

In conclusion, Mr. Speaker, let us remember that we live in the finest land ever known, blessed by our Creator up in Heaven. Let us citizens measure up to the responsibilities placed upon our shoulders during these days of unrest.

The younger generation—that is, our children and grandchildren and others yet to come—the younger generations will know in the years to come of our demonstrated responsibility. They will also know of our demonstrated lack of responsibility during this extremely grave period of American history in which we are now living.

Thank you, Mr. Speaker, and let us hope that divine guidance will continue to direct our President on the path of wisdom.

GOVERNMENT—CAFETERIA STYLE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. GUBSER] is recognized for 30 minutes.

Mr. GUBSER. Mr. Speaker, an amazing sequence of events has occurred in central California which indicates that the administrators of the General Services Administration who handle the disposal of Government surplus property are running their operation almost like a cafeteria. If the breezy and flippant quotations recently attributed by the San Jose Mercury to Mr. L. F. Stewart of the General Services Administration at the Oakland Naval Supply Depot are accurate, then someone should teach that agency some administrative commonsense. Property bought at taxpayers' expense should not be treated as a grab bag. Administrative guidelines regarding the disposal of property should be reviewed and tightened.

Recently Mr. Joseph Sarzoza, administrator of the Gilroy Area Center of the Santa Clara County Economic Opportunity Commission, claimed 11 one-and-a-half-ton surplus trucks from the General Services Administration. Mr. Sarzoza's well-intentioned plan was to give seven of the trucks to other poverty service centers in Santa Clara County and to keep four of them to pick up surplus vegetables in Gilroy fields to distribute to the poor.

It turned out that no one could authorize insurance for the trucks and the whole event triggered a full-scale investigation of Mr. Sarzoza's activity after it was alleged that he had exceeded his authority in claiming the trucks.

Mr. Speaker, I will not attempt to judge the wisdom of Mr. Sarzoza's activity beyond saying that I personally believe it was well intentioned. But the testimony during the investigation regarding the practices of the General Services Administration is shocking. Mr. L. F. Stewart of GSA is alleged to have made statements like:

> Damn the criticism! . . . You can't name a thing we haven't got. . . . You can pick it up or have it shipped. . . . If you want a helicopter I can get it for you tomorrow. If you want a ship, you can have a ship.

At this point, Mr. Speaker, it might be wise to include the entire newspaper article which appeared in the San Jose Mercury on February 24:

ALL EOC NEED DO IS ASK UNCLE SAM

GILROY.—He sounded like a streetside huckster selling everything from tin pots to tanks.

But he was for real.

He was L. F. Stewart, top official with General Services Administration at the Oakland Naval Supply Depot.

Everything under the sun is available, the GSA area officer told Gilroy anti-poverty directors.

Come and get it.

"Damn the criticism!" he added for emphasis. "I could care less! The GSA doesn't police property. Just come with the proper credentials. You can get uniforms at Ft. Ord. Mattresses. Beds. Bunks. We've got lots of good household furniture.

"Down in Madera, the Bureau of Indian Affairs has 26 homes for Indian families. We furnish them all with new furniture. The 27th house is for unwed mothers.

"That's going to be full all the time because men and women are mixed in dormitories.

"Every time a family moves out it gets to take the furniture as a start in the cold, cruel world.

"You can't name a thing we haven't got.

"You can pick it up or have it shipped," Stewart said.

"I know that the Visalia anti-poverty group made a mistake when it wanted four trucks. It sent to Washington, D.C. for permission. It took them months."

His remarks were made at a probe here into acquisition of 11 trucks by Joe Sarzoza, Gilroy Area Service Center chief, without knowledge of all his Gilroy directors and without specific permission to secure many items other than the trucks.

"The EOC in San Jose has only one credit card for the entire county program," Sarzoza said. "They have a man who takes it in only once a month for surplus property."

"Damn the criticism!" Stewart snapped. "I understand you wanted those 11 vehicles here to help poor people carry surplus crops out of the fields. Are they supposed to do it piggyback?

"We have clothes for people. Shoes.

"As for those trucks, I could have held them for 30 days if I had been asked," Stewart said.

Sarzoza has insisted that he had to take them immediately because Stewart's secretary thus informed him.

"What about controls on surplus property?" asked Fred Wood, Gilroy city administrator.

"There are reportable and non-reportable items," Stewart said. "This information goes on a tape. If you want a helicopter I can get it for you tomorrow. If you want a ship, you can have a ship. Any Office of Economic Opportunity activity is qualified.

"I don't worry about what you're asking for or taking. But you should have a program for it.

"Joe got those postal trucks legally as far as my office and my regulations are concerned. But they weren't covered by government insurance.

"About half this surplus stuff is brand new."

Asked Carmen Patane, a Gilgy Area Service Center director, "If you say it's new, how is it surplus?"

"I'm still trying to find that out," Stewart answered breezily.

"Maybe this explains why the American people are paying taxes out of their ears." Patane suggested, "If an individual ran his business this way, he would go broke."

"I agree," Stewart said.

The conclusions which appear obvious seem to be corroborated in another article in the same issue wherein Mrs. Wendy Atkins, an employee of another service center, is quoted as saying: "It was like shopping in a candy store." This article follows:

WHALEBOAT ON ORDER FOR ALVISO CHILDREN

GILROY.—Mrs. Wendy Atkins, an employe of the Alviso Area Service Center, recently discovered the wide, wonderful world of surplus properties at the Oakland Naval Supply Station.

She told members of the Gilroy center: "It was like shopping in a candy store.

"As you know, Alviso is at the end of San Francisco Bay. So I put two whaleboats on freeze. That meant that if I could find someone who could handle them, I could get them for Alviso.

"Kids could have such a wonderful time on whaleboats.

"There were field kitchens. Poor people need kitchens.

"I could have gotten airplanes, helicopters, trucks, the whole bit," Mrs. Atkins said.

"And there was that diesel engine train. I never did figure out how I would get it from the naval base to Alviso.

"Here was equipment, here were things and we *didn't* have to beg money to buy them. They were free. Blankets, knives, forks, spoons, pots, bassinets."

And two trucks.

"I had to give up those two trucks," she admitted ruefully.

"My Area Service Center didn't know what I was doing. Unfortunately, permission had to come from the main office in San Jose.

"When the main office found out, it took the steam out of the furnace.

"The main office chopped out everything.

"When I called the director, I was put on the carpet."

Mr. Speaker, the implications of these news articles cannot go uninvestigated. Something is wrong with our surplus disposal program if so few controls are imposed and individuals are recklessly invited to shop for free merchandise, paid for by the taxpayers, as though they were walking through a candy store or a cafeteria line.

When these remarks are printed in the CONGRESSIONAL RECORD I shall forward them to the General Accounting Office for whatever action that body deems advisable. I shall also forward these remarks to the General Services Administration with a request for investigation and possible corrective action. As I see it, the minimum action which GSA should take is to give the spokesman who made the remarks attributed to him a full and complete course in public relations.

FOOD STAMP PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, I am particularly gratified by the President's recommendation for further expansion of the food stamp program in his farm message to Congress.

This food program is not only of inestimable value to the low-income families who use food stamps to buy more and better food but is also of great importance to local businesses, farmers and the general economy. Ever since the President signed the Food Stamp Act of 1964, the program has been steadily expanding from an original 43 project areas to over 850 areas today. By early summer food stamps will be helping bring better nutrition to over 2 million men, women and children in 1,200 areas of the Nation. The opportunity for better food is basic to building the health and strength necessary to break the cycle of poverty in which our less fortunate citizens are trapped.

We must give full support to the continued expansion of the food stamp program, for even after the early summer goal is reached, there will remain some 500 U.S. counties without any program of food help for their needy families. As Secretary of Agriculture Freeman has said:

> We must continue to press toward the goal of assuring every citizen in the U.S. the opportunity for a full and nutritious diet.

As a nation we have the food and the means to distribute it.

We must be especially concerned in the light of Secretary Freeman's report of the latest research on American diets. Of special significance is that among households with incomes of $3,000 and under, 36 percent had poor diets.

This is further evidence of the urgent need for making the best possible use of the Federal food assistance programs in helping families help themselves to a better diet.

I take great pride as a Member of Congress and as a private citizen in the progress we have made in recent years, steadily expanding family food help to the needy.

But, we must not lose sight of the challenges that lie ahead in the great humanitarian cause of helping all of our needy men, women and children meet the basic need for food.

AVIATION'S TEST-CHEATING RACKET

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Georgia [Mr. THOMPSON] is recognized for 15 minutes.

Mr. THOMPSON of Georgia. Mr. Speaker, for the millions who ride with our Nation's airlines and the more than 100,000 aircraft of business and private aviation, a dangerous and potentially deadly situation exists.

An article published this week in Business and Commercial Aviation, a reputable and prominent aviation journal, names people and places which leads one to the conclusion that there is a vast illegal traffic, probably a nationwide organization, in stolen examinations used to qualify pilots at all levels. This is not only of concern to the public who want to see the safety of air travel increased but to the pilots who are proud of their profession and want to maintain high standards.

As an experienced pilot in both military and civil aviation, I cannot underscore enough, to my colleagues, the gravity of such a situation. The highways of the air are in part composed of sophisticated electronic signals, very definite air traffic rules about which one must have an intimate knowledge and safety is compromised when a person obtains an FAA rating based on the score he made on an examination which had been stolen and for a price furnished to him in advance.

The article exposes what seems to be highly illegal traffic in the actual written examinations administered by the Federal Aviation Administration which must be passed by anyone desiring a legitimate flight rating. It talks of so-called schools where one can enroll and—for a price—learn not about the art and science of flying and the rules and regulations that must be followed to be a qualified pilot, but rather learn in something on the order of less than 2 days the exact answers to the written Federal Aviation test being given. I am told that in one instance a current FAA exam was secured from an illegal source even before the FAA personnel in the region who were to administer the test received their official copies.

I have personally discussed the allegations and accusations set forth in this article with people involved in the investigation that prompted the exposé. I have also spoken to a representative of a legitimate private research and evaluation organization whose own investigation into illegal traffic with the material administered by the organization for the selection of airline crews has been similarly pilfered, reproduced and illegally sold to airline pilot applicants by apparently the same unsavory individuals.

I am told that a check into the police records of some of those people cited in the article shows convictions for grand larceny, worthless checks, fraudulent mail-order operations, assault and battery and forging of draft cards. Some of their personal lives have been characterized by divorce, nonsupport, use of several aliases, losing jobs because of stealing from employers and operating so-called flight schools out of motel rooms.

In addition, one individual as observed in the magazine, and from whom FAA had previously seized 200 or 300 FAA exams met death under violent and mysterious circumstances.

Judging from the apparent nationwide scope of this nefarious activity, one can easily believe it is a highly financed and well-organized operation and may be connected with the more dangerous elements of society.

The authors directly quote an apparently dedicated FAA official as having said in response to a question about the theft of FAA exams and how they get into the wrong hands of less-than-honest flight schools, "What can we do? They get them before we do, it seems."

Congress must make it clear that we shall not tolerate crimes against the legitimate structure of society and

should bring an immediate halt to the activities of the criminals that threaten both the safety of the people and the confidence they hold in their Representatives.

The article calls for an investigation by the House Committee on Government Operations, on which I have the honor to serve, and I concur most strongly. If the safety of the American people is endangered by fraudulent activities about which the FAA can do little, as indicated by this journalist, it appears the regulations should be amended to correct the situation as expeditiously as possible. If, under the present Federal air regulations, the Government is virtually powerless in dealing with this miasma and if the U.S. attorneys, FBI, and FAA lack the statutory muscle to maintain the integrity of this governmental function, further proliferation of the illegal activity could result in conceivable, catastrophic loss of life and property.

I should hope, Mr. Speaker, that my very able and distinguished chairman, Mr. DAWSON, of the House Committee on Government Operations, will call immediate executive sessions of the appropriate subcommittee to gather facts from the public and officials involved about what is described as a multi-million-dollar racket.

The article points out the legal problems involved in closing down such operations and points out the suggestions made by an FAA official:

Drop the tests as a FAA function. Let each licensed flight school devise its own exam, oral or written, administered by the school's chief examiner. When the school decides the student is ready, the FAA inspector can administer a searching oral review as part of the complete test, rather than the brief oral now given. (Should one school have more than its share of failures on the FAA oral, it would lose the testing privilege and perhaps its approval.)

Another approach simply would be to eliminate the written exams altogether (as many colleges are doing) and evaluate a student's performance from a written record of achievement or statement from his instructor that he is convinced his student is well-versed in the areas covered in the writtens. Should an instructor decide to make an extra buck with some bogus signing off of instruction, severe penalties could be meted out, including revocation of all his tickets and a fat fine, and blacklisting by private aviation organizations.

I would offer another alternative for consideration: In order to obtain any particular level of knowledge and proficiency, require that before an applicant is eligible to take an examination he must first have completed a prescribed course from an FAA-approved source and have the written assurance of the instructor that the applicant is ready for an intensive and in-depth examination as well as the actual flying checkout. For those who would object that their freedoms were being infringed on by being forced to go through FAA-approved courses or attend FAA licensed schools before they can take an exam to be licensed, we need only point out that the precedent is well founded in other professions, such as law, medicine, and so forth.

Though I do not hold any of these alternatives out as the total answer, I cannot stand idly by and see the reputation, safety, life and limb of all the dedicated and conscientious pilots in this country being in jeopardy by a few who would go up into the airways without the proper knowledge and/or ability.

As a lifelong pilot and a concerned representative of a district that ranks as a major aviation terminal, I cannot overstate the immediate necessity to investigate this matter and the vital need to devise summary controls and corrections should the allegations prove even partially true. A poorly qualified pilot operating in today's airspace is guiding a potentially lethal missile at both other aircraft and citizens on the ground.

Mr. Speaker, under unanimous consent I include the text of the article in the RECORD at this point:

AVIATION'S TEST-CHEATING RACKET

B/CA collects some notes from the underground, records some allegations, and makes some observations. It's a multi-million-dollar operation on one likes to talk about, though it could be killing a lot of people.

In early December, 1967, FAA's GADO office in Denver, Colorado, announced it had seized a number of FAA airman exams from a flight school in Greeley, Colo., and the resulting publicity marked the unveiling of one of aviation's best-known secrets. The traffic in stolen, copied, photographed, or otherwise pilfered FAA examinations is both lucrative and long-standing. In 1967 alone, it is estimated that some $5 million was plopped into the hands of the exam racketeers, and that amount is paltry indeed in comparison to the inestimable danger to life and property such operations threaten.

In the Denver incident, an unnamed Swiss citizen complained to Denver GADO that Air Training Center in Greeley, which had sold him a ground school course, was merely telling him answers to actual questions lifted verbatim from official FAA tests. On the basis of the man's testimony, a search warrant was issued and the U.S. Attorney in Denver found exams and films of exams in the possession of Rodney Capron, a 24-year-old flight instructor. Capron allegedly photographed copies of examinations that had been stolen previously from FAA Flight Service in Trinidad, Colorado.

The theft of FAA examinations probably began the day the first one was published, and the traffic has been lively ever since. One of the most revered and able of thieves in the aviation business was the late Alfred Henry McCurdy, of Miami and other places. For years and years, McCurdy peddled FAA exam contraband to aspiring pilots in Florida and New York, operating from McCurdy Aviation, 838 Okeechobee Rd., Hialeah. In 1962, Miami GADO reports, FAA broke into McCurdy's apartment and picked up "200 or 300 copies of stolen airman exams." In early June, 1966, the redoubtable McCurdy broke into someone else's apartment himself in Miami Beach and was greeted with three shotgun blasts from the Miami Beach Special Enforcement Squad, which proved fatal to McCurdy but did nothing to crimp the business.

In 1967, FAA-Miami administered more than 8000 written examinations, making it the busiest in the nation. So for anyone interested in helping out the test-takers on either a legitimate or illegitimate basis, Miami is the country's choicest location. Add to this one of the nation's most exquisitely corrupt judicial systems, and the magic city of Biscayne must get the nod for being the warmest spot for larceny south of Cook County, Ill. For the aviation minded, Miami will supply phony pilot's licenses, forged medical certificates, two-day reviews of any FAA exam, astoundingly efficient preparation for airline pre-employment and Stanine examinations, and we are told, someone upstate with an FAA-designee approval peddles tickets without so much as an airplane ride. In view of Miami's unenviable reputation, B/CA went gumshoeing under the sub-tropical sun, the results of which furtive investigation are here recorded.

EXCITING MIAMI SPRINGS

To the north and west of Miami International Airport lies the city of Miami Springs, wherein live most Miami-based young airline pilots and stewardesses. For many years it was the center of much of Miami's narcotic traffic and the home of more than its share of criminals. Along NW 36th Street, which runs parallel to Miami's runway 9L–27R, are aviation ground schools, Pan Am's and Eastern's pilot-hiring offices, a bunch of aircraft supply houses, and a continuous parade of grinning stewardess trainees. It was in Miami Springs that B/CA made its first contact. On Curtis Parkway, which runs north from 36th Street, is Curtis School of Aeronautics, a tiny storefront in the Springs Shopping Center. The plate glass window and door are backed with closed venetian blinds, as they have been since the business opened years ago. The Curtis name is pasted inside the window with gold luminous house-lettering.

Owner (apparent) and operator of Curtis is Mr. Fred Landry, a 36-year-old, handsome, soft-spoken, young businessman born in Norwood, Massachusetts. Mr. Landry has been in aviation most of his life, as a mechanic in Massachusetts, then with United Airlines, as a helicopter pilot in Alaska, and in some capacity with now-defunct Imperial Airlines. His pilot's license number (Commercial) is 1393188, issued in August of 1961.

One of Curtis' services to aviation is the sale of preparation books for all sorts of exams, which Curtis calls "Key Books." These pamphlets contain practice questions for the applicable exam, and though they are interestingly close to the exact questions on the real tests, they are not precisely the same. But we decided it would provide opportunity to discuss flying and such with Fred Landry if we were to drop in and buy a book.

"This won't guarantee you the job, of course," confided Landry as we handed him five bucks (which he plopped in his wallet, apparently not being able to afford a cash register). In the back room of the store sat two men studying booklets, and we studied the nearest pupil as he slid a ruler down the page, step by step. There was no instructor present. "What airline are you going with?" Landry asked. "Eastern," we guessed, "can you help with the pre-employment and Stanine?"

Landry told us that for $500 he would give us a two-day preparation and guarantee a high grade with the airline tests. "We have Eastern's," was his assurance. "How about the FAA Flight Engineer written?" was our next inquiry. "That's $300, also two days. You won't learn anything, you understand. We just give you the pertinent material." Those were almost the exact words that another investigator (who had worked with B/CA earlier) heard when she called Curtis about preparation for the Commercial written. Our agent, a Delta Air Lines stewardess, contacted Curtis and advised that her boyfriend would teach her to fly if she passed the Commerical written. At the time, Landry's secretary, Mrs. Betty Linde, who Landry says has gotten married and retired now, told our stewardess she could pass the test with two days preparation, again just getting "pertinent information . . . if you follow me . . ." The stewardess advised she had not one hour flying time, and Mrs. Linde said that made no difference.

B/CA has talked to several pilots (and non-pilots) who *claim* they have bought FAA exams and/or pre-employment exams (on a study-in-the-school basis) from Curtis School of Aeronautics. In April of 1967, American Institutes for Research persuaded the U.S. District Court of Florida to issue a restraining injunction against Mr. Fred Landry, doing business as Curtis School of Aeronautics, to halt Landry's use of any of the materials or copyrighted material of the plaintiff, who publishes the Stanine batteries. Landry was further enjoined from claiming he had any part of AIR's tests, and to deny that he knows the real questions, answers or problems that appear on the AIR Stanine examinations.

With a promise to Landry to return for the test preparation, B/CA took a trip to Opa-Locka Airport, probably the busiest aviation-training center in the world. We talked to the chief of one of the big flight schools, one which B/CA personally knows to be impeccably honest (and likewise successful). "Well," our friend offered, "Curtis comes around to our dormitories and tells one of the kids [flight students] he'll give him all the exams for nothing if he will bring 15 more guys in that will pay. Of course they're selling hot exams. If we find out about one of our kid's involvement, I take him in here and straighten him out."

The school director was unusually candid. We asked 10 to 15 other Miami aviation people about this business and almost without fail got a generally disappointing reaction. Everyone had kind advice, a half-disgusted smile, and usually a quiet admonition to go back to New York before we found ourselves in the Miami River. "This isn't some two-bit operation," we were told. "These guys don't take kindly to someone who threatens a million-dollar-a-year business."

But we did run into one young man who was happy to report that he bought "the Stanine" for $500, busted the test anyway, and got his money back. Marveling at the curious honesty of the test seller, we asked where we might get the exam. He sent us to Air Florida, Inc., also called AFI, on Opa-Locka field. AFI is a little flight school operated by Mr. Al Burnett. Burnett is an old face around Miami aviation circles, and lately has made quite a succes of the flying business, judging from the plush office we sat down in to talk. (When Burnett allegedly sold the preparation for the Stanine to our confidant, he operated as Southeast Aero.)

On Burnett's office table was a copy of the Fraternal Order of Police Magazine and a couple of Beechcraft brochures. Beside him hung an Eastern Air Lines copilot uniform, which belonged to his partner, he told us. Mr. Burnett was not anxious to give us any information. He admitted he could prepare us for "the Stanine and preemployment" if we were to apply to Eastern. Not quite satisfied, we persisted, and said someone across the way told us he had taken the test from AFI and claimed he had "about half" of it. Burnett nodded and suggested that we shop around. He then gave us the name of Don King, who, he said, gets $300 for the test. (The King advertisement appears in the Miami Herald regularly, selling simply "Airline Test Preparation.") We then asked if we could get briefed on the FAA Engineers exam, and Burnett said he could arrange it.

We talked to flight-school operators, instructors and students. Everybody knew what was happening where, but apparently didn't want to kill a good thing or demurred from getting involved for fear of loss of good health. Other investigations turned up allegations of operations in Ft. Worth, San Diego, Seattle, New York City and Tampa, Fla.

One company told B/CA it has spent some $40,000 for private investigations into illegal test traffic in the Miami area, the results of which sleuthing are, of course, private and confidential at this point.

The Colorado case, Denver FAA says, is "closed" with its report to the U.S. Attorney. Denver Assistant Attorney M. C. Branch, who says he hasn't read the report, is doubtful that any "substantive action can be taken." In another case in Texas, a publisher has been reproducing FAA materials and selling the tests through "two flight schools" (somewhere in the Dallas-Ft. Worth area). FAA says no administrative action has been taken against the flight schools. Although the publisher was "actually publishing the exams," FAA says it can't do anything because "he's not connected with aviation."

Faye Linehan is the head of Miami FAA GADO. He "knows all about this business," one commentator assured. So B/CA asked Linehan simply why doesn't he do something about Curtis and the others *if they are in fact* dealing in FAA eaxminations illegally, phrasing the question so he could deny knowledge of such traffic should he choose to do so. "What can we do?" was the unsurprising answer. "They get them before we do, it seems." Linehan is known in Miami as a good administrator and not one to be pushed about. But even his 6-ft-2-in. frame can't stop the illicit test traffic in his district, even though he knows it's the busiest place in the country for that dubious field of education.

Linehan's explanation was nearly the same as that of the FAA Compliance and Security section in Washington. It concerns, mainly, the law, which in this case protects the crooks. FAA is not primarily an enforcement agency. In all the Fedral Air Regulations, just three short paragraphs deal with cheating on airman examinations, and the penalties provided are about as toothy as a timid chicken. The Feds can suspend the airman certificate of people involved in such duplicity (as they did in Greeley, Colo.) or pull the FAA school approval. That's about all. These are "civil penalties," not criminal penalties. Criminal acts against the United States are usually handled through the department of Justice. So FAA has to go to a U.S. Attorney in order to prosecute in these matters, again as it did in the Greeley case. The applicable laws include defrauding the government, theft and possession of government property (Sec. 20.17 of U.S. Code), and thwarting the legitimate function of the government. Obviously, these are fuzzy legal areas: Does the possession of photographs of government property constitute theft of government property? (We have some pictures of B-58s in our files, after all.) If it is a crime to thwart the legitimate function of government, what about the usual impunity of extremes by protestors and strikes by public employees? And as for defrauding the government, the wording is too remote for 1968 courts to even consider that application. U.S. Attorneys therefore, are not only reluctant to get involved, they probably would be wasting everyone's time. The Justice Department doesn't consider a "piece of paper" stolen from the government important enough to warrant extensive legal action, a patently ridiculous contention, of course. The simple truth is that there is presently no tough law on the books to stop this chicanery. About the only avenue is through the Internal Revenue Service and its friends at the FBI. The test-sellers, it would seem, don't claim all the take on their tax forms.

The second major obstacle preventing legal restraint of the business is getting the goods on the bad guys. FAA has "investigated Curtis School of Aeronautics and others, . . . but we couldn't find exactly what we wanted." If FAA sends a man into a suspected operation (as often probers have done) to act as a private citizen buying some services, the courts look on it as "entrapment" and evidence from that method is not well-loved in court.

"We are fairly certain this is a nationwide cooperative effort," FAA told us. "We also suspect the material is coming through one or more government employees. But we can't spend a lot of time and money investigating brush fires. We have to find the source."

Rewriting the examinations is costly, time-consuming, and relatively silly. "There are only so many ways you can phrase a question," Miami's Linehan observed. Or, a FAA-Oklahoma City points out, "Hundreds of man-hours are needed to devise original questions. Then the sharpies change a word or two and the tests can't really be picked out as forgeries by the customer nor duplications by the FAA."

But maybe the solution is not in prosecution. Linehan offers this suggestion: Drop the tests as an FAA function. Let each licensed flight school devise its own exam, oral or written, administered by the school's chief examiner. When the school decides the student is ready, the FAA inspector can administer a searching oral review as part of the complete test, rather than the brief oral now given. (Should one school have more than its share of failures on the FAA oral, it would lose the testing privilege and perhaps its approval.)

Another approach simply would be to eliminate the written exams altogether (as many colleges are doing) and evaluate a student's performance from a written record of achievement or statement from his instructor that he is convinced his student is well-versed in the areas covered in the writtens. Should an instructor decide to make an extra buck with some bogus signing off of instruction, severe penalties could be meted out, including revocation of all his tickets and a fat fine, and blacklisting by private aviation organizations.

With regard to the Stanine and pre-employment psychological examinations, the airlines (Eastern claims: "We know who get the briefing from Curtis") require that the applicant fill in all sources of his previous training. If he fails to name a known test-selling school and actually has attended such an institution of higher learning, he subjects himself to dismissal at any time in the future on that basis alone. Further, a man who spends $500 on any of these preparations is taking a bad bet. The Stanine measures a man's "trainability," among other things. If he beats the tests through collusion, and if the tests are reliable and valid, he'll probably have his problems in getting through the training program anyway. (Considering today's training costs, this is not exactly kindness to a potential employer.) Moreover, if he is discovered (when applying to Eastern for example, who, again, claim they know), he's in trouble with any other airline that requires administration of the Stanines to applicants, since his earlier false declaration that he hasn't been coached is on record with the American Institutes for Research, author and administrator of the examination services. This statement, with permission of the applicant (mandatory before being tested), becomes an integral part of the employment application for other airlines.

The Stanine people claim to be investing in a security program that will make it less worthwhile for thieves to ply their trade on these tests. "But," said an AIR source, "we're still going to need all the help we can get from the airlines and from the law-enforcement agencies." "It's [the test stealing] a very serious matter, which make our normal job much more difficult to do," AIR told us.

At any rate, B/CA strongly urges the House Committee on Government Operations (or the Senate counterpart) to conduct a full investigation. These committees are charged with keeping an eye on the operations of government agencies and bureaus. If FAA is unable to give examinations to pilots equitably and efficiently, Congress should know about it.

The shrugged-shoulders reaction to known crime may be fashionable, but it's hardly defensible. It is inconceivable that the U.S. Government lacks the power (or the inclination) to either prosecute those responsible for the illegal traffic in examinations or to devise a policy that renders the whole business infeasible. The exams are being stolen and reproduced and all means to date to control the pilfering have failed. Local U.S. Attorneys may look upon this as trivia, but the aviation community cannot. A man not capable of passing a written examination, that requires but an average intelligence and a minimum of training to negotiate, is quite probably incapable of operating an aircraft—and most certainly not in today's airspace—safely.

We are instructed that the primary mission or the FAA is safety in the airspace. That the sale of these tests is a compromise of safety is obvious. And if FAA and Congress cannot do the job, or choose not to, it will then become incumbent upon every employer to vigorously investigate a pilot-applicant's training and assume where there's smoke there's fire, or in this case, where there is unsavory association there is collusion. If an airline or corporate operation makes it clear to applicants that all previous training will be thoroughly reviewed, they'll do everyone a favor. (It is axiomatic, of course, that if the airlines do know who's getting prepped on their employment tests and FAA airman exams, the test sellers would not enjoy the booming business they obviously do. Further, the airlines themselves aren't entirely pristine in this preparation business. Many copilots undergo intensive cram courses before the ATR written, again involving just "pertinent information.")

The government, should it wish to prosecute and at least limit this crime, needs the help of citizens not officially connected with a federal agency. If anyone can secure documented proof (or at least verbal proof) of this racket's operations anywhere, he would direct this information to Washington's enforcement section of FAA or a local GADO, or failing any satisfactory reaction, this magazine. If you prefer to stand by and let someone else get involved, don't ride in airplanes.

PAYING RANSOM TO EDUCATE YOUR CHILDREN: ADDRESS BY GOV. CLAUDE KIRK

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, one of the first major speeches I made during my earliest months in Congress was on the topic of education. Since then I have made many more and I have devoted a great deal of my time to the problems in this area.

No Member of this body takes the problems of education lightly, and for this reason I wish to include in the RECORD today, a speech by the Governor of Florida, Claude Kirk, on the topic which has recently generated so much attention—sanctions.

I can remember another speech on education which I made in late 1963 and in which I warned about the drive by the National Education Association for sanctions rights at the local level. Governor Kirk demonstrates this is the problem as it exists on the statewide level. Governor Kirk delivered this speech to the Public Schools Association, Concord, N.H., on February 7.

I would also like to indicate the situation more fully by including the introductory remarks of Mr. Meldrim Thompson, Jr., president of the association:

INTRODUCTION OF GOVERNOR KIRK

(By Meldrim Thompson, Jr., president, Public Schools Association)

We in New Hampshire are justly proud of a commitment to public education that, with Massachusetts, is the oldest in the Nation. In 1647 when we were part of the Bay State Colony, our colonial legislature provided for public education after "the Lord hath increased the number of householders in a town to fifty."

This was almost 150 years before Washington became President and almost 200 years before Florida joined our Union of States. It was about that time in Florida's history when the ancestors of the present day Seminole Indians were cavorting in the Everglades as the original land speculators, a multi-million dollar fact recently recognized by the U.S. Court of Claims.

Thus, for 330 years we in the Granite State have believed in and worked for the education of our children at public expense.

It is difficult to categorize quality as it applies to education. We think it is significant that NEA statistics show that results achieved in our public schools are well above the average for the Nation in a number of categories. For example, in the percentage rate of increase in students completing high school.

These better than national average results we obtain by a truly remarkable financial effort. Approximately one-third of our current State budget of 53 million plus is earmarked for the support of education. In addition, we raised last year in our local school district meetings 70 million dollars for our public schools.

This huge sum for our public schools, the largest percentage locally raised in any State, eloquently indicates that our local voters are concerned about, committed to, and watchful over public education.

Our people believe in good teaching and have demonstrated their willingness to pay for it. Last year the legislature failed to act on a recommended $5,200 minimum teachers salary, but today all over our State local school boards are quietly and honestly facing the fact of teacher salary competition by raising their local minimums above the suggested $5,200.

Recently it was discovered by the local unit of the NEA that our educational body politic was suffering from a malady they describe as "seriously deteriorating educational conditions." And the hint is abroad that New Hampshire may soon be consigned to the same sanction health waters now occupied by Florida.

Thus, the unrest in education as evidenced by 94 teacher walkouts across the Nation in the past six months is awash in the plains and valleys of our own State. For this reason we believe that every citizen of our State will want to know what school sanctions mean and how to face up to them.

We or the public schools association are genuinely privileged to be able to present to you this evening the children's champion in the field of public education, a man of recognized courage and constructive vision who is now valiantly struggling with many of the similar educational problems that loom on our New Hampshire horizon—his excellency, the Honorable Claude R. Kirk, Jr., the Governor of Florida.

I have indicated the knowledge and concern which Mr. Thompson has for education through previous articles of his which I have inserted into the RECORD. He is, of course, distressed that his State is facing the problems discussed by Governor Kirk. I think we all should be concerned.

Governor Kirk's message follows:

ADDRESS OF GOV. CLAUDE R. KIRK, JR., TO THE PUBLIC SCHOOLS ASSOCIATION, CONCORD, N.H., FEBRUARY 7, 1968

Ladies and Gentlemen, *Sanctions is a dirty word.*

It is a threat. It is intimidation. It is bullying, and it has no place in the relationship between a sovereign state and those who have accepted positions in Government—or their representatives.

We are here tonight because of this dirty word—and the threat of it—have been used to bully American taxpayers in state after state.

Taxpayers in America are docile. They are obedient. They are long-suffering. But they don't like to be bullied. Especially by education unions or associations that get the lion's share of their tax dollars.

Certain of the teacher organizations portray their members as long-suffering and much persecuted, laboring under sweatshop conditions. You and I know that this picture is not factual and that on the contrary, teachers have made tremendous progress toward improved working conditions and better salaries.

Their propaganda pays lip-service to the "Great Problems" and the "Unfilled Needs" of education—but their real demand always seem to be one of more money in the pay envelopes.

And while no citizen is uninterested in or unconcerned with the needs of education—and while there are few indeed who are unwilling to pay the bill for real quality education for their children—there are millions of Americans who are in a state of near rebellion over this constant goading of the public by the teacher unions.

In Florida we are the 29th state in per capita income—but in 1966–1967 we paid instructional salaries averaging within $44 dollars of the national median—$7,085 dollars. Nevertheless, in 1967, the Florida Teacher Association threatened us with sanctions, imposed sanctions, suspended sanctions, threatened to suspend the suspension—and announced and re-announced its positive determination to walk out of the classroom with notice, without notice, on a date certain, on a date uncertain.

Any citizen of Florida who read his daily paper with any degree of attention could not fail to get the idea that he had to agree to pay the Teacher Association a ransom to protect his child's education. And that is exactly the idea the Teacher Association wanted him to get.

Let me tell you just a little bit of the background of Florida education so that you will understand our reaction to the barrage of unprecedented bullying.

In 1927—the year after I was born—Florida had only 375 thousand students and the state spent just $973 thousand dollars for education.

In 1947, there were 441 thousand students and state spending amounted to $23 million dollars.

In 1957, there were 852 thousand students and the state spent $139 million dollars.

In 1967, the student total was nearly one and a half million—and the total state and county spending for education totaled nearly $1 billion dollars. On the state level alone, this was $245 million more than the previous 2-year state budget—and it included the largest single teacher pay raise in the history of Florida.

For the fiscal year 1968–1969, the state has already appropriated $495 million—and I have now called our Legislature into special session to reconstructure totally our antiquated Public Education System—and to invest approximately $400 additional million

dollars a year in the new and revitalized system that we will create.

Now does that sound like a state that is stingy with dollars for education? That is full of downtrodden teachers? That needs to be bullied and slandered?

This does not make sense—especially when you consider that Florida is the fastest growing state in America—and that its growth since the end of World War II has surpassed even the wildest expectations of the most visionary planners.

One result of this multiplying growth has been that although millions—and billions—of dollars have been spent on Florida education, the structure of public education has gradually become more and more antiquated—and more relentlessly anchored to the dull pace of mediocrity.

In fact, in over sixty of our sixty-seven counties you can be a "garbage collector" and be superintendent of public instruction because we continue to elect these positions and no qualifications are necessary to run—except one: They must be registered voters in their districts—they do not even have to know how to sign their names.

In addition, Florida is one of only two states to have an ex officio State Board of Education—the other state is Mississippi.

Consequently, it has become a system incapable of investing—and all educational spending should be considered as an investment—the dollars it asks for with anything approaching a maximum return, and it simply has refused to accept the necessity of installing modern management practices to analyze what it is producing.

Obviously, this condition did not spring full grown all at once. It is the result of year after year—in fact, decade after decade—of an ingrown, protective insulation that has been in many ways more concerned with protecting the system than with educating the public.

In 1967, our Legislature met. It was a brand-new legislature, reapportioned by order of the Federal Court. It was urban oriented. It was very sympathetic to education. And how did education greet it?

With one spending demand after another—and without a single innovation in the structure. "Praise the Superintendent and pass the appropriation" could have been their slogan. They didn't care to be reminded that their demands would bankrupt the state or that other fields of government service had to have at least minimum amounts of consideration.

As far as the educrats are concerned, taxpayers exist to pay taxes and not to ask questions. Trying to find out anything about the system was just about like raising your hand in the schoolroom and having the teacher ignore you—*forever*.

Not even the wildest stretch of Washington-style fiscal irresponsibility could they get what they asked for—but they pressured the Legislature into spending more money than the state had.

Since Florida law doesn't permit deficit spending, I had to veto a couple of unrealistic appropriation bills—but in the end we still spend 67 cents of every general revenue dollar on education. $245 million more than ever before—and, as I have said, it included the largest single pay raise the state had ever given its teachers.

By the way, in this record education appropriation was included a $40 million contribution to the Teacher Retirement Fund, which was $500 million in debt—and not one penny had ever been contributed to it by the state.

Not that this concerned the militant Teacher Association. Their motto was always "More today and let tomorrow take care of itself." They may have taken economics in college but I wouldn't care to have graded their final exams.

Would you like to know the reception the Teacher Association gave this generous state education budget? Or can you guess?

Well, let me tell you that to listen to them, Benedict Arnold was a national hero compared with Claude Kirk. And this was not only the Association leaders. Our elected State Superintendent of Public Instruction howled loudest of all. When it came to a choice between the state and the outdated educational system, he swore allegience to the system and to the confusion for which it stands.

And so, as in any war, they mobilized their union army. They whiped up fighting spirit. They held revival meetings—at which they closed their eyes and held hands and passed out undated resignations in wholesale lots—and they threatened to doom Florida and blot out the sunshine with that dirty word, "Sanctions."

They called me so many names, I can't remember them all. And they waved their sanctions like they were the sticks and stones to break my bones, and some, *including a visitor from Miami in the auditorium tonight*, called for my impeachment.

Janet Dean, President Dade County Classroom Teachers Assoc.

Even so, it is with some pride that I report that we still reman calm, after all, as Florida's first Republican Governor in 94 years—and having just finished an extended session with a Democrat-controlled Legislature—I was growing accustomed to a bit of fault-finding here and there.

All governors get a lot of advice, most of it well intentioned. The idea is that generally we should remain in some ivory tower, far above the battlefield, and let our local education systems take the beating.

This is a very safe approach. Retreat to some comfortable rest camp and let the other guys take the casualties. But I wasn't ever really tempted.

I'm not a politician—I have never held another political office in my life—but one of the basic reasons I got into politics was that government seemed to be evading its obligations more than fulfilling them, particularly in education.

The day Government at any level can't meet—and beat—a naked threat to its leadership, it is no Government at all. The day it yields to this kind of bullying, it ceases to exist.

So I told all those well-meaning advisers that we would not run and hide—and that we would confront the challenge just as we confront other challenges to Government. Quickly, openly and confidently.

Sure, there was a lot of noise—but in spite of it, I never doubted for a moment that the backing of six million Floridians was behind me and against these bullying union tactics.

Go ahead, I told them. Impose your sanctions. Do your worst to hurt the state you have to look to for every benefit. I even offered them a chance to "poison the well" right in my office. I told them whenever I was trying to sell a businessman from out of state on investing in Florida, I'd give them a chance to come right in and tell him their evil story.

Pretty open-handed offer? I thought so. I don't think you'll be surprised when I tell you that not once did they take me up on it. They much preferred to fight their battle at long distance.

They collected a typical union war chest—and they used it for gloomy advertising, to write sad letters and to spread all sorts of scare propapanda about what a terrible place Florida was for teachers. Of course, while this was going on, there was no great rush to leave Florida by our more than 50,000 teachers. The vast majority of them remained calm and level-headed.

While the war hawks threatened that their members would kiss the Florida sunshine Good-bye without a second thought, the dedicated professionals in the rank and file knew full well what kind of teaching jobs were available elsewhere. Apparently, there were mighty few who had any great inclination to move to the trouble-wracked school systems of the nation's big cities.

Late last summer, the Association leaders decided to make a grand slam publicity move. They wired the National Republican Committee to instruct them not to hold the 1968 GOP National Convention in Florida. And can you imagine that by some strange coincidence every news medium in Florida got a full copy of their communication—together with the usual propaganda barrage of still more threats. What could be more ridiculous?

In any case, the 1968 Republican National Convention is going to be held at Miami Beach—and every responsible person in the state is highly enthusiastic about this most significant "Florida First".

And if you want to get the first look at the next President of the United States, the best place to do it will be at Miami Beach, Florida, next August.

There is usually some element of humor even in the most serious situations—and there was one thing that was quite funny in this "Sanctions vs. State" battle.

In late June—just when our politically-oriented state superintendent had achieved an ear-splitting crescendo of denunciation of anyone opposed to education's financial demands—I found out that there were on hand about 100 prints of a brand new, full color, teacher recruiting film.

This film—which was an excellent technical production and which cost many thousands of dollars to make—was produced at the direction of the superintendent. It was called "T Minus Fifteen and Counting" and it ran 15 minutes.

It portrayed the world of Florida education as the ideal place for any teacher to come and practice the profession. It skipped the system's deficiencies—but it did show the better life families live in our state. It was obviously intended by the superintendent to be used in out-of-state teacher recruiting.

But with the superintendent loudly proclaiming that Florida education was being grossly underfinanced—despite the largest education budget in history—and Florida teachers grossly underpaid—despite being within $44 of the national average and number one in the Southeast—and despite the fact that they had just received the largest single pay increase in history—$1050 dollars—he could hardly proceed to send his highly favorable film on its projected tour.

In fact, what he did was keep quiet as the proverbial mouse about it. When I found out it existed and had it shown to my staff—he became highly agitated and actually threatened to go to court to prevent me—the elected Governor of Florida—from showing it to anyone else.

As it happened, I had no intention of showing it to anyone else. It—together with the thousands of tax dollars it cost—has remained carefully buried, presumably at the superintendent's instructions, but it is most interesting to note that the system he thought was so wonderful in March became, in his opinion, a real lemon in June.

The moral of the story, if there is one, is that a politically chosen superintendent can't be independent of pressure groups. All the education study committees in Florida's history—1927, 1947, and 1967—have recommended his replacement by an appointed professional Commissioner of Education—a recommendation in which I heartily concur.

The long summer came to an end with the threats getting louder and shriller—but, curiously, the only real positive action was being taken in my office.

I have never made a secret of the fact that I am deeply concerned about the state of public education—and particularly about the inadequacies of the system responsible for its operation. I discussed it at length in my campaign for the Governorship. Right after taking office, I scheduled four education conferences to meet with civic and business leaders, with parents, with teachers, and with

students—the customers of education whose ratings are both highly accurate and generally ignored by the educrats. These conferences were held in the spring of last year in four different locations in Florida and they produced a lot of interesting information.

All during the summer, my staff and I carefully evaluated Florida education as it stood at that time. To handle educational affairs in my office, I became the first Florida governor—and possibly the first in the nation—to have a special assistant on my staff for educational affairs.

I got a good one—and a young one. Experienced enough to know when the old pros were trying to pull the wool over his eyes and young enough to believe that a comprehensive restructuring of state education could be accomplished by a determined effort.

School in Florida started on September 5th, and that eveninng I went on statewide television to discuss the state of Public Education in Florida, face-to-face with our citizens. I showed them the result of months of hard work—a 35,000 word report we called "Education in Florida: Perspective for Tomorrow"—and I told them I was appointing a 30-member Citizen Commission for quality education in Florida.

The job I gave that commission was to examine Florida education from every angle—to provide us with a blueprint for a master plan to reconstructure public education—to bring us to a standard of excellence no later than 1975.

Oh, you should have heard the howls! Those who had previously refused to make a move on the road to excellence now denounced me for not achieving "Instant Excellence"—the thought that real excellence was something that took time and huge amounts of effort was so disturbing to these people that they preferred to stand still—wrapped forever in the confronting cloak of mediocrity that graded students but never graded education.

The Commission did a really monumental job. It organized support teams—and I must tell you that the Florida Education Association—the same split personality group that acts half the time as a militant labor union—rediscovered its professional side and took an active part in the Commission's work. Its president and its classroom teacher chairman served as Commission members.

At this point it is pertinent to point out that Florida's teachers took the high road. The road of a constructive professional association, whose aim and goal coincided with that of Florida's recent Commission for Quality Education. The emphasis on a cooperative and positive approach, through their association, earned the teachers new respect and enabled us to initiate the most far-reaching document ever attempted on the subject of education in Florida's history. This type of professional participation should be the role. But when they play the "Unionistic Role" they are out of step with progress and I will stand firm against their unrealistic pressure tactics.

The result of this concentrated effort to achieve a plan for educational excellence that was originally viewed as a job that would take anywhere from a year to 15 months, was done by the end of 1967. That took determination.

The Commission has provided us with the guidelines to follow to achieve excellence at all levels of public education. The Florida Education Association, through the service of two of its members on the Commission, helped to form its recommendations and approve the final report which is entitled "Toward Excellence . . . Changing Concepts for Education in Florida."

It is interesting to note that this kind of citizen commission is exactly what the National Education Association—the parent of FEA—recommended early in 1966 after a survey of Florida education. My predecessor in the Governor's office and the still serving Superintendent of Public Education—who is presently the Chief Education Officer in Florida—did not follow this recommendation.

With the Commission Report in hand, I called for a special session of the Florida Legislature to meet on January 29th for the sole and express purpose of considering the reconstructure of our educational enterprise. This is the first such legislative session in Florida history.

I have already told the Legislature that I am not going to hold still for any politically motivated taxing bills nor am I going to give in to the professional pressure groups and simply pour millions of additional tax dollars into a system that simply continues to do the same thing in the same old way.

If the people of Florida are going to be asked to accept new taxes for education, they must have a new system with new capabilities in which to invest their money.

And because restructuring will require constitutional amendments, the citizens are going to be able to vote on this matter. If there is no restructuring, there will be no new millions for the old and inadequate education system we now suffer under.

I'll bet you can guess the next act in this drama. Now the educrats point-blank refuse to go along with a public vote. Isn't it a horrible irony and a paradox that the people who have been responsible for the education of our citizens are the most fearful of their rejection at the polls?

They have gone right back to their old demand—"Give us the money and we'll take care of education."

But there is a new spirit abroad in the land—and a new determination. I am sure Florida is not the only state where it exists. The people know how important education is—and how much better is the job it must do to educate our children. They know how expensive it has become—and they are willing to meet the costs. But they demand that we create a system with the capacity for self-analysis and with the capability of achieving excellence at a time certain.

And they are no longer going to let this system be operated as a closed corporation—consuming their tax dollars at an ever increasing rate, but unwilling to account in realistic terms of achievement what has been done with them.

They are insisting on a system with modern business management practices—with planned program budgeting that will substitute specific goals and targets for vaguely generalized objectives—with better teachers who will earn higher salaries based on ability of performance and on their functional roles in the school system and not merely because they have served time in the schoolroom—with administrators who are trained to handle the investment of hundreds of millions of tax dollars and who will acknowledge their responsibility for a real public accounting of what they have accomplished.

In short, Florida is willing to pay for excellence—but we are not going to settle for anything less.

No longer will we continue to pour unending millions of today's dollars into systems that were created for yesterday—are inadequate for today—and totally unable to move forward into tomorrow.

And the answer of six million Floridians to militant Education Association leaders who assault us with sanctions—who threaten us with broken contracts and walkouts—who prefer intimidation to workable solutions—and who would like nothing more than to bully the members of their own profession out of the classroom and onto the picket line—is the continuing pursuit of quality education.

Money alone does not suffice in our quest for genuine quality in our system of public education. To the contrary, by simply throwing more money into a system that has proven to be inadequate is to violate a public trust in a way that our children must ultimately pay for. We must be assured that our education dollars are spent effectively and that the real beneficiaries are our children.

Therefore, our position must be summed up as follows: "We are willing to spend millions—hundreds of millions—for quality education—but we are not willing to pay one additional cent for the old education system supported by the professional pressure groups and old line 'Do it the same way' educrats."

AGRICULTURAL CENSUS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Montana [Mr. BATTIN] is recognized for 15 minutes.

Mr. BATTIN. Mr. Speaker, the "farm problem" is tenacious and intricate. This has been a recognized fact for a long time. The ramifications of the problem defy resolution and plague us every year. At times it would seem that anyone who dares to try to unravel any element of the tangle is destined only to become snarled inextricably himself. Perhaps this is why some are inclined to avoid a farm issue. Perhaps they feel the farmers' vote is not strong enough to justify listening to their problems any more. It is easier to duck the issues. It is easier to let someone else do the worrying.

Agriculture is the vital spark of the Nation. It is the basic industry upon which all other greatness is founded. To ignore the problems of its people because the headlines are to be found elsewhere, because the Nation might seem to be focused for the moment on a riot or even on the war, to ignore these problems is to invite disaster because these are not just the farmers' problems—the problems of one group—they are the problems of the Nation.

I have said that there is a tendency among some of "let someone else do it," to throw every puzzling question to an administrative agency. But they do not stop there. After saying the problem is too big to handle, after saying only a so-called expert—a bureaucrat by any other name—can handle it, these same persons would have us relinquish all discretion. If we fall into the trap of believing that specialists do every job best, we will no longer have a representative democracy, we will have a government by an elite. The separation of powers is a fundamental principle of our system of government. It is one of the duties of a Member of Congress to look closely at the actions of administrative bodies and not to accept blindly their demands and decisions.

Last week I introduced legislation, H.R. 15418, which prohibits questions relating to production, acreage, operation, or finances of any farm or farmer in an agricultural census. I fully expect there will be some who will immediately decide this legislation would limit the effectiveness of the farm census and on that basis alone put the issue aside. I hope most will not do so. It is time to stop accepting without question every demand for information by any department or agency merely because they tell us they need it.

There is concern in both the House

and Senate about the growing invasion of privacy by the Federal Government. Senator EDWARD V. LONG has said in the Senate Subcommittee on Administrative Practice and Procedure report, "Government Dossier," that—

> Perhaps one of the most subtle invasions of privacy is that which is accomplished through the use of the information which the Government maintains on American citizens.

That report also said there are over 3 billion person-records, over 2,900 million person-records filed by individual name. Despite this growing awareness that there exists in the impersonal file cabinets of countless dusty offices the imminent possibility of a computerized watchdog, there is still a temptation to treat the farmer as an unusual type of citizen. Because the problems of this great industry are complex, there has grown a tendency to say that the farmer in order to gain the so-called benefits of bureaucracy must give up the basic rights and privileges to which every American is entitled.

The Congress first appropriated $1,000 for the distribution of seeds and the collection of agriculture statistics in 1839. The compilation below shows how the collection of farm data grew until 1932:

1839—$1,000 appropriated by the Congress to the Patent Office for distribution of seeds and collection of agricultural statistics.

1855—James T. Earle, President of the Maryland Agricultural Society, tried to collect information concerning crops through State agricultural societies, and he advocated collection of such information by an "agricultural department of the general government."

1862—Orange Judd, editor, American Agriculturist, collected monthly crop reports from his subscribers and published the results.

1862—United States Department of Agriculture was established by act of May 15 (12 Stat. 387–8, An act to establish a Department of Agriculture), and the agricultural statistical work was taken over from the Patent Office.

1863—Monthly or bimonthly reports on condition of crops were published, based upon voluntary reports from crop correspondents in each county.

1866—Regular reports were begun on condition, acreage, yield per acre, and production of important crops, and on numbers of livestock.

1867—Regular annual reports were begun on prices of farm products.

1882—Part-time State statistical agents were appointed and required to maintain independent corps of crop reporters.

1896—A new, separate, and larger corps of crop reporters, known as township reporters, was established.

1900 to 1914—Crop specialists and regional field agents were appointed for personal field observation and inquiry.

1905—Crop Reporting Board was organized.

1906—Keep Commission [1] recommended that the United States Department of Agriculture make forecasts of crop production.

1908—Monthly collection of prices of farm products was begun.

1909—Laws were enacted safeguarding Government crop reports.

1911—Reports of crop acreages on crop reporters' own farms were estabilshed as indication of acreage changes.

1912—The Crop Reporting Board began to forecast production of important crops prior to harvest.

1914—Full-time State agricultural statisticians were appointed, their duties combining those of the former State statistical agents and regional field agents.

1914—Truck-crop reports were initiated.

1919—First objective field counts were made by the agricultural statistician in South Carolina.

1919—Data were collected concerning numbers of poultry.

1922—Pig survey through rural mail carriers was made for first time.

1923—Livestock-reporting work was organized.

1924—Rural mail carrier acreage survey was initiated.

1925—Highway frontage of crops as measured by a "crop meter" attached to an automobile was first used to indicate acreage changes.

1927—Dual inquiries from Washington and field offices were discontinued in a few States.

1929—Practical application of correlation methods to forecasts of crop production was made.

1932—Township reports were handled by branch offices and dual system of reports was discontinued, except for cotton.

The letters of James T. Earle, president of the Maryland Agricultural Society dated July 1855 indicate that the first desire for data was inspired by resentment of dealers and speculators who made profits through the circulation of misleading reports. Before 1860, there was criticism by various States that their production of farm goods and numbers of livestock were not properly recorded and hence their rank in U.S. agriculture was lowered. Later on in the 19th century, concern with the public land system led to questions on tenancies, and the terrible debt situation led to questions about mortgages, acreage, and the dollar value of the mortgages. It is on these precedents, all established before the gigantic expansion of the Federal bureaucracy during the depression and World War II, that the present nature of the census of agriculture is founded.

In 1932, the Bureau of the Census was the primary source of agricultural information. Today, its information just serves as a base. The primary source today is the Department of Agriculture through its Statistical Reporting Service and the Economic Research Service.

The Economic Research Service carries on a broad program of research and statistical analysis, ranging from national aggregative appraisals of supply, demand, and prices of farm products, to fairly detailed studies of farm management problems in specific areas. Mr. M. L. Upchurch, Administrator of the Economic Research Service, has written me that the census data is most useful when they need broad aggregative data on general characteristics of farms and of use of resources. He said, however:

> When our research requires specific information for a limited geographic area, we usually conduct the necessary surveys ourselves, cooperate with State experiment stations in collecting data, or engage special data gathering agencies, either public or private.

The Statistical Reporting Service is the primary data collection agency for agriculture. Its reports and estimates include acreages, yields, production, stocks, value, and utilization of crops, numbers and production of livestock, poultry and their products, prices received by farmers and prices paid by them, farm employment and wages, quantities of foodstuffs in cold storage, and other aspects of the agricultural economy. However, a 1946 publication on the work of the Statistical Reporting Service, miscellaneous publication No. 967 reports:

> By far the most important source of current data is the farm operator who is asked to supply information about his operation. For the current estimating program, relatively few farm operators are asked to supply information. These may be regular crop reporters, respondents to a mailed inquiry; or they may be a preselected probability sample collected by personal interview, by mail, or by both methods. . . .
>
> The voluntary mail sample is the most common data collection technique used by SRS. It is the chief method used to obtain current estimates of crop acreages and production, forecasts of yield, and livestock inventories. . . . In the voluntary mail sampling farmers who are willing to cooperate are asked to supply two kinds of information: (1) data relating to their own farms and (2) data relating to agricultural conditions in their localities.

It is clear that the questions which the Bureau of the Census now claims it needs to ask are the result not of necessity but of a tradition of unopposed and—sometimes requested—extensions which no longer have any real basis in need. The broad aggregative data on general characteristics supplied to the Department of Agriculture by the Bureau of the Census can readily be obtained by an expanded use of the resources of the Statistical Reporting Service. There is no need for the Bureau of the Census to be in the field at all except to gather the reasonable population statistics they have a right to gather on the members of any other profession.

When I introduced H.R. 15418, I called upon the Subcommittee on Census and Statistics to study the problem in depth as part of the overall problem of the use of private information by public agencies, not only in the area of agriculture but in every area where the Bureau of the Census is exceeding the proper function. Now, I call upon every Member of Congress to become involved in this issue. H.R. 15418 tells the Bureau of the Census to treat the farmer on an equal basis with other citizens, to respect his right of privacy. But even as we consider the problem, the Bureau of the Census is "discovering" a so-called need for information in other areas. On February 15 I received a letter from a Montana attorney who like many other people across the United States is discovering where the quest for information is taking us. He said, in part:

> I shouldn't mix business with appreciation in this letter, but I can't help but com-

[1] The reports of the Keep Commission on department methods relating to official crop statistics and the investigation of the Twelfth Census report on agriculture, in compliance with S. Res. No. 135. (Being transmitted to the Senate on May 29, 1906, by President Roosevelt and printed as Doc. 464, 59th Cong. 1st Sess.) Reference is to a report dated Jan. 6, 1906, signed by C. H. Keep (chairman), L. O. Murray, J. H. Garfield, Gifford Pinchot, committee on department methods.

ment about a form CB–81 received by us this morning from the Bureau of the Census, U.S. Department of Commerce, addressed to our law firm. This form is entitled "1967 Economic Censuses." Our response to the inquiries requested is going to require so much time to gather the information that I won't have time to check the U.S. Code to find out what the penalty is if we don't return it by April 30. I don't know whether you have seen the form, but it requests a great deal of confidential information with respect to our law firm and in asking the percentages of our gross receipts from various fields of practice, etc. will require considerable research on the part of at least one of our secretaries, as well as at least one of us, to answer the form in a manner that will keep us out of jail. If the U.S. Government continues to plague the legal fraternity with the amount, number and kinds of reports, etc. that we are required to make every year, we are simply going to have to hire one secretary for the sole purpose of answering governmental inquiries.

No one can afford to duck this "farm problem." No one can afford to sit back and say "the Census knows best." This is not just the farmers' problem. This is the problem of the Nation. One cannot justly ask the farmer to give up his privacy without expecting the Federal agencies to ask the same of the lawyers, the doctors, the craftsmen, everyone.

REA AND PARTISAN POLITICS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 15 minutes.

Mr. SCHWENGEL. Mr. Speaker, last week for the second time in 5 months, somebody played Democratic politics with a Rural Electrification Administration loan announcement to a rural electric cooperative in my congressional district.

At 11:30 a.m. on Monday, February 19, a messenger from the REA delivered the following announcement to my office:

[From the U.S. Department of Agriculture, Rural Electrification Administration]

REA APPROVES $388,000 ELECTRIFICATION LOAN IN IOWA

The Rural Electrification Administration announces the following loan: *IOWA* Eastern Iowa Light and Power Cooperative, Wilton Junction, Iowa, $388,000 loan to finance the construction of the 69 kilovolt Louisa Switching Station near Wapello. This switching station will enable the borrower to interchange electric power with nearby power companies.

On completion of the facilities provided for in this and prior REA loans, the borrower will be serving 13,349 consumers over 4,252 miles of line in 12 counties.

Payments on the REA loans by the Eastern Iowa Light and Power Cooperative include $5,280,832 on principal as due, $693,919 of principal paid ahead of schedule, and interest payments of $3,647,786.

This was supposed to be the congressional notification. This is an elaborate prccedure: my secretary was required to sign a sheet, acknowledging receipt of the announcement and to indicate the time of arrival in the office. All Members of Congress are supposed to be notified at approximately the same time.

Yet on Sunday, February 18, the following story appeared in the Des Moines Register:

A $388,000 LOAN TO IOWA UTILITY

CEDAR RAPIDS, IOWA.—The Rural Electrification Administration has approved a $388,000 loan to the Eastern Iowa Light and Power Company, Representative John C. Culver (Democrat, Iowa) announced Saturday.

The company serves Clinton, Jackson, Jones and Linn Counties.

Culver said the money will finance construction of the 69-kilovolt Louisa switching station to interchange electric power with nearby power companies.

Mr. Speaker, there is no doubt that someone in this administration is playing politics with the REA. I decry and abhor this. Here is evidence someone is leaking the information to give a Congressman a political advantage.

The same thing happened last September. On Friday, September 22 an announcement was made by my colleague, the gentleman from Iowa [Mr. CULVER], that a $971,000,000 loan was being made to Eastern Iowa Light & Power Cooperative in Wilton Junction.

My office received official notification of the loan approval on Monday, September 25. Again, a messenger delivered the announcement and my secretary was required to sign a receipt and indicate the time of delivery.

What a waste of Government money to hire the messenger and run off releases when the announcement has appeared in the paper 1, 2, or in one case 3 days before my office receives it.

To those who may say that my only motive is my desire to make the loan approval announcement myself, I would like to read my policy statement which was issued recently on grant and loan announcements:

My policy on grant announcements regardless of my personal feelings on the legislation which authorized the grants and contrary to the policy of my predecessor, has been to call the people directly involved first. They were informed that any announcements to the news media should come from them.

In a few instances I was asked to make the announcement myself and have obliged those making such a request. In such cases I have always carefully stated that I had been informed by the department or agency making the grant rather than flatly stating myself that such a grant was to be made. This is an important distinction, again not made by my predecessor.

There are those who argue that, since Eastern Iowa Light & Power Cooperatives serves areas in both the First and Second Congressional Districts of Iowa, Congressmen in each district should be given an opportunity to make the announcement on such loans. Let me say that the headquarters of this cooperative is located in the First District, as well as are over 70 percent of its customers. Furthermore, the last amount which was loaned to build a switching station in Louisa County is in the First Congressional District.

The Rural Electrification Administration is supposed to be nonpartisan. It traditionally has had broad bipartisan support in the Congress. Partisan use of the REA endangers this kind of support. I have been a constant supporter of the REA. I applaud what they have done. I have repeatedly commended them for the great work they are doing, and I was one of the few to take the floor on the 25th anniversary of their operation to pay tribute to their contribution to our economy. For this I was highly commended by many, many leaders across the country in the REA movement. I will continue to support good REA bills, but I strongly protest the policy of this administration, which allows the REA to be used for partisan politics.

Let me say I would decry the practice of announcing projects now being followed by REA, and whether it be under Republican or Democratic administration, all the talking or excuse-making in the world is not going to change the fact that the REA today is playing partisan politics in making loan approval announcements. It is giving notification to some Members of Congress far in advance of others. This is unfair, it is unethical, and it should be stopped.

Mr. Speaker, if in the future my party becomes the majority party—and I hope it does—I pledge to carry all public announcements on the same basis and under the same self-adopted rules that I have adopted in my office. If at any time in the future a comparable situation to the one I complain about today prevails, I will, before I announce, when the situation allows, make every attempt to share the credit, if any, with the colleagues, whether they are members of my district or my party or not.

Mr. Speaker, all I am asking is that the Members of Congress be treated equally and fairly in the disclosure of loan approvals. This is not being done today.

IMPLICATIONS OF TAX HARMONIZATION IN THE EUROPEAN COMMON MARKET—ASSISTANT SECRETARY OF THE TREASURY SURREY DISCUSSES THE VALUE-ADDED TAX

The SPEAKER pro tempore. Under a previous order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. REUSS] for 30 minutes.

Mr. REUSS. Mr. Speaker, the value-added tax which is being adopted in many European countries has become a subject of interest and concern for Americans, both as a potential form of taxation in the United States and for the impact on the trade balance which may result from its adoption in Europe.

Assistant Secretary of the Treasury Stanley S. Surrey has discussed this matter thoroughly and interestingly in a speech given on February 15 to the National Industrial Conference Board at the Waldorf-Astoria in New York.

The text of Secretary Surrey's remarks follows:

IMPLICATIONS OF TAX HARMONIZATION IN THE EUROPEAN COMMON MARKET

(Remarks by the Honorable Stanley S. Surrey, Assistant Secretary of the Treasury, before the National Industrial Conference Board, at New York, N.Y., February 15, 1968)

The subject of European tax harmonization has evoked a misty glamour in the United States. Any movement that goes by the description of "harmonization" is attrac-

tive in these troublesome days. We also hear about a new tax that is sweeping across Europe, the "value-added tax," which has the intriguing, and also disconcerting for us, shorthand label of TVA. Certainly the question, "Is the TVA good for the USA?" can throw one of my generation off stride for a moment, as he wonders if he is back in the 1930's with the shade of Senator Norris of Nebraska and hearing a replay of Senate debates on our Tennessee Valley Authority.

As a consequence, many are apt to believe the Europeans have suddenly discovered a wonderful new tax system and that the rest of the world should rush to emulate them. The reality is quite the contrary. The Europeans for years have had a serious tax problem on their hands. With the advent of the European Economic Community they have had to face the fact that this tax problem was a serious obstacle to achieving an effective Common Market and the desired economic unity. They have therefore started on the difficult task of correcting that problem.

BACKGROUND OF TAX HARMONIZATION IN EUROPE

What is this serious tax problem? The tax systems of the EEC countries were all characterized by high rate sales taxes, whose structures were extremely complicated, highly discriminatory and economically inefficient. As to rates, France until this year imposed a 25 percent tax on a value-added basis, and the present rate is 20 percent. The other countries had multi-stage, cumulative turnover taxes (also called "cascade taxes") at basic nominal rates of 4 to 6 percent (Luxembourg was at 3 percent, and Italy at 3.3 percent). These nominal turnover tax rates do not tell the whole story, however, since they were levied at each stage of the production and distribution process. Thus, the German 4 percent turnover tax rate was equivalent to an average rate of 12 percent on the value of the final product.

As to complexity, consider, for example, the French system where in addition to the 25 percent value-added tax (TVA) on manufacturers, wholesalers, and some retailers of goods, there was also a retail sales tax covering other retailers and handicrafts at 2.83 percent, and a sales tax on services at 13.66 percent—along with a whole miscellany of specific excise taxes on such items as entertainment, wines, meat, gasoline, transport. Each tax was characterized by a lengthy list of special rates, exemptions, and options. Thus, the French TVA covered mining and building along with manufacturing—but not farming and fishing and allied processing, or handicrafts. These complexities of basic rates followed by innumerable special rates and exemptions were characteristic of all the European taxes.

As to discrimination and economic inefficiency, consider, for example, the German system: Its turnover tax of 4 percent applied at each stage of the business process—producer, manufacturer, wholesaler, retailer. (Hence the descriptive term "cascade tax" applied to these turnover taxes.) And at each stage the tax was built into the price and thus became pyramided and swollen as each sector in turn applied its markup on price plus tax and then added its own tax. The consequence was acute differences in treatment between vertically integrated and non-integrated industries and concerns, between companies which performed some services for themselves and those which hired the services from others. In the other EEC countries a similar situation prevailed under their turnover taxes.

Sales taxes that run as high as 25 percent, or even 10 to 15 percent, are not to be treated casually or lightly. They have, at such levels, a high potential for economic mischief. But the exigencies of the past, the encrustations that any tax system accumulates, and the lethargy engendered by a familiarity with the status quo produced for the Europeans indirect tax structure that, at these high rates, were seriously defective.

The catalytic agent for change was the formation of the ECC. If Europe was to become a genuine common market in which goods and capital could move freely, a prerequisite was as much uniformity—harmony—as possible among the tax systems of the member countries.

The problem was clear: How to obtain uniformity out of this maze of high but disparate rates and complicated but disparate structures that characterized the sales taxes of these countries when seen as a whole. The solution chosen was a two-step approach—find a common sales tax structure that each could adopt and then move to uniformity in rates. The tax changes we are now seeing in Europe are in response to the first step, that of a common structure for these sales taxes.

THE VALUE-ADDED TAX IN EUROPE

For this first step, the EEC had to answer this question: What type of sales tax structure's best suited in their economies to support a high tax rate? The choices would be among the single stage sales taxes—a manufacturers tax (Canada), a wholesale tax (Switzerland, Australia, United Kingdom), a retail tax (States in the United States, Norway), or a multi-stage tax of the value-added type (France). The multi-stage turnover type tax was not a possible choice, since it was essentially the villain in the existing picture.

A manufacturers tax has its problem of pyramiding through subsequent markups. It also has its problems of definition—what is "manufacture" and how far does it reach into assembly, packaging, bottling, etc.? The tax at this stage also discriminates against certain forms of distribution (such as manufacturers selling at retail), unless complex adjustments in prices are made for tax purposes. A wholesale tax involves many of the problems that beset a manufacturers tax, though in a different degree or form. There is the aspect of pyramiding; the problem of how to handle industries in which retailers perform certain wholesale or manufacturing functions and hence buy at cheaper prices; the problem of wholesalers who also sell at retail or manufacturers who skip the wholesale stage and sell at retail. While these considerations may point to a retail tax, the success of a retail tax can test severely the enforcement capabilities of a country, since the tax offers the largest number of taxpayers to police. In addition, these European countries already had turnover taxes under which each stratum of the economic process was presently being taxed, so that placing a tax at one stage only, say on the retailers, could well arouse difficult political problems.

The Europeans therefore turned to the value-added tax, which essentially is a multi-stage sales tax that achieves the end effect of a retail tax on personal consumption (consumption by households as contrasted with businesses). In choosing a value-added tax, they desired however to avoid the accumulated complexities of the French approach to a value-added tax—indeed the French themselves had already started on their own reform. The Germans this year were the first to adopt a new value-added tax to replace their turnover taxes and we can refer to it for understanding of the emerging European picture.

The German tax is imposed at a 10 percent rate (11 percent on July 1, 1968) on almost all sales of goods and services by any business. Let us start with a manufacturer: He applies a 10 percent rate to his total sales to find the preliminary tax due. From this he subtracts the taxes he has paid on his purchases and the net is payable to the Government. In essence, the tax is thus on the "value added" by him as represented by the difference between the value of his total sales and the value of his total purchases. "Purchases" include all types of goods and services—components either as raw materials or semi-processed goods; capital goods, such as plant machinery and equipment; goods used up in manufacture; business furniture, etc. The manufacturer, of course, will bill his customer for the 10 percent tax on the sales price of the articles he sells, just as the manufacturer was earlier on his purchases billed 10 percent by his suppliers. The tax is invoiced separately on all sales and is thus not hidden in the sales price.

The process is repeated at the wholesale stage—the wholesaler pays the Government 10 percent of his sales less the taxes paid previously by the wholesaler on his purchases—and the wholesaler then bills the 10 percent tax to his customers. But of course no pyramiding should occur since the taxes paid by the wholesaler are kept apart from the price of the goods he purchased and he can subtract this tax cost. The process is repeated once again at the retail stage—the retailer pays the Government 10 percent of his sales, less the taxes the retailer paid—and of course the retailer charges his customer for the 10 percent tax. The process ends there if the retail sale is for personal consumption—food, an automobile, furniture, clothing. But if a business concern buys the article for use in its business—say an automobile or a desk—the process begins again as the concern will subtract the tax on the automobile or desk from its tax bill.

There is one additional important fact to note: Under the German system, tax is due each month. Suppose a concern has paid more tax on its purchases than is due on the sales to its customers—its sales may be slow, for example. The Government here makes a refund each month of any excess tax paid, so that the cost of carrying the value-added tax is not borne by the concern beyond a month or two.

All this adds up to a 10 percent retail sales tax on personal consumption—the 10 percent value-added levy is designed to be passed along from concern to concern until the consumer is reached and he is left with the tax. The 10 percent tax is not intended to enter into the price structure until that final sale—until then it is a tax item that accompanies each sale, is kept separate on the books, and is so indicated. If the tax item is not promptly moved along the business chain, the Government refunds it promptly. (If a concern has to finance the tax during this month or two, this cost would enter into the price structure.)

Since the economic effect is that of a retail tax, the distortions due to pyramiding differential burdens on integrated or non-integrated firms and industries, and differences in distribution patterns that beset a manufacturers tax or a wholesale tax, are essentially avoided. At the same time the pressure for strong policing at the retail level that would exist under a retail tax is eased, since under the value-added approach the tax will have been partially collected at a prior level. If a retailer evades the tax, the Government has at least taxed the value at the wholesale level. And the chances of retail evasion are lessened, since the wholesaler has notified the Government of his sales to the retailer. Parenthetically, it is quite likely, however, that countries underestimate their capacity to enforce a retail tax. Even some developing countries are finding they can adequately administer such a tax if care is paid to its design and structure.[1] The Royal Commission (Carter) Report on Taxation in Canada (1966) recommended a retail tax to replace its present manufacturers tax and chose the retail tax in preference to a value-added tax.

[1] Due, The Retail Sales Tax in Honduras, in Bird and Oldman Readings on Taxation in Developing Countries (Rev. Ed., 1967) 326.

The mechanics of the value-added tax are designed to keep the tax from entering into business costs even when a concern buys goods at retail that are used in its business activities. (A retail tax can meet this problem by exempting such purchases through a registration system; the value-added tax provides a refund of tax instead of exemption.) Of course, the value-added tax does involve pushing every concern into the act, and there is a lot more bookkeeping, tax paying and tax refunding, and paper passing than would occur under a retail tax. Moreover, the fact that every stage in the production process is nominally taxed can result in pressure drives for rate reductions by industries or groups concerned about their ability to keep passing the tax along. The value-added tax thus has an inherent potential for breeding exceptions and special treatment. But if a country feels it can't efficiently handle a retail tax, then a value-added tax is the next best thing.

The value-added tax is thus a useful solution to the sales tax structural problems that beset the Europeans and blocked their economic unity. As a consequence, Denmark adopted the tax on July 1, 1967; Germany did so on January 1, 1968; the Netherlands and Sweden plan to do so on January 1, 1969, and Austria is also hoping to change on that date; Belgium and Luxembourg will presumably go to the TVA on January 1, 1970; Italy may not be prepared to switch to TVA by January 1, 1970. The changes in tax structure do not appear for the most part to be designed to bring about significant changes in the total revenue yield of the various tax systems or of the sales taxes themselves. France is reforming its indirect tax structure to achieve a similar application of the TVA.

Hence it is fair to say that the Europeans, by comparison to their present situation, have evolved a far more workable sales tax capable of application at a high rate—more complicated than is needed where a retail tax would work, but still a workable mechanism. *If* a country is in the market for a high rate sales tax and *if* it really believes it cannot handle a retail tax, it should look the European model over. Should the United States be in the market for such a tax?

A VALUE-ADDED TAX IN THE UNITED STATES

We can first consider this matter in terms of our domestic tax structure and domestic economy, and then in terms of international aspects.

Certainly we hope that the long-term trend in the United States at the Federal level is not that of tax increase but of tax reduction. There is indeed justification for us to look forward after Vietnam to being able to use our fiscal dividends—the increase in Federal tax revenues that comes from growth in the economy—partly to meet our needed expenditure increases and partly for tax reduction or debt reduction. As a nation we have not, since the Depression, sought to increase our Federal taxes except for fiscal policy reasons in times of hostilities. So we should not want a high rate sales tax on the ground of increasing our tax take.

Do we want it as a substitute for an existing tax? Here there are some—the Committee for Economic Development for example—that have for some time urged we should have a sales tax at the Federal level as a substitute for part of the corporate tax. The CED first urged a retail tax and now a value-added tax. Here we reach, of course, a classic split in tax philosophy—between those who favor maintaining a progressive tax structure at the Federal level and those who would, by shifting to a sales tax, lessen that progressivity. Economists on the whole would agree that the corporate tax is a factor working for progressivity in our tax system even though, as will be discussed later, there is some difference as to whether part of that tax is shifted forward in price or perhaps backward in wages and raw material prices. And there is general agreement that a retail tax, either of the single stage type or that achieved through a value-added tax, would increase the price level and largely be passed on to consumers, though as will be discussed later there can be uncertainty as to how fully this forward shifting is accomplished. The CED itself states that, "While it is true that the tax burden is distributed differently under a tax system with a value-added tax, we believe that the other effects of the tax are such as to compensate the nation in larger output and more growth.[2]

There is not the time here to examine in detail the validity of that latter belief, either as to the effect of the tax itself in our economy or the need for further incentives to investment that the statement implies. We must remember that the 7 percent investment credit and depreciation reform operate to provide incentives to investment under our present income tax system. At any event, the literature demonstrates that very many, presumably the majority, of our fiscal economists would disagree with the CED belief that we would be better off with the substitution of a sales tax for a part of our corporate tax. The Conference Report of the National Bureau of Economic Research and the Brookings Institution in 1964 on the subject of "The Role of Direct and Indirect Taxes in the Federal Revenue System" ends with the thought: "It is hard, then, to find much support for more reliance on indirect taxation in the record of the conference, even though some participants came, and left, with a disposition toward this view." (313) Professor John Due, an acknowledged authority on sales taxes, has concluded:

"On the whole, the sales tax must be regarded as a second-best tax—one to be employed only if various circumstances make complete reliance on income and other more suitable taxes undesirable. A carefully designed sales tax is not perhaps as objectionable as it was once regarded; it offers definite advantages over widespread excise tax systems, with their inevitable discrimination among various consumers and business firms and their tendency to distort consumption patterns; and it is definitely superior to high rate 'business' taxes with uncertain incidence and possible serious economic effects. But it must be regarded as secondary to income taxation, in terms of ususally accepted standards of taxation."[3]

Recommendations for a sales tax at the Federal level in the United States generally overlook the fact that the States, supplemented by the cities, are gradually evolving a sales tax structure for the United States, and one at significant rates—44 States and the District of Columbia have sales taxes (there are municipal sales taxes in 15 States), the usual rate is presently around 3 percent but some taxes reach to levels of 5 percent and 6 percent (the usual municipal rate is 1 percent), and the trend is of course upwards. While this structure is not at the Federal level, its basic economic consequences are not different from a Federal sales tax.

Recommendations for a value-added tax also gloss over the complexities involved in adding a sales tax to our national system. No one should be misled into thinking a value-added tax is a simple levy, with a few pages of statutory text. It is a highly complex instrument.[4] It is considerably better than what most European countries have today—but no one should ask a country to adopt it unless there is a very clear, real gain to be achieved.

Moreover, anyone who thinks a value-added tax sounds simple should just suppose he was back in the past and someone were to say: "Here's a simple way to tax people—you just add up their total income and then you subtract their total expenses, and then you just tax the difference. It's called an income tax." Well, you know the story of that tax! No mass tax can be a simple tax—as anyone acquainted with a State retail tax will agree—and a value-added tax is more complex than a retail tax.

These are among the factors that have in the past kept Congresses, Democratic or Republican, from legislating a national sales tax. If the past is prophesy, a pragmatic view of this question would appear to be that the Congress is not likely to change its course.

One may ask why the Europeans have high rate sales taxes. History plays a very large part. Most of the Europeans mass sales taxes were adopted in World War I or the period just after it, and were borne of financial necessity. This was a time when no country had attempted to apply the income tax on a mass basis, and in addition the income tax itself was only in its developing stage. It was not until World War II that the United States demonstrated the income tax could be made into a mass tax. Moreover, the United States has been more successful than other countries in developing a truly mass individual income tax effectively administered. The European countries, having started on a different route through the choice of the sales tax as the mass tax, devoted more energy to working on their mass sales taxes than on their income taxes.

We must also remember that European countries are high tax countries compared to the United States: In 1965 our total tax burden (Federal, State and local) came to 27 percent of our GNP, whereas Italy and the United Kingdom came to 30 percent; Germany and the Netherlands to 34 percent; and France to 38 percent. If indirect taxes, principally these mass sales taxes, are treated as the "last taxes," the differences between the lower level of United States indirect taxes and the higher European levels would generally be reflected in these differences in total tax burdens. Thus, if we subtract the differences between indirect tax levels, so that European indirect taxes would be included at our level, the total tax burdens become: United States 27 percent; United Kingdom 25 percent; Italy 26 percent; Germany 29 percent; France 30 percent; Netherlands 33 percent. If we consider direct taxes alone as a percent of GNP, and thus leave out both indirect taxes and Social Security contributions, the comparisons are: United States 18 percent; United Kingdom 16 percent; Italy 17 percent; France and Germany 20 percent; and the Netherlands 24 percent.

The Europeans have high rate mass sales taxes and as a consequence are countries that impose a heavier tax burden overall on their peoples. The United States does not have sales taxes at those high rate levels, and consequently imposes a lower total tax burden. It is difficult to see why United States taxpayers should urge that we emulate the Europeans.

This is not to say that continued study of the value-added tax is not useful. At the very least we should know what the Europeans are doing. But the studies should be tough-minded and straight-forward. They should not be content just to admire the outside wrappings and never examine the contents of the package. They should not become bemused with semantics and fail to make clear that the European value-added taxes are in fact sales taxes in their structural design and economic effects. Hence, to substitute a value-added tax for the corporate income tax does not involve just another way of taxing corporations. The issue is not, despite the way it is sometimes put in the United States, of economic and technical judgments over two methods of taxing corpo-

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[2] CED, A Better Balance in Federal Taxes on Business (1966), 28.

[3] Due, Sales Taxation (1957) 41.

[4] See the discussion by Prof. Francesco Forte on "The Feasibility of a Truly General Value-Added Tax: Some Reflections on the French Experience." 19 National Tax Journal 337 (1966).

rate business. The basic issue still remains that between substituting a sales tax on personal consumption for an income tax on corporate profits. However appealing to some may be the semantic gain, the issue should not be allowed to be blurred by omitting the term sales tax when we discuss the value-added tax.

If we are to study the adoption of a sales tax in the United States we should extend the studies to encompass the retail sales tax as well. The studies should also recognize there are many issues to be explored in addition to that of regressivity and the allocation of the tax burden between consumers and investors. Thus, there are considerable shifts in burden among the various sectors of the economy when a value-added tax or any sales tax is substituted for a corporate tax: e.g., banks and financial institutions are generally exempted (that is, the tax does not reach their services but may reach their purchases); the activities and profits of foreign investment are not reached; unincorporated business gets swept into the structure of a value-added tax; the tax falls on unprofitable concerns as well as profitable concerns so that if the tax cannot be shifted forward the former concerns will suffer; the coverage of Government-provided services becomes an issue. All in all, there is much more to be studied than the calls for study have generally indicated.

In pursuing such studies we must also remember we already possess a "common market" and economic unity within the United States and so do not have the sales tax problems that the Europeans must solve to achieve their economic unity. As stated above, we do have retail sales taxes in most of the various States, but they do not produce any serious economic distortions or competitive effects. There may be some irritating compliance problems for interstate business, but even these are moving, albeit slowly, to improvement. Hence we do not have any sales taxes to "harmonize" as do the Europeans.

In this regard the same story may be told for what may some day be the next major step in tax harmonization for the EEC—the harmonization of corporate income taxes. We in the United States invest and our businesses operate in our "common market" under our Federal corporate rate, which applies uniformly throughout the United States. While State corporate income taxes exist and differ as to rates, their deductibility from the Federal corporate tax greatly lessens their effective rate, although irritating compliance and bookkeeping aspects remain. But Europeans in their common market must invest and operate under as many different high rate corporate tax systems as there are countries involved—systems that differ both as to rates and structure. So if Europe finally decides on a common corporate tax, it will, as respects economic unity, merely be reaching the stage the United States has enjoyed for many years.[5]

[5] Other aspects of harmonization that have a similar consequence may briefly be noted: A common market implies a relatively free flow of capital within the market area and will therefore require removal of existing restraints on capital movements. There will be increasing concern among European countries on the extent to which differences in other aspects of direct taxes affect capital flows. Low withholding taxes in a given country would attract portfolio investments from other countries, particularly in the light of the widespread use of bearer shares and bonds. Consequently uniformity in withholding taxes is important. There may also be a reappraisal of attitudes toward the foreign tax credit approach as a means of eliminating double taxation in contrast to the tax exemption approach presently used in many European countries. With more volatile capital movements the consequences of tax exemption of foreign income will appear more serious than in the past. A common market with increased fluidity in capital movements requires the removal of barriers to corporate mergers, reorganizations and the like. Consequently the tax treatment of capital gains, for example, will have to be modified so as to remove a barrier toward integration of industries and reorganizations in line with the emerging needs of an enlarged market area. But again, the United States does not have these problems.

EUROPEAN BORDER TAX ADJUSTMENTS—THEIR BACKGROUND

Let us turn now to an aspect of the European sales tax systems that has been highlighted in recent years as a result of our balance of payments problems—the aspect of export rebates and compensatory import taxes that characterize the European sales tax systems. All countries with significant sales taxes or excise tax systems automatically structure those systems to attempt to keep the taxes from affecting external export prices and to ensure the application of the taxes to imported goods. If the tax is a manufacturers tax on the final product—an automobile, a refrigerator, cigarettes, liquor, and so on—then exports are not made subject to the tax, or if taxed, can secure a rebate. Imported goods, on the other hand, are subjected to the same tax as is imposed on domestic manufactured goods, so that both goods will compete on equal terms in the domestic market in this respect. The United States does this for its few manufacturers taxes; Canada does the same under its 11 percent broad manufacturers tax.

If the tax is imposed at the wholesale stage or the retail stage, such rebates and import taxes are not needed: a manufacturer selling goods whether for internal consumption or export is not subject to these taxes; a wholesaler importing goods will pay the tax on his subsequent sale. The sales for export that a wholesaler or retailer may make will be exempted from tax.

The essential principle under which all these taxes are structured is that sales and excise taxes are intended to be paid by domestic consumers in the form of higher prices—that is the purpose of the levy and that is the intended distribution of the tax burden. But at the same time it is intended that a country's exports should not be handicapped by these taxes—and imports into the country should not be favored.

The European turnover taxes followed the same principle but ran into additional complexities. It was simple, of course, to say to a German manufacturing firm that it need not pay the 4 percent turnover tax on an export sale. But what about the 4 percent taxes paid by the manufacturer on purchases from its suppliers of materials of almost every sort—these 4 percent taxes were built into the costs of the manufacturing operation, just as the 4 percent taxes the suppliers had to pay on their purchases were built into their costs and also passed along as part of the prices charged by the suppliers. For that is the vice of turnover taxes—they pyramid in prices throughout the economy. The economic effects of these taxes were significant at the high rate levels applied in Europe. The principle of protecting exports therefore required a rebate of these taxes previously imposed in the production chain and which cumulated as costs for the manufacturer on its purchases, or for the wholesaler if he was the exporter. But how much should be rebated? Here these countries had to compute the amount through an estimating procedure, for these high rate taxes were hidden in the price structure and, moreover, their total would vary with the extent of integration of productive activities in the prior stages. The European countries therefore carefully developed average figures and used them for the rebates. Corresponding figures were used for the import charges.

A common market ideally requires a tax system that does not have complex border adjustments. A common retail tax would accomplish this—as pretty much occurs in the United States—if care is taken to keep the tax from applying to purchases for business purposes. Failing that, if border adjustments are to exist, their calculation should be made with as much precision as possible. It is here that the value-added tax provided an extra advantage for the Europeans. For just as the value-added tax eliminated for internal sales the distortions resulting from pyramiding and differences in integration of business activities, it also by the same token and procedure offered a ready measure of the taxes that the exporting firm had to pay because of its purchases. Indeed, under the German value-added tax, a firm is given a "rebate" through refund or credit for all of the taxes it has to pay on its purchases, whether its goods are sold internally or externally. The structure of the tax thus readily enables the Government to determine the amount of export rebate needed to reflect the exporter's book costs representing the taxes paid on its purchases. And it similarly permits the fixing of the amount of import charge to reflect the taxes paid by domestic concerns.

It time, of course, if Europe can achieve uniform value-added rates, then it could abandon these border adjustments, export exemptions and import charges for intra-EEC trade, and simply go to the rule that the country of origin taxed the sale. It would be a matter of indifference—within the Common Market—as far as import and export competitiveness are concerned, whether the exporting country were to grant an exemption or rebate and the importing country impose an identical import equalization tax (the "destination" approach), or whether the exporting country taxed the export and the importing country did not impose its import tax (the "origin" approach). There would be some effect on national revenues to the extent that trade is not in balance, but this would be minor. The border adjustments would, of course, remain applicable to trade by the EEC with other countries.

But the day of uniform sales tax rates will take some time to arrive in Europe. In the meantime the shift to value-added taxes has brought about a precise system of border tax adjustments given the structure of the taxes, and this will facilitate economic unity within the Common Market. In this setting our discussion can turn to the effect on the external trade of the Common Market countries, especially as respects the United States.

BORDER TAX ADJUSTMENTS AND INTERNATIONAL TRADE

In the German situation, the rebates for taxes paid on goods purchased by the exporter and import charges under the value-added tax are turning out to be higher than the averages used under the previous turnover taxes. This varies, of course, from product to product but the over-all result is higher. In effect, it would appear that some German exporters had presumably not been receiving rebates at the level that their tax costs under the turnover taxes appeared to call for.[6] Of course German exporters presumably had adjusted to that situation and the effect of the undercompensation if it existed could no longer be traced through all the prior history of exchange rate changes,

[6] As Professor Due has pointed out, German businesses had earlier suspected this: "German firms argue that the failure to obtain full sales tax refund places them at a disadvantage, particularly in competition with American and British firms not subject to a similar tax . . .". Due, Sales Taxation (1957) 62.

devaluations, and the like. Hence viewed as of today as the starting point in time—which is the proper way to consider the effects of the change—this sudden increase in export rebates under the value-added tax, while the internal overall burden of the tax remains unchanged, becomes an advantage to German exporters. And equally, the rise in the import charges can be an added competitive burden to imports.[7]

What is happening in Germany is, and will be, reflected elsewhere in Europe as the countries shift to value-added taxes. The Netherlands, Austria, Belgium, and Italy are even raising their rebates and import charges under their existing turnover taxes in advance of a later shift to a value-added tax. Sweden is shifting to a value-added tax because it realizes that its previous "retail tax" had been levied on producers' goods and hence was in effect a turnover tax to that extent but it had not been rebated to exporters. As a consequence, European exporters in general will get an added lift in most countries.

There is an additional feature of the shift to a value-added tax that operates to increase this lift to exporters. Countries with a value-added tax seek to achieve as broad a base for the tax as possible, since it operates effectively to prevent pyramiding as compared with specific excises. In France, for example, the reforms of the value-added tax have been in the direction of increasing its coverage and eliminating other taxes. Any commodity previously taxed under a specific excise tax but now swept into a value-added tax immediately falls into the rebate process, under the structure of the latter tax, so that the tax paid on the purchase of the commodity is rebated whether the business concern at that stage is selling internally or abroad. Hence, the result is that a number of hidden, and hitherto unrebated taxes, in effect come to light and now are rebated—and also included in the import charge.

But what about the rest of the world? The United States does not have a high rate sales tax and therefore only rebates its specific manufacturers taxes on final products. The United Kingdom has a purchase tax at the wholesale level which over-all does not require rebates for tax costs since essentially it did not apply to business purchases. Canada also does not apply its manufacturers tax to most business purchases and likewise does not need rebates except for any tax paid on the final products that are exported; similarly neither does Japan for its variety of manufacturers excise taxes. Thus, unlike the European countries whose high rate turnover taxes entered into the costs of exported goods through the cost of the goods purchased by the exporter and thus necessitated export rebates and import charges, these countries did not apply their sales taxes to business purchases and thus did not have high sales tax costs imbedded in their exported goods. As a consequence they have not been as rigorous in seeking fully to eliminate indirect taxes from export costs and hence do not have a system of export rebates for tax costs or import charges.

Similarly, the United States has not sought in the past to see how much of the Federal gasoline tax, the passenger motor vehicle tax, the truck tax, the telephone tax, or the alcohol tax, for example, paid by a manufacturer who exports some of his goods is allocable to those exports and thus increases their costs. Nor has it sought similarly to see what part of State and local sales taxes paid, for example, on office equipment and other goods purchased by a business increase its export costs. In contrast, under the European systems the value-added taxes on such products, since they are all in the base of the tax, automatically are rebated. This was likewise the situation under the turnover taxes, since in large part such goods were under the base of those taxes and figured accordingly in the average rebates. (There are, of course, some specific European excise taxes outside the scope of turnover and value-added taxes that are not being rebated.) The United Kingdom, several years ago, initiated rebates for its special excise taxes—principally the gasoline taxes, motor vehicle license taxes, and purchase taxes on office supplies—on goods purchased by its exporters, and essentially used averages to determine the rebates.

In the United States it has been estimated that the costs attributable to our Federal, State and local taxes on goods bought by manufacturers represent on the average an amount equal to about 2 percent of export sales prices. The impact on product lines differs, of course, with the range running from about 1½ percent to 4 percent of export sales prices. A rebate of these tax costs and a similar import charge, administered through our Customs organization, would reflect for the United States an approach that corresponds to the principle applicable under the value-added and turnover taxes of attempting to keep sales and similar taxes at prior stages of production from increasing export costs and export prices. An approach by the United States to deal with its indirect taxes on a rebate and compensatory import charge mechanism would involve the use of product averages, and this use would be similar to the procedure followed by the Europeans under their turnover taxes. Consideration of this approach in the United States would therefore reflect principles and practices underlying the treatment of indirect taxes in Europe. Moreover, it would parallel the attention to, and consequent changes in, border tax adjustments now generally resulting in Europe from the shift to value-added taxes.

SALES TAXES AND INTERNATIONAL TRADE

But the European efforts to stabilize their sales taxes and border adjustments and then to harmonize them raise even larger issues of trade policy interlocked with tax policy. The European practice of rebates and import charges for turnover and value-added taxes reflects the basic assumption that such taxes are passed along through channels of trade so that their burden is borne by households buying goods for personal consumption. This is the assumption behind the exemption of exports from a manufacturers tax. It is the assumption of legislators who enact wholesale or retail taxes or other sales taxes. As a working assumption for domestic legislation and for general judgments on the distribution of the burden of a tax system, or of a new excise or sales tax, it is a useful operational device. But the balance of payments world of today, with its fixed exchange rates and the attention that must be focused on both the over-all balance and its component parts, including the trade portion, requires much more attention to specifics than ever before. This need for such attention is also heightened by the high levels of tax rates that now obtain under modern tax systems compared with an earlier period, a development that contrasts with the shift to lower levels of tariff barriers that has occurred. If the generality is only a generality and the specific situations show a different posture, then the matter must require a sharper focus.

If sales taxes or other indirect taxes—whether they be value-added, turnover, retail or other tax forms—cannot be fully passed on in price, then a manufacturer selling in his domestic market must lower his prices and reduce his profits. But if the full rebate of the tax cost and the exemption of exports from the tax make it unnecessary to change his export prices, then he is not concerned about passing anything along on an export sale, he need not lower his export price, and his export profits would not suffer as would his domestic profits. The business of exporting becomes that much more attractive, and the sales tax system has become an incentive to export activity. Similarly, on the import side, the importer to meet the competition of lowered domestic prices must reduce his price, his profits decline and he is less interested in pushing those imports. In essence, one gets to the question of tax incidence and whether these sales taxes are fully shifted forward in price or only partly shifted.

Put another way, a value-added tax is carefully structured to pass the tax along in an accounting sense. Its effect on international trade, however, depends on whether the economic effects follow the accounting structure. If the tax is not fully shifted forward in an economic sense, then the international trade of the country using the tax will be favored regardless of the accounting structure.

It is not the levels of rebates per se and the differentials between them that measure the competitive effects of border tax adjustments. If Country A has a value-added tax of 10 percent and rebates to an exporter the total of the taxes, at a 10 percent level, that he has paid on his purchases it is because Country A does not want his tax costs, which are real, to enter into export prices. If Country B has no value-added tax or other sales tax, then there are in this respect no comparable tax costs to rebate to its exporters. But knowing only these facts does not really inform us about trade competitiveness between these countries. We cannot conclude that Country A grants a 10 percent subsidy to exporters while Country B has no subsidy. Nor can we conclude that the goods of Country A have a great advantage entering into Country B because they face no import charge in the latter country whereas the goods of Counrty B face a 10 percent charge on entering Country A and hence are a great disadvantage in Country A. If sales taxes were fully shifted forward, then the goods of both countries would, as respects sales taxes and border adjustments, be on an equal competitive plane despite the different levels of adjustment. But if such taxes are not fully shifted, then in this regard the exporters of Country A have been advantaged as against the exporters of Country B—not necessarily to the full extent of the differentials in border adjustments but only to the extent to which the tax in Country A is not shifted forward.

Of course, questions of incidence can be raised as to other taxes. The working assumption of legislators for domestic legislation when they consider a corporate income tax is that it is borne by shareholders and not passed forward in higher prices or backward in lower wages or lower raw materials prices. Again, as a working assumption this view of the incidence of the corporate tax is a useful generality. But if it is only a generality and if there is some forward shifting in prices, an exporter has added costs, due to the corporate tax entering into product costs, which are not being rebated and hence which affect his export prices and his external competitive position. Of course, this would be true for an exporter in any country with a corporate tax, including European countries. We should note that the effective rates of corporate income tax in major European countries do not appear to be significantly different from the United States effective rate. Certainly, if a differential does exist between European corporate taxes in relation to the United States corporate tax, it is far less than the differential between European indirect taxes and our indirect taxes. In addition—though there may be no studies on this point—the conditions that may influence a shift forward of the corporate tax into prices, if such shifting does

[7] The Germans assert that these trade advantages are offset by transitory tax arrangements outside the value-added tax affecting investments in plant and equipment, and state that in any event any calculations are to a large extent hypothetical.

occur, would presumably not differ between Europe and the United States.[8]

These are difficult, intriguing—and highly important—questions. This matter of tax incidence and tax shifting is murky, and it has kept economists busy for decades. Their papers have contributed many volumes to the economic literature—and nevertheless I suspect that the summaries in Economics I are still inconclusive and uncertain. Moreover, one may have to move from incidence and shifting on to levels of taxation and then to levels and allocation of Government expenditures. But clearly the area requires exploration and analysis beyond the generalities.

The problem will become more acute if the Europeans take the next step of harmonizing their indirect tax rates, for this could mean an increase in the value-added taxes—perhaps to 15 percent or more—for all countries except France, which today is at 20 percent (on the value of the product excluding tax).

Certainly, to the extent that the generalities are not fully valid, the disparity in indirect tax levels can only be working to the disadvantage of the United States in world trade. The extent of that disadvantage and the extent to which it has been adjusted for in prior exchange rates and devaluations may be difficult to measure, but the direction is that of disadvantage for the United States.

THE HARMONIZATION OF DIVERSE TAX SYSTEMS

As a consequence, these basic aspects of domestic tax systems in their international settings require full international discussion and consultation looking to a solution—a process that is already under way. It is here that we reach an important implication for the United States of European tax harmonization. The premises and rules of GATT with respect to export subsidies and border tax adjustments rest on the generalities of incidence and shifting that I have described. Under those premises and rules the European countries have almost entirely kept their high sales taxes from increasing their export costs and prices. The shift to value-added taxes will underscore this effort and make it easier of accomplishment. In addition, to the extent that the incidence of these taxes in the actual economic world is at variance with those premises and rules, the European tax systems operate in the direction of providing a trade advantage for the Europeans. Looking ahead, most Europeans countries may well be moving to higher sales taxes in the tax harmonization steps needed to perfect their Common Market. Given European tax harmonization, the larger question becomes that of "harmonization" of their tax systems with those of the United States and other countries in a broad sense. This "harmonization of tax systems" does not, however, mean the uniformity of taxes that harmonization connotes within the EEC. Rather, it means the process whereby national tax systems that may differ both in kind and in burdens imposed can coexist in the world without creating difficulties for each other—can coexist in harmony. The full exploration of this question within the GATT and in other ways can take us into many facets of international trade, including those of non-tariff barriers. It can take us into the mechanisms for reaching adjustments between countries in a balance of payments surplus position and those in a deficit position.

[8] For a discussion of the possible effects, considering the various theories of tax incidence, on the balance of payments of a shift in the United States to greater reliance on indirect taxes and less on direct taxes, and the relationship of those effects to the effects on domestic policies and conditions, see Salant, The Balance of Payments Deficit and The Tax Structure (Brookings Institution Reprint 80), 1964.

Clearly such exploration is needed to preserve freedom of action for countries to establish their domestic tax systems and the distribution of their tax burdens in keeping with their notions of economic growth and tax equity without at the same time prejudicing their international trade position. The essential question is how many countries which desire to rely on a progressive tax structure or countries which do not wish to place heavy overall tax burdens on their peoples, and hence have no need for high rate sales taxes, continue in these domestic goals and still maintain in their international trade full competitiveness with the Europeans countries which have a different domestic tax philosophy? For surely a better answer can be found than that the rest of the world to protect its trade position must simply emulate the Europeans and their domestic tax philosophies, whatever may be the impact of that emulation on the tax systems and internal economies of the other countries.

The United States—and the rest of the world—thus has a high stake in a full exploration of these issues—issues which are made both more pertinent and more important by the process of tax harmonization in Europe.

LEGISLATIVE REORGANIZATION ACT

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, one of the most important pieces of unfinished business in the 90th Congress is the Legislative Reorganization Act—S. 355—which the other body, by a vote of 75 to 9, passed about a year ago.

This bill represents a rather modest effort to bring the antiquated machinery and the procedures of Congress up to date. There is some retooling that needs to be done if the legislative branch is to fulfill its responsibilities in framing laws and national policies dealing with the complex issues of the space age.

The Republican task force on congressional reform has undertaken to present a detailed, scholarly comparison of the provisions of S. 355 with those of other proposals being considered.

The following portion of this comparative study, deals with the appointment of Capitol Police, Senate and House pages, and the Capitol Guide Service:

PART 2—AUTHORITY OF OFFICERS OF THE CONGRESS

Sec. 421. Authority.
Sec. 422. Capitol police.
Sec. 423. Senate and House pages.
Sec. 424. Capitol Guide Service.

SECTION 421

S. 355. Clarifies the authority of elected officers of the Senate and House with respect to patronage employees under their supervision. Specifically authorizes the named officers to prescribe periods of training for employees to be completed either prior to assignment to duty or on the job and to promulgate and enforce regulations governing the performance of duties by employees.

Bolling. Same.

Reid. Same.

Print No. 3. Same.

(NOTE.—Section not amended by Senate. See Final Report page 49: "1. The responsible officers of Congress shall be entitled to require all employees to complete successfully minimum training prior to employment. They shall also be authorized to discipline or discharge employees who fail to perform their duties satisfactorily.")

SECTION 422

S. 355. Directs the Capitol Police Board to formulate a plan for conversion of the Capitol Police Force to a professional force. The Board is required to give consideration to the feasibility of providing for the operation of the Capitol Police on the basis of standards comparable to those applicable with respect to the Metropolitan Police force of the District of Columbia. Provision would be required to be included in the plan for training members of the existing Capitol Police force, and for replacing them as vacancies occur with professional members recruited on the same basis as recruiters are selected by the Metropolitan Police. The Chief of Police of the Metropolitan Police force of the District of Columbia would be required to provide the Capitol Police Board with information and assistance to aid it in carrying out the provisions of this section. A report by the Board setting forth its plan and recommendations is called for at the earliest practicable date.

Bolling. Same.

Reid. Same.

Print No. 3. Essentially same.

(NOTE.—See Senate amendment No. 39, CONGRESSIONAL RECORD, vol. 113, pt. 3, pp. 3222–3223, retaining Capitol Police as separate force but "professionalizing" it on basis of standards set for Metropolitan Police Force. See Final Report page 49: "2. The Capitol Police force shall be removed from patronage. It shall be a professional force operating as a division of the Metropolitan Police Department under such special regulations applicable to the Capitol as may be determined by the Capitol Police Board. While professional police are being recruited and trained, existing police shall be given such additional instruction and training as the Capitol Police Board may believe necessary to improve the quality of their performance. As vacancies occur, replacements shall be filled by professional police to the extent that such police are available from the Metropolitan Police Department.")

SECTION 423

S. 355. Changes the age requirements for Senate and House pages (not applicable to chief, telephone, and riding pages) by providing that no person may serve as a page until he has completed the 12th grade of school, or during a session of the Congress which begins after his 22nd birthday. Amends certain pay provisions and requires pages to serve at least 3 months.

Provisions do not apply to current pages. When these pages have completed their high school, however, the page school will be abolished as no longer necessary.

Bolling. Same, with additional provisions that advance written notice must be given parents or guardians as to the nature of working, schooling, and housing arrangements before page can be appointed.

Reid. Same as Bolling.

Print No. 3. Strikes all language of this section, retaining only in its new Sec. 423 the pay provisions and requirement that pages must serve for a period of not less than 3 months.

(NOTE.—Section was not amended by the Senate. See Final Report page 51: "4. Pages shall be limited to persons who have completed their high school education, but who are not over the age of 21. Pages shall be expected to serve for at least one full school semester or during the three summer months.")

SECTION 424

S. 355. This is a new section, added by Senate amendment. Provides for establish-

ment of a Capitol Guide Service under supervision of a Board to be composed of the Architect and two Sergeants at Arms. The Service would furnish *free* guided tours for visitors to the Capitol.

Bolling. Same as S. 355 with added provision that the newly created Board "shall undertake planning with a view to the establishment of a vastly improved, thorough, and logical touring program for visitors to the Capitol," this study to have been completed within 18 months following enactment of the Reorganization Act and to have been coordinated with P.L. 87–790, the National Capitol Visitors Center Study Commission.

Reid. Provides that the Board shall consist of the chairman and ranking minority members of the Senate and House administration committees (instead of Architect and Sergeants at Arms. Otherwise same as S. 355.

Print No. 3. Section completely rewritten, retaining free tours, composition of the Board as per S. 355, etc., but setting salaries higher than in S. 355, providing for inclusion of guides within annuity benefit program, making them congressional employees with all rights pertaining thereto, and otherwise dealing with operation and transitional problems not completely attended to in S. 355.

(NOTE.—See Final Report page 51: "5. The Capitol Guide Service shall be supervised by the Joint Committee on Congressional Operations. That joint committee shall study the desirability of making the guides legislative employees on a salary basis and eliminating charges to visitors for Capitol tours." See Senate Amendment of Williams (Del.) and Tydings, CONGRESSIONAL RECORD, vol. 113, pt. 5, pp. 5660–5662, adopted on a roll call vote, 74 to 8).

RETIREMENT OF MAJ. GEN. ERNEST L. MASSAD, COMMANDING GENERAL, 95TH DIVISION, TRAINING

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ALBERT. Mr. Speaker, retirement ceremonies at Fort Sill, Okla., today bring to a close the distinguished military career of one of Oklahoma's most outstanding soldiers. Maj. Gen. Ernest L. Massad, commanding general, 95th Division, Training, retires today. Not only is General Massad one of my constituents but he is a close personal friend as well.

General Massad and I were students together at the University of Oklahoma. He was an outstanding football player on the university team, winning the nickname "Iron Mike" which has lasted through the years. He is one of the most popular men in Oklahoma, where he has long taken a leading part in civic affairs in addition to his brilliant miltary career.

General Massad's military career began in 1933 when he was commissioned a second lieutenant of artillery upon completion of ROTC at the University of Oklahoma. His first military duty included a tour with the Civilian Conservation Corps, Arizona district. He entered extended active duty in 1940 with the 1st Cavalry Division and joined the 82d Airborne Division upon its activation in 1942. While with the 11th Airborne, he served for a time as Division G–1 and later as commander of the 675th Para-Glider Field Artillery Battalion and participated in the battles of New Guinea, Leyte, and Luzon. His unit received the Presidenial Unit Citation for its participation in warfare in the Pacific theater. Among his decorations are the Silver Star, Legion of Merit, Bronze Star, and the Purple Heart.

He was promoted to colonel in 1945 and released from active duty in 1946. He returned to Ardmore and resumed participation in the U.S. Army Reserve. He was assigned assistant division commander of the 95th in January 1958, and the following May was promoted to brigadier general. He was promoted to major general on December 11, 1962. He was appointed to the Armed Forces Reserve Policy Board on March 3, 1964.

General Massad received the Silver Anniversary All-American Football Award from Sports Illustrated magazine in 1958.

In 1963, General Massad was named the American Lebanese Man of the Year by the Western Foundation of American Syrian and Lebanses Clubs. He is married to the former Mozelle Sockwell, of Pecan Gap, Tex. They have two children, Michael Louis and Mozelle Elaine.

In 1966, General Massad was elected national president of the Senior Reserve Commanders Association.

On this occasion I salute my dear friend and thank him personally and on behalf of all Oklahomans for his years of outstanding service. I know that his retirement does not mean the end of his contributions to the people of Oklahoma. Under the unanimous consent agreement, I include an editorial from the Oklahoma Journal of February 17, 1968, which comments on General Massad's illustrious career:

GENERAL MASSAD, ABLE COMMANDER

Retirement ceremonies on Feb. 29 at Ft. Sill Military Reservation will mark the end of a distinguished military career for Gen. Ernest L. Massad, commander of the 95th Division.

The former Oklahoma University grid luminary has compiled a most enviable record during his long term of service that began in 1933, spanned World War II and has continued up to the present.

Among his proudest citations is the one that lauds his efforts to continue the reserve forces.

The state of readiness to which he has brought the 95th Division is ample testimony to his executive ability and the hours of dedicated work he put into the task.

Presently he is pushing hard for the construction of another USAR Center of the 400-man or 600-man type in the Oklahoma City area. In a recent communication with the Chief of the Army Reserve in Washington, he pointed out the definite need for such a facility and suggested that Midwest City may be the most desirable site since its officials had at one time offered to furnish at no cost to the U.S. Government sufficient land for the construction of another reserve center.

Gen. Massad has also sent sketches and plans for the construction of an additional building at the Krowse USAR Center, at Northeast 36th and Eastern Avenue.

He has been a most vigorous and able division commander and Oklahoma and the nation at large have benefited immensely from his years of service.

THE WARREN COMMISSION CRITICS

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Speaker, before getting into the body of my remarks concerning certain critics of the Warren Commission Report, let me make it perfectly clear that my comments should not be construed as having any bearing whatever on the criminal investigation now being conducted by the New Orleans district attorney, Jim Garrison.

That investigation involves matters of law and findings of fact that will be properly left to a judge and jury to evaluate.

My purpose at the moment is solely to comment on the leftist and even Communist affiliations of four of the most ardent critics of the Warren Commission Report.

Although two of these men have interjected themselves into the Garrison investigation in one form or another, I do not wish, at this time, to be critical of Mr. Garrison on that account. I believe instead that these men are riding the coattails of a situation which they hope to exploit, not for the sake of the truth, but rather for their own ulterior motives.

Additionally, these remarks are not intended to be critical of responsible and sincere critics and scholars of the Warren Commission Report. These sincere critics and scholars are certainly entitled to their own viewpoints in this very complex case; a case which will perhaps remain unresolved in the minds of many of our citizens for generations to come.

Mr. Speaker, anyone who has followed the aftermath of the assassination of the late President John F. Kennedy will know that there has been much scrambling within leftist circles to discredit the report of the Warren Commission. There has been much activity in months past, and there promises to be much more activity in months to come.

While I do not profess to have personal convictions, either pro or con, regarding the accuracy of the Warren Report, I have continued to note with growing interest the many books and newspaper articles that claim to "punch holes" in the findings of the Commission.

Of particular interest to me is the fact that the Communist press both here at home and abroad have worked so diligently to make it appear that Lee Harvey Oswald—a man whose background was replete with Communist association, a man who went to Russia and renounced his U.S. citizenship—was a patsy or "fall guy" in the Presidential assassination.

Additionally, the Communist propaganda mills have extended this invective against the Warren Commission to include the Chief Executive, the CIA, the FBI, the Secret Service, and in fact the entire Federal Government in an indictment of collusion to pin the assassination on Lee Harvey Oswald.

Principally, four men have written profusely their various denouncements of the Warren Commission findings: Messrs. Mark Lane, Harold Weisberg, Thomas G. Buchanan, and Joachim Joesten.

A quick bit of research into the files of the House Committee on Un-American Activities turned up some interesting correlative facts. Whether by coincidence or design, the "front four" in the defense of Lee Harvey Oswald, himself a leftist, are ideologically of a similar background. And while there is not a shred of evidence to link one of them to the other three, the four of them are, by their driving commitment to clear Lee Harvey Oswald, irreversibly wedded by the similarity of their special interest.

MARK LANE

Mark Lane, lawyer and author, is a 41-year-old former New York State assemblyman. He has a long and curious involvement with a host of extreme left-wing causes and is a well-established spokesman for leftist ideology.

Long before the Warren Commission had completed testimony of witnesses and sifted through the tons of exhibit materials, Mark Lane was busy. In a series of speaking engagements he earnestly sought to nullify the damning evidence against Lee Harvey Oswald and lessen the nationwide impact of Oswald's obvious Communist associations. Still later, Lane was technically retained as Oswald's defense lawyer by Mrs. Oswald.

Lane is former executive secretary and national board member of the National Lawyers Guild, a cited Communist front. His affiliation with the New York Council to Abolish the House Un-American Activities Committee is likewise well known. This past year he was a member of the committee of sponsors for a Veterans of the Abraham Lincoln Brigade dinner. The VALB is also a cited Communist front.

Mr. Lane, according to public record, is against nuclear testing by this country, hearings of the House Committee on Un-American Activities, building of nuclear fallout shelters in New York State, the Internal Security Act of 1950, banning Communists from speaking on college campuses, using mounted police to control Communist-manipulated demonstrators in New York City, and the Commerce Department ban on shipment of food and drugs to Cuba.

When General Suharto was successful in ridding his country of Communists, the youth arm of the Trotskyist-Communist Workers World Party responded with a mock "inquest" in New York City Mark Lane was there to address them and was applauded for his views.

In an address at a rally in New York City in 1962, Lane stated:

I believe that the anti-democratic attacks on the Communist Party are just as much a part of the psychological mobilization for war as is the shelter program. Laws like the McCarran Act must be fought because they are inherently and basically un-American in the only meaning in which that word makes sense; and they must be fought because they are part of the tendency toward a garrison state.

HAROLD WEISBERG

According to press releases of the Special Committee To Investigate Un-American and Subversive Activities, January 30, and 31, 1940, Harold Weisberg paid $100 for forged letters which were used in an attempt to link then Chairman Martin Dies to the militant Silver Shirts, an extremist group. The Silver Shirt Legion of America was a Klan hate-type organization which adopted a policy of depriving certain ethnic groups and individuals of their constitutional rights. Weisberg, after obtaining this forged correspondence, used it in a January 27, 1940, issue of the Nation. Additionally, according to the press releases, Weisberg allegedly used the bogus letters to write a speech for a Congressman who opposed Dies and his committee and who placed the misinformation in the CONGRESSIONAL RECORD.

Weisberg was earlier, in 1938, discharged from his investigator post on the LaFollette civil liberties committee "for giving confidential matter to the Daily Worker, the leading Communist newspaper in the country."

In the summer of 1947, Weisberg was fired from his post with the U.S. Department of State along with nine others for "known association with agents of the Soviet Union."

Weisberg has appeared several times before the New Orleans grand jury investigating the Kennedy assassination plot alleged to have occurred in that city. His latest book on the assassination carries a foreword by District Attorney James Garrison.

An interesting sidelight on Harold Weisberg is found in the summary of district court proceedings—193 F. Supp. 815 (1961). Weisberg, a Frederick, Md., chicken farmer, successfully sued the United States for $750 in 1961. The judge—Thomsen—awarded Weisberg damages even though "Harold Weisberg was not, in my opinion, a trustworthy witness. He exaggerated repeatedly," the judge found.

Weisberg, it seems, was suing the Federal Government because of low-flying training helicopters which were scaring his chickens, causing them to eat their own eggs, and generally making them unfit for market. However, four of Weisberg's neighbors, who also raised chickens, "testified that neither they nor their chickens had been disturbed by any low flight."

Earlier, in 1959, he lost a similar suit which had to do with sonic booms.

On December 16, 1966, Harold Weisberg discussed his book on the "Militant Forum," a program conducted by The Militant, official organ of the Trotskyist-Communist Socialist Workers Party.

THOMAS G. BUCHANAN

Self-admitted Communist Thomas G. Buchanan has written articles published here in the United States and abroad discrediting the Warren Commission Report. He is author of the book, "Who Killed Kennedy?" published in London and distributed here in 1965. The book was favorably reviewed in the Communist press.

In 1949, Buchanan was fired from the staff of a Washington newspaper for being a Communist Party member and is now a frequent contributor to left-wing newspapers and periodicals. He currently makes his home in Paris.

While in this country he was executive secretary and legislative director of the Civil Rights Congress—CRC—a cited Communist front.

The report and order of the board, Subversive Activities Control Board Docket No. 106–53, July 26, 1957, page 7. contained the following information concerning Tom Buchanan:

Washington, D.C. Area.—Approximately one month after the CRC [Civil Rights Congress] founding convention, a party leadership meeting was called in this area to build CRC. Petitioner's witness, Markward, the then Party treasurer, was assigned to audit CRC books.

Thereafter, in 1948, the Party decided that its member Marie Richardson would be the full-time Party functionary in CRC. Shortly thereafter Richardson left town temporarily, and Party member Tom Buchanan was placed in her stead on a full-time basis and relieved of all other Party duties.

In consideration of materials available on Thomas Buchanan, it is evident that he is a dedicated and obedient party functionary employed by the party as a propagandist.

JOACHIM JOESTEN

The fourth author to write a book critical of the Warren Commission Report is German Communist Party member Joachim Joesten. His book, "Oswald—Assassin or Fall Guy," was highly publicized in various foreign and domestic Communist publications including: New Times, the Moscow-published "internationally circulated Communist publication," and the National Guardian, a radical Communist weekly.

Joesten's book was published in this country by the recently defunct publishing firm of Marzani and Munsell. Marzani and Munsell had been, throughout their existence, one of the foremost publishers of Communist and extreme left literature in America.

I have only briefly delved into the backgrounds of these four individuals, Mr. Speaker, and must confess that I have only briefly perused their respective books on the subject of the assassination. As I leafed through their pages, I asked myself various questions that many other responsible thinking Americans must also ask: "Why has a most vociferous attack at the multifarious findings of the Warren Report been mounted exclusively by individuals decidedly on the far left?" "Why has the center and right wing remained silent?" "What motive does the left wing have in attempting to discredit the Warren Commission findings?" Perhaps, someday, these answers will come forth. Until then, I, and others, can only puzzle these answers to ourselves.

PROTECT THE PUBLIC

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, we are currently engaged in both an ideological and an armed conflict in which the will and the ability of this Nation to carry out its responsibilities are being severely tried.

In the crucial time of war, more than in any other, it is essential to affirm the principle that its conduct shall not result in the enrichment of a privileged and powerful few at the expense of the citizens of the country. In the "battle for men's minds"—amid charges that the free world's economic health depends upon defense expenditures and that the pursuit of profits is an irresistible spur to indiscriminate military activity—it little helps our cause to learn that one military supplier charged nearly $400 for an item whose cost was $2. In the public disclosure of such overcharges it is reassuring to know that we have working for us an independent agency with the sole duty of recovering for the American taxpayer excessive profits on certain Government contracts. I refer, of course, to the Renegotiation Board, which reviews defense and space contracts for possible overcharges, and which has proven itself a most effective instrument for preventing abuses of this kind.

Yet, the Board will pass out of existence on June 30 unless its operating authority is renewed by legislative action. At a time when both defense spending and the proportion of negotiated contracts are increasing, it would be tragic indeed if Congress failed to act.

The present fiscal crisis only underscores the desirability of maintaining an agency that has returned to the Treasury $18 for every dollar spent on its operation, and whose very existence testifies to congressional concern that every dollar spent should provide a dollar's worth of goods and services.

Mr. Speaker, with these thoughts in mind and in the interest of protecting our budget and our taxpayers from excessive profitmaking, I have today filed legislation to extend the term of the Renegotiation Board until June 30, 1970. There have been proposals that the Board's term be extended for a longer period and that its authority be expanded. Perhaps there is merit in these additional proposals and I am confident that sponsors of these added features will stress the need for them in hearings, which I hope will be scheduled immediately by the House Ways and Means Committee.

CONTINENTAL SHELF FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter from the secretary of state of Alaska and a resolution from the Alaska State Legislature.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in my remarks I enclose a letter received from the Honorable Keith H. Miller, secretary of the State of Alaska, with enclosure, a copy of a joint resolution relating to the Continental Shelf fisheries, adopted on February 1, 1968, by the State Senate of Alaska, and on February 7, 1968, by the House of Representatives of Alaska:

STATE OF ALASKA,
Juneau, Alaska, February 14, 1968.

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

DEAR MR. SPEAKER: I am hereby transmitting to you for your information a copy of Senate Joint Resolution 30, relating to the Continental Shelf fisheries.

This resolution has passed both houses of the Alaska State Legislature.

Sincerely yours,

KEITH H. MILLER,
Secretary of State.

SENATE JOINT RESOLUTION 30

Joint resolution relating to the Continental Shelf fisheries

Whereas the United States presently has a 12-mile exclusive fisheries zone which is not adequate for the conservation of the stock of fish which this country will need to utilize fully in order to remain a major fishing nation; and

Whereas the United States has slipped to sixth place in world fisheries behind such nations as the Soviet Union and Communist China, who intend to expand their fishing efforts in the North Pacific; and

Whereas the commercial fishermen of the Pacific Northwest, as well as the economy of the United States as a whole, are being detrimentally affected by the heavy flow of imports of foreign seafood products, gear conflicts and other competition from the massive foreign fleets on the fishing grounds, and the depletion of precious resources because of over-fishing and destructive fishing practices of foreign fleets; and

Whereas the United States has failed to implement fully two provisions from Geneva Conventions which would give our nation valuable bargaining tools in fisheries negotiations which other nations, the first of which states that sedentary species of fish on the Continental Shelf are part of the Shelf and are considered to be the exclusive property of the coastal nation and the second of which provides for conservation of the living resources of the high seas and allows the United States to designate conservation areas and promulgate conservation measures to protect these resources;

Be it resolved that the Congress of the United States is respectfully requested to enact legislation declaring the Continental Shelf of the United States to be this nation's exclusive fisheries zone.

Copies of this resolution shall be sent to The Honorable John W. McCormack, Speaker of the U.S. House of Representatives; to The Honorable Carl Hayden, President Pro Tempore of the U.S. Senate; and The Honorable E. L. Bartlett and The Honorable Ernest Gruening, U.S. Senators, and The Honorable Howard W. Pollock, U.S. Representative, members of the Alaska delegation in Congress.

Passed by the Senate February 1, 1968.
JOHN BUTROVICH,
President of the Senate.

Attest:
EMYLOU LLOYD,
Secretary of the Senate.

Passed by the House February 7, 1968.
WILLIAM K. BOARDMAN,
Speaker of the House.

Attest:
PATRICIA R. SYMONDS,
Chief Clerk of the House.

By the Governor:
WALTER J. HICKEL,
Governor of Alaska.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HAGAN, for March 4 and 5, on account of official business.

Mr. CHARLES H. WILSON, for Monday and Tuesday, March 5 and 6, on account of official business.

Mr. CORMAN, for February 29, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KEE, for 60 minutes, today; to revise and extend his remarks and to include extraneous matter and that all Members have five legislative days to extend their remarks.

Mr. FEIGHAN, for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. TAFT, for 1 hour, on Wednesday, March 6; and to revise and extend his remarks and include extraneous matter.

Mr. BATTIN (at the request of Mr. THOMPSON of Georgia) to revise and extend his remarks and to include extraneous matter, for 15 minutes, today.

Mr. SCHWENGEL, for 15 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MILLER of Ohio) to revise and extend their remarks and include extraneous matter:)

Mr. GUBSER, for 30 minutes, today.

Mr. HALPERN, for 5 minutes, today.

Mr. THOMPSON of Georgia, for 15 minutes today.

Mr. ASHBROOK, for 15 minutes, today.

Mr. BOW, for 30 minutes, on Tuesday, March 5.

Mr. TAFT, for 1 hour, on Wednesday, March 6.

Mr. REUSS (at the request of Mr. KAZEN), for 30 minutes, today; to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PRICE of Illinois and to include a magazine article.

Mr. DULSKI in three instances and to include extraneous material.

Mr. BOGGS in two instances and to include editorials.

Mr. RHODES of Pennsylvania and to include extraneous matter.

(The following Members (at the request of Mr. MILLER of Ohio) and to include extraneous matter:)

Mr. GUBSER.

Mr. DERWINSKI in three instances.

Mr. CEDERBERG.

Mr. PELLY.

Mr. CHAMBERLAIN in two instances.

Mr. WYDLER in two instances.

Mr. KLEPPE.

Mr. HOSMER in two instances.

Mr. STEIGER of Wisconsin in two instances.
Mr. DOLE.
Mr. DUNCAN.
Mr. ASHBROOK in two instances.
Mr. SCHERLE.
Mr. BROYHILL of Virginia in two instances.
Mr. DENNEY.
Mr. HAMMERSCHMIDT.
Mr. SAYLOR.
Mr. MESKILL.
Mr. UTT.
Mr. BATES.
Mr. MCCLURE.
Mr. FINDLEY.
Mr. LIPSCOMB.
Mr. GURNEY.

(The following Members (at the request of Mr. KAZEN) and to include extraneous matter:)

Mr. RESNICK.
Mr. HAMILTON in 10 instances.
Mr. LONG of Maryland in three instances.
Mr. CELLER.
Mr. CHARLES H. WILSON.
Mr. GILBERT in two instances.
Mr. IRWIN in six instances.
Mr. MURPHY of New York.
Mr. EVINS of Tennessee in two instances.
Mr. ABBITT in two instances.
Mr. BROWN of California.
Mr. THOMPSON of New Jersey in two instances.
Mr. BRINKLEY.
Mr. MORRIS of New Mexico in two instances.
Mr. GATHINGS.
Mr. GONZALEZ in three instances.
Mr. TIERNAN.
Mr. ST GERMAIN.
Mr. BURTON of California.
Mr. FISHER in two instances.
Mr. GARMATZ.
Mr. DOW in two instances.
Mr. PEPPER in two instances.
Mr. OTTINGER in two instances.
Mr. O'NEILL of Massachusetts in two instances.
Mr. HOWARD.
Mr. CULVER.
Mr. COHELAN.
Mr. EVANS of Colorado in two instances.
Mr. FRASER in three instances.

ADJOURNMENT

Mr. KAZEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until Monday, March 4, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1572. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1964, as amended; to the Committee on Agriculture.

1573. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend for 3 years the Food for Peace Act of 1966; to the Committee on Agriculture.

1574. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farmers Home Administration Act of 1961, as amended; to the Committee on Agriculture.

1575. A letter from the Secretary, Department of the Air Force, transmitting a report of all officers on flying status above the grade of major, as of August 31, 1967, pursuant to the provisions of 37 U.S.C. 301(g); to the Committee on Armed Services.

1576. A letter from the Secretary of Navy, transmitting a report of the number of officers entitled to incentive pay during the 6-month period preceding the report, pursuant to the provisions of 37 U.S.C. 301(g); to the Committee on Armed Services.

1577. A letter from the Comptroller General of the United States, transmitting a report of need to improve procedures for compensating municipalities for relocation of facilities necessitated by construction of Federal water resources projects, Corps of Engineers (civil functions), Department of the Army; to the Committee on Government Operations.

1578. A letter from the Comptroller General of the United States, transmitting a report of opportunity for improving administration of economic assistance program for Turkey, Agency for International Development, Department of State; to the Committee on Government Operations.

1579. A letter from the Secretary, National Gallery of Art, transmitting a report of the need and plans for an additional building for the National Gallery of Art, and the availability of funds to cover construction costs; to the Committee on House Administration.

1580. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to the concession contract under which S. G. Loeffler Co. will be authorized to continue to operate certain designated facilities for the public in areas administered by the National Capital region, for 1 year, from January 1, 1968, through December 31, 1968, pursuant to the provisions of 79 Stat. 969, 16 U.S.C. 20; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. Report entitled "Defense Contract Audits (Relationship Between Defense Contract Audit Agency and General Accounting office)" (16th report by the committee) (Rept. No. 1132). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Report entitled "Air Force Project Lite (Legal Information Through Electronics)" (17th report by the committee) (Rept. No. 1133). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Report entitled "GAO Bid Protest Procedures" (18th report by the committee) (Rept. No. 1134). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1135. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. NIX: Committee on Post Office and Civil Service. H.R. 14933. A bill to modify certain provisions of title 39, United States Code, relating to hours of work and overtime for certain employees in the postal field service, and for other purposes; with amendment (Rept. No. 1136). Referred to the Committee of the Whole House on the state of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 15069. A bill to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; with amendment (Rept. No. 1137). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG: Committee on Rules. House Resolution 1031. Resolution amending House Resolution 101, 90th Congress, to authorize the Committee on Veterans' Affairs to conduct an investigation and study with respect to certain matters within its jurisdiction (Rept. No. 1138). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1077. Resolution for consideration of H.R. 15398, a bill to amend the National School Lunch Act to strengthen and expand food service programs for children, and for other purposes (Rept. No. 1139). Referred to the House Calendar.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 14940. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations (Rept. No. 1140). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKBURN:

H.R. 15669. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. COLLIER:

H.R. 15670. A bill to amend the Interstate Commerce Act and the Federal Aviation Act of 1958 in order to exempt certain wages and salary of employees from withholding for tax purposes under the laws of States or subdivisions thereof other than the State or subdivision of the employee's residence; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLE:

H.R. 15671. A bill to prohibit questions relating to production, acreage, operation, or finances of any farm or farmer in an agricultural census; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California:

H.R. 15672. A bill to eliminate certain limitations and restrictions (added by the Social Security Amendments of 1967) relating to aid to families with dependent children under title IV of the Social Security Act and medical assistance under title IX of that act; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H.R. 15673. A bill to provide for the appointment of two additional, permanent, circuit judgeships for the United States Court of Appeals for the Sixth Circuit; to the Committee on the Judiciary.

H.R. 15674. A bill to provide for improved employee-management relations in the Fed-

eral service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FRASER:

H.R. 15675. A bill to amend the National School Lunch Act to strengthen and expand food service programs for children, and for other purposes; to the Committee on Education and Labor.

By Mr. GURNEY:

H.R. 15676. A bill to modify certain insured student loan programs to make loans more generally available to students in need thereof; to the Committee on Education and Labor.

By Mr. JOELSON:

H.R. 15677. A bill to provide hospital insurance benefits under title XVIII of the Social Security Act for persons entitled to disability insurance benefits under title II of such act or to annuities for disability under the Railroad Retirement Act of 1937; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 15678. A bill to increase the salaries of judges of the District of Columbia court of general sessions, and the salaries of judges of the District of Columbia Court of Appeals; to the Committee on the District of Columbia.

H.R. 15679. A bill to amend section 11–1701 of the District of Columbia Code relating to retirement of certain judges of the courts of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MONAGAN:

H.R. 15680. A bill to extend the Renegotiation Act of 1951; to the Committee on Ways and Means.

By Mr. MORGAN:

H.R. 15681. A bill to consolidate and revise foreign assistance legislation relating to reimbursable military exports; to the Committee on Foreign Affairs.

By Mr. NEDZI:

H.R. 15682. A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by tax reform; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 15683. A bill to amend the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Currency.

By Mr. PUCINSKI:

H.R. 15684. A bill to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes; to the Committee on Agriculture.

By Mr. RARICK:

H.R. 15685. A bill to amend title 38, United States Code, to provide that educational allowances for flight training be paid on a monthly basis; to the Committee on Veterans' Affairs.

By Mr. ST GERMAIN:

H.R. 15686. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of California:

H.R. 15687. A bill to improve the operation of the legislative branch of the Federal Government, and for other purposes; to the Committee on Rules.

By Mr. BLATNIK (for himself, Mr. HOLIFIELD, Mr. REUSS, and Mr. ROSENTHAL):

H.R. 15688. A bill to extend the executive reorganization provisions of title 5, United States Code, for an additional 4 years; to the Committee on Government Operations.

By Mr. CUNNINGHAM:

H.R. 15689. A bill to authorize a study of the decentralization of certain departments and agencies in the executive branch; to the Committee on Government Operations.

By Mr. FRASER:

H.R. 15690. A bill to reserve certain public lands for a National Wild and Scenic Rivers System, to provide a procedure for adding additional public lands and other lands to the system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FULTON of Pennsylvania:

H.R. 15691. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committee on Public Works.

By Mr. HOWARD:

H.R. 15692. A bill to amend title 38 of the United States Code to provide increased pensions, disability compensation rates, to liberalize income limitations, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PURCELL:

H.R. 15693. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, as amended; to the Committee on Agriculture.

By Mr. ROONEY of Pennsylvania (for himself, Mr. KYROS, Mr. LANGEN, Mr. RESNICK, and Mr. EVANS of Colorado):

H.R. 15694. A bill to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer; to the Committee on Agriculture.

By Mr. OLSEN:

H.R. 15695. A bill to provide for the orderly marketing of agricultural commodities by the producers thereof and for other purposes; to the Committee on Agriculture.

By Mr. BOLAND:

H.J. Res. 1141. 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. FARBSTEIN:

H.J. Res. 1142. Joint resolution authorizing a study of the feasibility of establishing a JudiCorps; to the Committee on the Judiciary.

By Mr. HUNT:

H.J. Res. 1143. Joint resolution to provide for the designation of the second week of May of each year as "National School Safety Patrol Week"; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.J. Res. 1144. Joint resolution to provide for the designation of the second week of May of each year as "National School Safety Patrol Week"; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.J. Res. 1145. Joint resolution to provide for the designation of the second week of May of each year as "National School Safety Patrol Week"; to the Committee on the Judiciary.

By Mr. WATKINS:

H. Con. Res. 666. Concurrent resolution expressing the sense of the Congress with respect to the rotation of members of the Armed Forces of the United States in their assignments to serve in combat zones; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H. Res. 1078. Resolution creating a select committee to conduct an investigation and study of the relief of Lt. Comdr. Marcus Arnheiter and Capt. Richard G. Alexander; to the Committee on Rules.

By Mr. ROYBAL:

H. Res. 1079. Resolution creating a select committee to conduct an investigation and study of the relief of Lt. Comdr. Marcus Arnheiter and Capt. Richard G. Alexander; to the Committee on Rules.

By Mr. WOLFF:

H. Res. 1080. Resolution creating a select committee to conduct an investigation and study of the relief of Lt. Comdr. Marcus Arnheiter and Capt. Richard G. Alexander; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

312. By the SPEAKER: Memorial of the Legislature of the State of Alaska, relative to the continental shelf fisheries; to the Committee on Merchant Marine and Fisheries.

313. Also, memorial of the Legislature of the State of Rhode Island and Providence Plantations, relative to enacting legislation cited as the Safe Street and Crime Control Act of 1967; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN:

H.R. 15696. A bill for the relief of Pyon Chun Cha; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15697. A bill for the relief of Anthony Galluccio; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 15698. A bill for the relief of Guerino Allevato; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 15699. A bill for the relief of Dr. Angel Benito Lagueruela y Gomez; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 15700. A bill for the relief of Mee June Wong, Chee Wing Yuen, Suet Yi Yuen, Wai Kwong Yuen, Pui Yee Yuen, and Man Yee Yuen; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 15701. A bill for the relief of C. M. Nance; to the Committee on the Judiciary.

By Mr. MESKILL:

H.R. 15702. A bill for the relief of Arthur J. DeMichiel and his spouse; to the Committee on the Judiciary.

By Mr. PODELL:

H.R. 15703. A bill for the relief of Mrs. Frida Fallas; to the Committee on the Judiciary.

By Mr. RESNICK:

H.R. 15704. A bill for the relief of Luis Richardo Britos; to the Committee on the Judiciary.

H.R. 15705. A bill for the relief of Alberto Rogue Jarmi; to the Committee on the Judiciary.

H.R. 15706. A bill for the relief of Edgardo Jorge Munoz; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 15707. A bill for the relief of Mr. and Mrs. Alberto Furelli, and their children, Franca, and Concesione; to the Committee on the Judiciary.

H.R. 15708. A bill for the relief of Mrs. Maria Rosa Penati, and her two children, Mario and Paolo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

252. The SPEAKER presented a petition of Laszlo Steurer, Bonn-Bad Godesberg, Germany, relative to renunciation of U.S. citizenship, which was referred to the Committee on the Judiciary.