However, that is only part of the story. The House Appropriations Committee warns that "the tempo and cost of the war in southeast Asia are on the upward trend" and that "the cost of wars can never be projected precisely."

Thus, $70.3 billion may not pay the whole military bill during the next 12 months. So the committee has warned that the pitcher may have to return to the well.

Nor does that warning put "finis" to the story. The $70.3 billion is in addition to an estimated $43.7 billion now available to the military establishment in funds previously appropriated by Congress.

That makes a tidy total of $114 billion as a possible outlay for military expenditures in the new fiscal year beginning next month.

And the end is not yet. Hidden billions, tucked away in the budget, pay for the annual operations of such hush-hush groups as the CIA. Authorities in these matters estimate that the CIA operations cost a minimum of $10 billion a year.

So, on any abacus, the all-over figure totes up to $124 billion. Or, for the coming year, well over 50 per cent of the $200 billion that the world will spend this year on preparations for war.

The U.S. is very, very rich—the richest nation in history. But can even the U.S. indefinitely support the constant escalation of war funds? Especially at the expense of man himself?

How can any congressman, voting such huge military expenditures, cry "economy" when—by comparison—piddling sums are asked for public education, for the eradication of poverty, for the elimination of disease, for unpolluted air and water, for better housing and for reconstruction of rotting cities?

Materiel is obviously more important than man. So we and other nations go on buying more and more matches in a tinder world.

THE OUTCOME OF THE RECENT WAR IN THE MIDDLE EAST

Mr. GRUENING. Mr. President, amid the vast reportage and editorial comment on the historic developments in the Middle East, a column written by Kenneth Crawford, a veteran able journalist, in the July 17 issue of Newsweek gives about as good a condensed summary as may be found anywhere. I have only a couple of comments to amplify Crawford's summary.

He states:

The United States' devotion to Israel is more sentiment than practicality. Its long-range interest is, of course, in peace and stability for the Middle East.

It would be my view that while the attitude of the United States toward Israel has not been consistent or uniformly favorable—since in our foreign aid program we have given vast sums to the sworn enemies of Israel, such as Dictator Nasser's Egypt—a folly which some of us in the Congress finally ended—without attempting to demonstrate that "long-range interest in peace" which Mr. Crawford indicates to be U.S. policy, to wit John Foster Dulles' hostile position both to Israel and toward our then traditional allies, Britain and France, when he took the side of Egypt and Soviet Russia in Nasser's seizure of the Suez Canal in 1956—our Nation's attitude should be unqualifiedly favorable to Israel for the following reasons:

Israel is an oasis of democracy in a Middle East desert of backwardness and dictatorship. Even more than that, of the nearly 70 countries that have been born in the wake of the anticolonial revolt all over the globe since World War II Israel is the outstanding example of liberty and democracy. Its people enjoy government by consent of the governed, freedom of speech and press. In short, Israel is the counterpart in its ideology and actions of what the United States professes to be our own ideal and course of conduct.

Since the United States professes that it is interested in maintaining the basic freedoms throughout the world and is likewise engaged—most unwisely, in this instance, in my view—in what is allegedly an effort to promote democracy in Southeast Asia, where it has never existed and where the representatives of that hope scarcely live up to the billing, it would seem almost inevitable that we should support Israel as a shining example of democracy for the whole world. So our support should not be based, as Mr. Crawford suggests, on mere sentiment.

We might add that in addition to these qualifications Israel is one of the few countries that publicly acknowledges its debt to Uncle Sam, makes no secret—as do practically all other countries—of the benefits of the foreign aid which we have given it, and is also helping backward nations by sending its technicians to aid some of them.

Finally, one cannot but agree with Kenneth Crawford's concluding sentence; namely, that the outcome of the brief war in the Middle East and Israel's brilliant victory—certainly the most brilliant in modern times and perhaps in all history—could have been worse—much worse.

One may shudder to think what would have happened if the Arabs had won and had succeeded in their 19-year-old unremitting threats to exterminate the Israelis. Actually, secret captured orders reveal that they were determined to massacre every man, woman, and child. That would, in the circumstances, have presented the United States with a real problem, which fortunately the Israelis' courage, intelligence, and superiority in all the qualities that count, spared the free world.

A strengthened Israel, secure against the unceasing threat of aggression and sporadic raids by the surrounding Arab nations, with a population 50 times as great and an area a thousand times as large, is essential for the peace of mankind and the perpetuation of the decency and enlightenment which that little nation embodies. All free men have a stake in its maintenance and not least the Nation which represents the largest democracy on this planet, our own.

I ask unanimous consent that Kenneth Crawford's article entitled "Middle East Outcome" be printed at the conclusion of my remarks, and that it be followed by my comments, entitled "Jordan Had Ordered Its Troops To Kill All the Inhabitants of Captured Israel Villages."

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

MIDDLE EAST OUTCOME

(By Kenneth Crawford)

Debate on the Middle East crisis in the United Nations General Assembly was not an edifying spectacle. It must have been disillusioning to hopeful idealists, if there are any left, who still think of the U.N. as the world's last best hope for peace. Facts were twisted; logic was distorted; tortured semantics were confusing. Yet, after much nonsensical talk, the Assembly did the only sensible thing in the circumstances: it did practically nothing. So, in the end, reason somehow prevailed.

The facts were clear enough to defy obfuscation, try as the would-be obfuscators did. The Israelis were quite clearly the aggressors in the sense that they assumed the offensive. But the Arabs were obviously the aggressors in a more fundamental sense. They had insisted that a state of war between Egypt and Israel never ceased to exist after the British-French-Israeli attack on the Suez in 1956. They had closed the Strait of Tiran to embargo shipping by that route to an enemy. They had announced it as their firm purpose to drive Israelis into the sea and to destroy the Jewish state.

FORMIDABLE BLOC

How could the Arabs contend that the Israelis should be punished for a war already started and for striking first in defense of their existnce? The Arabs could, and did, by ignoring inconvenient facts and by enlisting the support of nations willing to do the same thing. The Soviet Union, which had invested heavily in arms for the Arabs in the hope of banishing Western influence from the eastern end of the Mediterranean, was more than willing for reasons easily understood. Gaullism, always eager to get even with the U.S. for rescuing France from Hitler and from economic collapse after Hitler, joined up, too. Together they assembled a formidable bloc.

Had the U.S. been actuated by cynical short-range self-interest, it would have joined the Arab bloc itself. It has extensive oil involvements in the Arab countries and it has fostered them with food and other help for the Arabs. It has no comparable stake in Israel. Neither has it any treaty obligation to defend Israel, only statements of policy underwriting the territorial integrity of all the nations of the area and open passage to the Gulf of Aqaba. Its devotion to Israel is more sentiment than practicality. Its long-range interest is, of course, in peace and stability for the Middle East.

In the showdown, neither the Soviet-supported resolution demanding that the Israelis surrender unconditionally the Arab territories they seized during the six-day war nor the U.S.-supported resolution tying withdrawal to recognition by the Arab states of Israel's right to live won the required two-thirds majority.

THE 10TH POINT

This left Israel in possession of the Sinai; the eastern bank of the Suez; the Gaza Strip; Jordanian territory on the Israeli side of the River Jordan, including all of Jerusalem, and Syrian hills overlooking Israel. There is no reason to doubt Israel's capacity to hold these acquisitions. Possession being nine points of the law, time in the normal course will take care of the tenth point if the Israelis want it to.

Meanwhile, the conquered territories can be held hostage to peace negotiations. In their present irrational mood, the Arabs won't talk. But they may come to it eventually even if the Russians go through with their threat to rearm Nasser and his allies. Egypt's economic plight is already desperate and will get worse. Syria and Jordan are in similar straits. The squeeze may produce upheavals of leadership in any or all of these countries. A period of explosive instability is inevitable.

Having established themselves as the Arabs' best friend, the Russians will have an advantage in maneuvers to exploit this situation. But the West also has friends—silent now but perhaps not always—in the area. It also has a better reputation for generosity and helpfulness than the Soviets and more advantageous markets for Arab oil.

The U.S.-Soviet confrontation induced by the crisis was inconclusive. Eyeball to eyeball, neither blinked but both averted their gaze. There seems to be tacit agreement that neither will permit itself to be drawn into a Middle East shooting war but otherwise to disagree. Party leader Brezhnev has defended his country's refusal to intervene by force and promised only further "political struggle." Secretary Rusk has denied that the U.S. has any idea of imposing a peace settlement on the nations of the Middle East. And that is where matters now stand. This outcome could have been worse—much worse.

JORDAN HAD ORDERED ITS TROOPS TO KILL ALL THE INHABITANTS OF CAPTURED ISRAEL VILLAGES

Mr. GRUENING. Mr. President, a few weeks ago, King Hussein of Jordan, spoke before the United Nations, where he warned the General Assembly that if Israel were allowed to keep "even 1 square foot" of the land it had taken, the United Nations would never again be able to make a cease-fire stick anywhere. His speech followed the usual pattern of what has become the Arab party line: injured innocence, claims of Israel aggression, charges of Western imperialism. This was followed up by a visit to President Johnson to ask for additional economic and military assistance which coincided with reports from Amman that the Jordanians were disillusioned with Nasser and were seeking new policies to take into account the realities of the Israel military victory.

On June 27, 1967, I pointed out that this kind of hypocrisy could not be accepted. I stated:

Before the outbreak of this 4-day war the Israeli Government sent messages to the king urging him not to attack and saying that if he did not there would be no counterattack or action by the Israeli troops across the Jordanian border. King Hussein not only rejected this peace offer but rushed to embrace Nasser, joined him in his attack, started the bombing of Israel and brought upon himself the inevitable reprisal.

He has no case whatever in the record of history or in the court of public opinion. He is and should be thoroughly discredited for his double-dealing, for his aggression, and for the folly deliberately embarked on, which not only cost many lives of Jordanians but quite a few Israelis who did everything in their power to obviate action on the Israel-Jordan front. Hussein has no legitimate claim of the kind that he makes. He alone is responsible for the loss of previously Jordanian territory.

This morning we see another example of his hypocrisy. Under the caption "Three Arab Leaders Meet in Cairo," the New York Times carries a front-page picture of King Hussein at the Cairo airport, being warmly embraced by the architect of Arab aggression, Gamal Abdel Nasser.

When the Israel forces swept through Jordan's west bank, they captured numerous top secret documents in the files of Jordanian military headquarters which proved that Hussein had planned a systematic aggression against Israel. These consisted of special orders issued to military units in the west bank for Operation "RA'AD" which involved orders to raid and destroy Israel settlements and to kill their inhabitants. These orders were found in the headquarters of all the Jordanian brigades positioned on the west bank. The orders were issued by the senior Jordanian headquarters of the west bank and provided that they would be issued to the battalions to carry out at such time as the west front headquarters decided to put into action the operations. As stated in the orders every raid was allocated to a force of infantry battalion strength with supporting artillery and engineers. All the raids were planned on the same system in all the brigades; that is, for one company to break into the Israel settlement, destroy it and kill all the inhabitants, another company to provide support and a third company to block off any Israel forces coming to the relief of the settlements.

I ask unanimous consent for the inclusion in the CONGRESSIONAL RECORD of a translation I have obtained of the top secret order found in the files of the Imam Aly Ben Abi Taleb Brigade, stationed near Ramallah. The target specified in this order is the Israeli colony of Motza in the Jerusalem Hills. The date of this order is June 7, 1966. A second order was found at the brigade headquarters which is dated April 1967 which is identical to the first except that it provides for an attack on the Sha'alabim Settlement in the Latrun bulge.

The orders state unequivocally that the intent of the planned military operation is to kill civilians and to destroy the civilian settlements. It states that:

The aim of H.Q. West Front is to raid Motza Colony, to destroy it and to kill all persons in it.

The Brigade Reserve Battalion will raid the Colony Motza, will destroy it and kill all its inhabitants upon receiving the code "HADHAD" from Brigade H.Q.

In light of these documents it is impossible to escape the conclusion that Jordan plotted aggression against Israel and was a willing partner in the Arab policy to destroy Israel. This must be taken into account when the Foreign Assistance Act is considered by the Senate in the near future in relation to the amounts which the President will undoubtedly request for continued economic and military assistance to Jordan.

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

[Top secret]

(Copy No. 4, H.Q. Imam Aly Ben Abi Taleb Brigade (Operations). Registration No.: A'L/1/1. Date: 7th June 1966.)

Special Operational Order "Operation (R.A'AD)."

Ref. Maps: Jerusalem, Ramallah, Salfit, Ajjur, Lud, Yafo—Tel-Aviv, 1:50000.

To: Commander Reserve Battalion 27th Brigade.

1. SITUATION

A. *Enemy:*

(1) The enemy forces in MOTZA Colony (13471342). The inhabitants number about 800 persons, engage in agriculture and have guard details in the colony.

(2) The colony mans five night guard-positions around it.

(3) The colony is surrounded by slit-trenches which are manned when necessary.

(4) The colony has barbed-wire fences.

(5) The houses of the colony are built of concrete, and some have red-tile roofs.

(6) The forces of the colony need 5–7 minutes to man their positions from the moment of surprise.

(7) Enemy camps close to the colony which can take part in the campaign and advance reinforcements:—

(a) *CASTEL Camp* (163133) one Infantry Co. with support detachments. The defence position of this unit is on the hill (16371337).

(b) *SHNELLER Camp* (170132) 6th Brigade Reconaissance Co.

(c) *ABU GOSH Camp* (16801349) Border Police Co.

(8) Air superiority to enemy.

B. *Own Forces:*

(1) The intention of H.Q. Western Front is to carry out a raid on MOTZA Colony, to destroy it and to kill all its inhabitants.

(2) This task was allocated to the Brigadier of the IMAM ALY BEN ABI TALEB Bridgade who will further it to the Brigade Reserve Battalion.

C. *Attached and Detached:* (When giving Reserve Battalion the Order to proceed).

Under Command, the forces in position at *SHEIH' ABD EL AZIZ* Area and the *RADAR* from the Battalion responsible for the Left wing of the Brigade.

Direct support, 2nd Field Battery 1st Field Arty. Regt. 1 platoon Field Engineers. 1 section casualty collecting.

2. THE TASK

The Brigade Reserve Battalion will raid MOTZA Colony, will destroy it and will kill all persons in it upon receiving the codeword *"HADHAD"* from Brigade H.Q.

3. METHOD

A. *General.*

(1) Night raid in one phase by Infantry Co. plus platoon plus Engineer platoon for the breaching and destroying, one Infantry Co. less one platoon plus battalion support weapons as firm base, one infantry Co. plus elements of pioneers and field engineers for blocking off reinforcements.

(2) The whole battalion will march from the place of disembarkment from the vehicles, to the dispersal area.

B. *One Company plus one platoon*—for breaching and destroying.

(1) *The task:* The destruction of the colony and killing all its inhabitants.

(2) *Attached:* A.A.O. (Advanced Artillery Observer) One platoon field engineers.

(3) *Reorganization:*

(a) On finishing the mission it will retire to the assembly point allocated to it and from there will march to point 16441366, South-West of BEIT SORIK Village.

(b) Axis of retreat, East of SHEIH ABD EL AZIZ and from there by track leading to BEIT SORIK and up to the deployment area (16401370).

(c) The Company will travel with the Battalion in vehicles from ELG'IB BIDU cross-roads to BIR A'WAR-BIDU crossroads and from there to its base in the BETUNYA Hills.

C. *One Company less a platoon plus Battalion Support Weapons.*—Firm Base.

(1) *The Task:*

(a) Supporting the breaching force and harassing the target with heavy fire when the raiding party is discovered and after it finishes the destruction.

(b) Supporting the Assault Force in its retreat until it is beyond the range of the enemy's fire.

(c) The Company will move from the dispersal point to the place of the base—see Draught A', at 16441353.

(d) The Company will retire after all the other forces complete their retreat. The C.O. of the Force will make sure that all the forces of the mission have retired.

(2) *Attached:* A.A.O. M.F.S. (Mobile Fire Spatter).

(3) *Reorganization:*

(a) The Company will retire in full at the end of the operation when ordered by the Battalion Commander and will move by the track from Sheih Abd El Aziz to Beit Sorik, from there to the assembly point and from there by vehicles.

(b) The Company will travel in vehicles with the Battalion to the Battalion's base at Bitunya by way of El Gib—Beit Awar Crossroads—Bitunya.

D. *Company plus pioneer platoon*—Blocking-off reinforcements will establish two Road Blocks:

(1) *Right position:* at (16371342) on the main road leading to Abu Gosh Camp.

(2) *Left position:* (16631342) On the slope of the Tel situated on the East side of the Motza Colony and overlooking the Jerusalem-Kolorya Road.

(3) *The task:*

(a) To prevent the arrival of any reinforcements or forwarding succour which the enemy might send by their routes.

(b) To engage the enemy in combat if he comes to the colony's aid.

(c) Cut-off the road leading to the Colony, if the conditions require it, and that before the passage of the enemy.

(d) Every force will move from the dispersal point to its position as seen on draught "A" which is attached.

(4) *Reorganization:*

(a) *The right position:* When the task is accomplished and when it receives the code word for the order to retire, will move by the route west of Sheih Abd El Aziz up to Beit Sorik Village and will then proceed to the assembly area, embarkation point with the rest of the battalion.

(b) *The Left position:* When the task is accomplished and when it receives the code word for the order to retire, will move by the route leading in the direction of Sheih Abd El Aziz from the East up to Hirbet Loza, Beit Sorik, assembly area and embarkation point.

E. *Mortar Platoon:*

(1) Will take up position at 16471356 North-West of Sheih Abd El Aziz.

(2) *The task:* According to annexed plan of fire (A).

(3) *Reorganization:* When the task is accomplished will retire from its position by way of Sheih Abd El Aziz Village to Beit Sorik—assembly area—and will move with the Battalion to the embarkation point.

F. *Pioneer platoon:* Will detach a reinforced section to the Blocking-off forces.

(1) *The task:* Will lay anti-vehicle and anti-personnel mines on the road leading to Motza Colony when ordered by the C.O. Blocking-off force.

(2) *Reorganization:* The section will retire with the Blocking-off force to the assembly area and to the embarkation point.

G. *Artillery:*

(1) *Task:* According to annexed plan of fire (A).

(2) A.A.O.s will be attached to the firm base and to the Blocking-off force.

H. *Engineer platoon:*

(1) *Task:*

(a) Breaching the wire fences on an average of one breach per platoon.

(b) Will completely destroy the colony with explosives, after the breaching through force finishes mopping-up the Houses.

(c) The platoon will attach elements to the Blocking-off force.

(2) *Reorganization:* The platoon will retire with the breaching force to the embarkation area and from there will travel in vehicles with the Battalion to Bitunya.

I. *Co-ordination:*

(1) "H" hour will be decided upon in due time by the Battalion Commander

(2) Disembarkation and embarkation points.

(3) Deployment area.

(4) Dispersal point.

(5) Route of advance.

(6) Dispersal of forces, breaching, firm base, cutting-off.

(7) Starting line.

(8) The target.

(9) Embarkation area.

(10) Rate of advance 100 yards every three minutes.

(See draught "A")

4. ADMINISTRATION

(A) *Transport:* Combat echelon vehicles will remain in assembly area North of BEIT SORIK (164137).

(B) *Food:* Supper will be served in the assembly area, and no rations will be carried.

(C) *Ammunition:* Ammunition and explosives as will be decided for this Operation.

(D) *Medical:* The casualties will be evacuated to the Battalion Advanced Dressing station by stretcher Bearers which are in the village (BEIT SORIK).

(E) *Clothing:* Full battle dress. Light clothing is recommended.

5. COMMUNICATION AND CONTROL

(A) *Brigade H.Q.:* At its present place.

(B) *Battalion H.Q.:* In all the phases of operation behind the Assault force.

(C) *Communications:*

(1) No change in wireless or telephone nets.

(2) Wireless silence will be observed up to discovery of the attack, when the artillery and mortar shelling will begin.

(D) *Codes: Word, Meaning,* and *Ordered by:*

"Hadhad," Reserve Battalion starts Operation, Brigadier.

"MA'AN", Destruction of target, Battalion C.O.

"SALMAN", Leaving Assembly area, Battalion C.O.

"MOHAMED", Leaving Embarkation area, Battalion C.O.

"ARRED", Battalion back to reserve positions, Battalion C.O.

Zaim—Brigadier Imam Ali Ben Abi Taleb Brig. (Ahmed Shehada El Huarta).

Information:

Distribution List: Annexed.

"A" Annex—Plan of fire.

Annexes:

"A'" draught: disembarking area, assembly, division of forces, dispersal point, starting line, target.

PENSION PROTECTION PLAN IS NEEDED

Mr. HARTKE. Mr. President, on April 26 I introduced a slightly revised version of the Pension Protection Act, on which 1 day of hearings was held last year. The bill, S. 1635 (S. 1575 in the 89th Congress), is designed to deal with the problems which arise when private pension plans are discontinued due to discontinuance of the business through failure, merger, or similar causes. The result of such loss of expected retirement income, through no fault of their own, has often left workers with 20, 30, or more years of employment without the resources on which they had counted.

I have previously documented the need, and I shall from time to time bring before the Senate other instances to illustrate the necessity for action on this bill. The following cases illustrate the circumstances in which the need is clearly demonstrable.

In 1961, the E. W. Bliss Co., of Cleveland, Ohio, ceased operations. Employed at that time by the company were 32 workers. The company was organized under the United Automobile Workers, and there was a pension plan in effect. Yet, of the 32 workers, only two collected any pension at all, and they were already retired. Typical of those who received no future benefits, but who were fortunately young enough to find new jobs, were George Kuzel and Tony Tomatz, with 16 and 12 years of service respectively. In their new employment there is no private pension fund available.

This is one instance. There are many more, some of which I have received specific information as to their cases. I shall call them to attention in the future, and continue to hope that we may have more hearings and serious consideration for S. 1635.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

TRUTH-IN-LENDING ACT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 378, S. 5, the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The bill is open to amendment.

Mr. PROXMIRE. Mr. President, after 7 years of consideration, the Committee on Banking and Currency has recommended a truth-in-lending bill to the Senate. If any one person is responsible for the idea of truth in lending, it is our great former colleague, Senator Paul H. Douglas of Illinois. Paul Douglas introduced this issue in 1960 and kept it alive for 6 long years while support for the measure gradually developed.

I believe the committee has recommended a bill which retains the essential objectives for which Senator Douglas fought so long and hard. It requires creditors to disclose to consumers the full cost of credit. This would be expressed in terms of dollars and cents and, for most forms of credit, as an annual percentage rate.

The committee has also recommended a number of changes in the original bill, which I introduced last January 11, which I believe will go a long way toward making it more workable to the credit industry. In developing these changes, I believe the ranking Repub-

lican member of the committee, Senator BENNETT, deserves a considerable amount of credit. It is true that from the outset, all members of the committee agreed upon the central objective of truth in lending. No one seriously contested the fact that the consumer is entitled to as much information as possible regarding consumer credit. No one has argued that the facts should not be disclosed to the consumer.

The chief arguments within the committee dealt not with the objective of the legislation but with its workability. I believe we have recommended a bill today which will prove to be both fair to the consumer and workable to the credit industry. Certainly, the committee has learned much from Massachusetts, where truth in lending has been in effect over the last 6 months.

In addition, the Department of Defense has required for the last year that creditors make full disclosure when extending credit to servicemen.

The credit industry was also helpful in suggesting technical changes which will improve the workability of the bill from the standpoint of the average creditor.

Finally, the leadership of the Senator from Alabama [Mr. SPARKMAN] was most influential in developing a bill which every member of the committee could support. There is no Senator who is more expert in this entire area than the distinguished Senator from Alabama, who is not only extraordinarily competent in the field of banking and currency, credit, and who is recognized as the congressional expert on housing, but a man also who has a wonderful knack for persuading people to iron out their differences and work out constructive compromises and effective legislation.

I believe this bill will represent a significant advance for the American consumer. It will provide the average person with the information he needs to use credit and to shop wisely for credit. It will end the present system of confusing credit practices and credit terminology which requires a trained mathematician to understand. It will disclose the cost of credit in clear and simple terms to the average consumer so that he can understand fully the extent of the credit and how it compares to rates being charged by other lenders. I believe this bill will save the American consumer millions of dollars a year in credit charges and will prevent millions of families from being saddled down with excessive debt.

WHAT THE BILL DOES

Mr. President, this is a most simple piece of legislation. It is a disclosure bill and not a regulation bill. It does not regulate the credit industry. It does not prescribe detailed credit practices. It does not dictate the terms of credit contract. It does not set ceilings on credit. It merely requires the full facts to be disclosed to the consumer.

The bill would permit the consumer to be the judge and let the effective forces of informed competition work their way out in the marketplace.

The facts to be disclosed are basically twofold. First of all creditors would disclose the cost of credit in dollars and cents. For example, it would require a creditor to indicate that a loan of $300 payable in 18 monthly installments of $22 each month involves a credit charge of $96.

Second, the bill would require that in most forms of credit the creditor would disclose the annual percentage rate. This is the universal common denominator by which the cost of money is measured. It permits a consumer to readily compare the cost of credit among different lenders regardless of the length of the contract or the amount of the downpayment. In effect, the annual percentage rate is a price tag for the use of money. Just as the grocer quotes the price of milk by the quart or one-half gallon, or the price of meat by the pound, so the creditor would quote the cost of money in terms of an annual rate.

When all creditors quote the cost of credit in the terms of an annual rate which is computed in the same fashion the consumer can quickly determine which form of credit is the best buy.

In computing the annual rate, creditors would be required to include all costs incident to the credit transaction regardless of whether it was termed to be interest, loan fees, credit investigations, or the like. This will end a present confusing practice of quoting deceivingly low rates while actually charging much higher rates by tacking on additional fees.

Under the legislation recommended by the committee, all lenders would compute their credit charges and rates in the same way. In this way the consumer would be receiving comparable information on which he can make wise and proper decisions. It will be a significant measure for increasing the effectiveness of the consumer's credit dollar.

NEED FOR LEGISLATION

Mr. President, over 6,000 pages of testimony have been taken before the Banking and Currency Committee over the period of time that this bill has been in committee, which is more than 7 years, and they have amply demonstrated the need for this important legislation. Today the average consumer is faced with a bewildering variety of credit rates and terms. Even the Chairman of the Federal Reserve Board, William McChesney Martin—and I think all of us would recognize that he is the national expert on credit—admitted he had trouble understanding rates charged on consumer credit. If the top financial expert in the country has difficulty, it is no wonder the average consumer is completely at a loss when confronted with a typical credit transaction.

What is so confusing about consumer credit? In large measure it is the variety and inconsistency in the way the cost of credit is revealed.

For example, some creditors quote only a monthly rate, tending to minimize the cost of credit. How many customers realize, for example, that a small loan at the rate of 3 percent per month amounts to an annual rate of 36 percent.

Other creditors employ an add-on or discount rate which measures the credit on the original balance rather than the declining balance. Of course, it is only the declining balance that is being loaned throughout the period. This has the effect of understanding the true annual rate by approximately 50 percent. For example, if a consumer borrows $100 and repays it in 12 equal monthly installments, and if the finance charge is $6, some creditors will represent this to be 6 percent. However, the true annual rate is nearly 12 percent since the consumer has gradually been repaying the full debt and has not had the full use of the $100 for a full year. In fact, on the average he has had only $50 or close to it.

Other creditors employ a system of additional fees and charges designed to increase the effective rate. For example, it is possible to increase the rate from 12 percent to 18 percent by adding additional charges for credit investigation, loan processing, or other similar charges. This is somewhat analogous to a grocer advertising the cost of a loaf of bread for 3 cents while in the fine print indicating the wrapper will cost 2 cents, distribution 5 cents, processing 7 cents, and handling charges 4 cents.

Other creditors will merely disclose the amount of the weekly or monthly payments without indicating the total finance charge or any rate whatsoever.

A creditor might indicate, for example, $2 down and $2 a week for a hi-fi set. Unless the consumer gets out pencil and paper and figures it out for himself, he has absolutely no idea of the cost of the credit either in dollars or as an annual rate.

As a result of these confusing practices, some segments of the credit industry have been able to charge truly exorbitant rates with relative impunity. Recent cases from the files of the Cook County Bankruptcy Court indicated, for example, that finance charges ran as high as 283.9 percent for used cars, 235 percent for TV and hi-fi sets, 199.6 for clothing, and 105.2 percent for furniture. Numerous cases filed with the committee indicate that this is by no means a unique or rare occurrence.

I recall a hearing we had a couple of years ago in New York where case after case was documented by witnesses who came in and testified. We computed the amount they were paying and the rates in virtually all cases exceeded 100 percent and often exceeded 200 percent.

Frequently, these high rates are levied upon the low-income groups who can least afford to pay the exorbitant sums. I hasten to add that these high rates are not a respecter of high income or education. College graduates, college students, professors, and others are as frequently the victims of this kind of overcharge and these very high rates as people who are in the low-income brackets. However, in some cases people with higher education can afford it better than those people who are tragically exploited in the very low income area.

But it is not the low-income groups who are victimized by the hidden cost of credit. The well educated and wealthy are also taken in. For example, one of the most popular education loans sponsored by consumer finance companies involve rates of interest as high as 54 percent. This is for higher education. In fact, most people seriously underestimate the true cost of their credit. A recent survey asked a sample of 800 families to esti-

You may fool the whole world down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartaches and tears
If you've cheated the man in the glass."

Post Imperial Potentate Sir George E. Stringfellow: Illustrious Sir, members of our Divan, Past Potentates, Noble Albert W. Hawkes, distinguished guests and members of the Albert W. Hawkes Class:

I am most happy to take part in this Ceremonial honoring Senator Albert W. Hawkes, one of the nation's truly good citizens. It was my pleasure to have proposed our honored guest for membership in Freemasonry and the Shrine.

Crescent Temple has among its members some of the most outstanding and patriotic citizens of North America, none, however, more illustrious than Senator Hawkes.

Ralph Waldo Emerson, one of the wisest of Americans, must have had such a person in mind as Senator Hawkes when he said, "I consider him a great man who inhabits a higher sphere of thought into which other men rise with difficulty and labor." I know of no one who inhabits a higher sphere of thought and who has done more to lift the moral and ethical standards of his fellow man than Noble Hawkes.

In every movement there is someone who represents the conscience of that movement. I can think of no one who more nearly represents the conscience of Freemasonry and the philosophy of the Shrine than Noble Hawkes.

He has been my faithful friend for many years and, as Napoleon said "A faithful friend is the true image of diety." By his conduct and example Noble Hawkes has, for decades, been the image of things that help to make this a better world.

SOLUTION OF THE MIDDLE EAST CRISIS

Mr. McGEE. Mr. President, among the momentous problems facing us today is the just solution of the crisis in the Middle East. If we are to end the threat to world peace that has existed in that part of the world for the last 20 years, we need calm, wise, and objective judgment. In my opinion, the recent page 1 editorial appearing in the AFL–CIO News, and written by George Meany, president of the AFL–CIO and twice a member of the U.S. delegation to the United Nations, deserves the careful consideration of us all. I ask unanimous consent that it be printed in the RECORD.

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

WHO IS THE AGGRESSOR?

For the last two months, irresponsible denunciations have marred the UN sessions on the crisis in the Middle East. Our country and to an even greater extent, Israel, have been the targets of bitter abuse and slanders by Soviet spokesmen and their Nasserite proxies. In such an atmosphere, the UN cannot serve as an instrument for fostering honorable and harmonious relations among its member states.

In these UN sessions, the technique of the Big Lie, fanatically applied by Hitler and Goebbels against the Jewish people more than thirty years ago, has been perfected by Federenko and Kosygin. Though the outrageous charges of Nazism against Israel and the nations friendly to it are reprehensible frauds, they are not surprising.

It is, however, shocking and distressing that the spokesmen of the democracies sat idly by in stony silence in the face of these diatribes. That such tolerance only encourages Communist arrogance and aggressiveness was subsequently demonstrated in the tone and substance of Kosygin's remarks at the press conference before his departure for Moscow.

It is an old trick of the Communists to charge others with the crimes of which they themselves are guilty. We need but recall that the Soviet government hailed the Nazis as "blood brothers." In partnership with Hitler, the USSR butchered Poland and snuffed out the independence of the Baltic republics. The Kremlin congratulated Hitler on his capture of Paris, while denouncing the Allies for resisting Nazi aggression. Nor has the world forgotten that Communist Russia waged two cruel wars against the small heroic republic of Finland, while denouncing it as an aggressor against the Soviet Union.

And the world can never forgive the Soviet government for crushing by force of arms Hungarian democracy. For years, this same Soviet government—whose representatives now so hypocritically insist on instantaneous compliance with UN decisions—has flagrantly violated 13 UN resolutions for the withdrawal of Soviet troops and the restoration of Hungarian independence. Eighty-five thousand Soviet troops still occupy Hungary. In fact, the circulation of the UN reports and resolutions condemning the massive armed Soviet intervention in the 1956 Hungarian Revolution is still prohibited in all Communist countries on the pain of severe prison penalties.

The Kremlin and its Middle East clients have launched their assaults on truth and decency as a poisonous smokescreen for hiding the humiliating political and military defeat they have suffered at the hands of the overwhelmingly outnumbered Israeli forces, who were fighting for the very life of their country.

The Soviet government is primarily responsible for the dangerous crisis in the Middle East. It equipped Nasser and goaded him on to rally the reactionary Arab rulers for the destruction of Israel. Since the UN cease-fire, the USSR has resumed sowing the seeds of future war by stepping up its shipment of weapons for aggression to the discredited Nasser regime and its Syrian accomplice. The Soviet dictatorship should be sternly condemned and unequivocally repudiated for this war-breeding policy. In this situation, Israel deserves the commendation and support of all people devoted to peace and freedom.

SUPPORT PRESIDENT JOHNSON'S MIDDLE EAST PROGRAM

We appeal to our government to mobilize all its influence and resources for UN support of Pres. Johnson's five point program. It provides a just and sound basis for a peace settlement and joint efforts by all the nations in the Middle East for the social and economic reconstruction they so urgently need. We urge our free trade union colleagues overseas to lose no time in having their governments give prompt and energetic support to this program.

We urge all AFL–CIO organizations and ICFTU affiliates to provide generous assistance to the Histadrut in its efforts to meet the vital tasks of social and economic reconstruction in peace and freedom. In view of its practical experience, Histadrut can make valuable contributions towards helping Arab and Israeli workers alike enhance their well-being, human dignity and self-respect.

We appeal to the workers of the Arab lands to help their countries strike out in a new direction and cooperate with the people of Israel in building a peaceful, free and prosperous Middle East.

CITIZENS COMMITTEE FOR PUBLIC TELEVISION

Mr. JAVITS. Mr. President, as the House Committee on Interstate and Foreign Commerce begins hearings on the Public Broadcasting Act of 1967, it is encouraging to me to learn of the organization and growth of the National Citizens' Committee for Public Television.

The New York Times this morning reports that the committee, formed little more than a month ago, has appointed an executive director, Ben Kubasik, associate director of the Public Broadcasting Laboratory of National Educational Television.

The appointment of Mr. Kubasik is indication that this committee, composed of such distinguished men and women in American arts, letters, and business—many of them residents of New York—is now ready to begin in earnest its work of establishing long-range public interest in public television.

The list of the founders and initial members of this important group, Mr. President, is another indication of awakening national interest in the prospects and possibilities of noncommercial broadcasting. Its chairman is the distinguished New Yorker, Thomas P. F. Hoving, director of the New York Metropolitan Museum of Art and formerly Commissioner of New York City Parks Department. As Parks Commissioner, Tom Hoving captured the spirit of New York and the imagination of its people. I know that his activities on behalf of public broadcasting will be equally effective.

In addition to Mr. Hoving, founders of the committee are: Ralph Ellison, author; Devereux Josephs, former chairman of New York Life Insurance Co. and currently chairman of the board of WNDT, the New York educational television station; Ralph Lowell, chairman of the Boston Safe Deposit and Trust Co., and president of the Boston Education TV station, WGBH; and Newton Minow, former chairman of the Federal Communications Commission and now a director of WTTW, the educational TV station in Chicago.

It has a stellar roster of members highly distinguished in every field of our national life.

The committee has been pledged financial support from the Danforth Foundation, W. K. Kellogg Foundation, Twentieth Century Fund, Inc., Alfred P. Sloan Foundation, the Ford Foundation, and the Carnegie Corp. of New York.

When Tom Hoving took over as chairman of the committee, he said:

There is some real hope now that Public Television will not only get out of the poor house, but will be a magnet for high-voltage talent. I look forward to the day when people will cancel engagements because they have spotted a television show on that evening's program that they can't afford to miss.

The formation of this committee, Mr. President, gives hope to all of us here who supported S. 1160 that the promise of noncommercial broadcasting will be fulfilled through the work of the Public Broadcasting Corporation proposed by the bill and the active support and work of distinguished Americans such as the members of this committee.

Mr. President, I ask unanimous consent to have printed in the RECORD the names of the members of this committee, and an article concerning the committee

published in today's New York Times.

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

The following individuals have thus far joined the new National Committee:

Thomas P. F. Hoving, Chairman.

David Amram, Composer in Residence, Philharmonic Hall, New York City.

Robert O. Anderson, industrialist and rancher, Roswell, New Mexico.

Seth G. Atwood, President, Atwood Vacuum Machine Co., Rockford, Illinois; Past President, Young Presidents Organization.

Leonard Bernstein, conductor, composer, New York City.

Kingman Brewster, Jr., President, Yale University, New Haven.

Paddy Chayefsky, author, New York City.

Sister Mary Corita, Professor of Art, Immaculate Heart College, Los Angeles.

Nina Cullinan, Houston.

Mrs. Moise Dennery, President, Greater New Orleans Television Foundation (WYES-TV).

Carl J. Dolce, Superintendent of Schools, New Orleans.

Lee A. DuBridge, President, California Institute of Technology; Chairman, Community Television of Southern California (KCET).

Ralph Ellison, author, New York City.

Mortimer Fleishhacker, Jr., Chairman, Precision Instrument Co.; President, Bay Area Educational Television Association (KQED), San Francisco.

R. Buckminster Fuller, engineer, Carbondale, Illinois.

Gen. James M. Gavin, Chairman, Arthur D. Little, Inc., Cambridge.

Michael Harrington, author, New York City.

Leland Hazard, Professor of Industrial Administration and Law, Carnegie Institute of Technology; Honorary Chairman, WQED, Pittsburgh.

E. William Henry, attorney, Washington, D.C.; former chairman, Federal Communications Commission.

Jerome H. Holland, President, Hampton Institute, Hampton, Virginia.

Devereux C. Josephs, Chairman of the Board, WNDT, New York City.

Milton Katims, conductor, Seattle Symphony.

Arthur B. Krim, President, United Artists Corp., New York City.

Ralph Lowell, Chairman, Boston Safe Deposit and Trust Company; President, WGBH Educational Foundation.

Myrna Loy, actress, New York City.

Arthur Miller, author, Roxbury, Conn.

Newton N. Minow, attorney, Chicago; former chairman, F.C.C.

Mrs. Jennelle Moorhead, President, National P.T.A. Assoc.; Professor of Health Education, University of Oregon, Eugene.

Hugo Neuhouse, architect, Houston.

Prof. Antonia Pantoja, President of the Board, Puerto Rican Forum, New York City.

I. M. Pei, architect, New York City.

Gerard Piel, editor, *Scientific American*, New York City.

Norman Podhoretz, editor, *Commentary*, New York City.

Harold Prince, Broadway producer-director, New York City.

Edward M. Purcell, physicist, Harvard University, Cambridge.

Robert Rauschenberg, artist, New York City.

Edward L. Ryerson, President, Chicago Educational Television Association (WTTW).

Carl E. Sanders, former Governor of Georgia, Atlanta.

Susan Schmidt, editor, *Colorado Daily*, University of Colorado, Boulder.

Budd Schulberg, author, Los Angeles.

Maria Tallchief, ballerina, Chicago.

Alan Temko, Institute of Urban Affairs, University of California, Berkeley.

Leslie Uggams, actress, New York City.

Eli Wallach, actor, New York City.

Jane Wayne, Director, Tamarind Lithography Workshop, Los Angeles.

Leonard Woodcock, Vice President, United Auto Workers, Detroit.

Whitney Young, Jr., Executive Director, National Urban League, New York City.

BEN KUBASIK JOINS UNIT FOR PUBLIC TV

Ben Kubasik, associated director of the Public Broadcast Laboratory of National Educational Television, was appointed yesterday as executive director of the National Citizens Committee for Public Television. Mr. Kubasik, 38 years old, will assume his new duties on July 31 at an annual salary of approximately $40,000.

The National Citizens Committee for Public Television expects to have as members more than 100 leaders in the arts, education and business. Thomas P. F. Hoving, director of the Metropolitan Museum of Art, is chairman of the group, which currently numbers more than 60.

Mr. Hoving said yesterday that with Mr. Kubasik's appointment "the committee can now begin to move. We have a helmsman now and he certainly knows how to steer. He is the best in the business."

When the committee was formed in May, Mr. Hoving said its main goal was to involve outstanding figures in the nation's cultural life in the promotion of a diversified program service outside commercial broadcast schedules.

The committee has offices at 609 Fifth Avenue.

FEDERAL SPENDING AND THE PUBLIC DEBT

Mr. MOSS. Mr. President, our citizens are always concerned about Federal spending and the public debt. But these matters are of unusual concern at this time because of the military operations in Vietnam which are costing some $20 billion a year.

I have prepared a summary of current spending figures and debt totals which I believe will be of interest to my colleagues.

WHERE DOES YOUR FEDERAL TAX MONEY GO?

Federal expenditures are dominated by items connected with present world crises and past wars, including national defense, veterans benefits, and interest on the debt. These three items alone account for almost four-fifths of total Federal spending—The Problems and Promise of American Democracy, p. 202.

In round figures, here are the 12 categories of the administrative budget—which does not include Social Security:

National Defense, $75½ billion, 56.4 percent.

International affairs and finance, $4¾ billion, 3.5 percent.

Space research and technology, $5⅓ billion, 4.0 percent.

Agriculture and agricultural research, $3 billion, 2.3 percent.

Natural resources, $3½ billion, 2.6 percent.

Commerce and transportation, $3 billion, 2.3 percent.

Housing and community development, $1 billion, .07 percent.

Health, labor, and welfare, $11⅓ billion, 8.0 percent.

Education, $2¾ billion, 2.0 percent.

Veterans benefits and services, $6 billion, 4.5 percent.

General government, $2¾ billion, 2.0 percent.

Interest, $14 billion, 10.5 percent.

(Estimates for fiscal year 1968.)

In June, Budget Director Charles L. Schultze pointed out that Federal expenditures are going down in relation to the national income. Concerning administrative budget expenditures—which do not include social security payments—he said:

Excluding the costs of Vietnam, Federal expenditures in the administrative budget were 16 percent of gross national product (GNP) in 1964—they will be 14 percent in fiscal 1967 and 1968. Taking all four years of the Johnson Administration together, Federal non-Vietnam expenditures averaged 14.2 percent of the gross national product, compared to 16.3 percent for the last six years of President Eisenhower's Administration, the period after the end of the Korean War.

Even including the cost of Vietnam—which are running in excess of $20 billion—the ratio of Federal expenditures to GNP, in both fiscal 1967 and 1968, will be 16.8 percent, less than in 1955 and 1959 (years in which there were no war expenditures), and far below the 21 percent reached during the Korean War.

If social security is added in, expenditures look like this—Schultze quote continued:

If we use the more comprehensive national income accounts budget (NIA), non-Vietnam expenditures fall from 19.1 percent of GNP in 1964 to 17.6 percent in 1967. The ratio will increase to about 18 percent in 1968. The NIA budget (as a percentage of GNP) declines less than the administrative budget primarily because of the rapidly rising expenditures of the self-financed trust funds. (Social Security and Interstate highway.) But these funds are running a substantial surplus—revenues have risen faster than expenditures.

On any measure, non-Vietnam expenditures have risen less rapidly than the national economy. They account for a smaller—not a larger—share of our national income.

THE FEDERAL DEBT HAS GONE UP MUCH MORE SLOWLY THAN PERSONAL, CORPORATE, OR STATE AND LOCAL DEBT

Since 1947, the Federal debt has grown less than 30 percent, while private debt has risen about 550 percent and the debt of State and local government about 700 percent:

[Dollar amounts in billions

	Federal	Personal	Corporations	State/local
1950	$256.7	$83.9	$167	$20.7
1966	$329.8	$459.6	$533	$101.1
Increase (percent)	28.4	448	219	348

The facts clearly indicate that the greatest portion of our Federal tax moneys and our Federal debt are spent on the security of the Nation. The bill must be paid for war and defense. No one would deny a soldier the money needed to fight a war; but many balk at paying for the freedom, which that soldier gained, when taxes are still being collected 5, 10 or 20 years later.

The responsibility of the Federal Government is to protect the Nation's security and to render those services which our citizens cannot provide as individuals. Wherever there is unnecessary expenditure or any degree of extravagance, it should be ruthlessly cut out. But, by far the greatest proportion of Federal expenditures come in the military and fixed cost areas. Proportionate to our national

occurred in the past few months and in which your Committee has expressed a particular interest.

In addition, this letter will serve to review again with you, for your benefit and for the benefit of your Committee, the procedures the Board follows in connection with the investigation and reporting of results in aviation accidents of this type.

1. *Air collision at Urbana, Ohio, involving TWA DC–9 and a Beechcraft Baron B–55, privately owned, March 9, 1967.* Since our last progress report to you in connection with this case, the detailed field investigation has been completed; an extensive public hearing was held in Dayton, Ohio, on June 6–8, 1967; and we are presently receiving comments and suggestions from interested parties who have, under our rules, thirty days from the date of the hearing in which to submit them.

2. *Delta Airlines training flight crash at New Orleans, Louisiana, March 30, 1967.* The field investigation has been completed and a public hearing has been scheduled to begin in New Orleans on July 19, 1967. The hearing will be presided over by Member Oscar Laurel of this Board, and at that time all of the known or ascertainable facts will become a matter of public record. It is expected that the hearing will not last more than two days.

3. *Lake Central Airlines, accident near Marseilles, Ohio, March 5, 1967.* The field investigation in this case has been completed and a public hearing is scheduled to be held in Indianapolis, Indiana, commencing on August 2, 1967. In this case, too, the hearing is expected to reveal all of the known and ascertainable facts and to point the way toward corrective action if such has not already in fact been instituted.

I am sure you are quite familiar with the investigative process of the Board in aircraft accidents of the sort we have been discussing, but it might be well to restate it for the record.

The investigation of civil aircraft accidents is now the responsibility of the National Transportation Safety Board. This responsibility, with a staff of experienced air safety investigators, was recently transferred to us from the Civil Aeronautics Board under the provisions of the Department of Transportation Act, but the function had been exercised by the CAB from 1940 until the recent transfer to us.

The practice has always been to organize a team of experts in the various technical areas that might be involved in any such accident, under the leadership of trained investigators representing the National Transportation Safety Board. After as exhaustive a field investigation as the situation requires and permits, the Board schedules and holds a public hearing at or near the site of the accident. At this stage of the process, all interested parties, such as the airline concerned; the Federal Aviation Administration; air line employees associations; air-frame manufacturers; engine manfacturers; and any other possible interested parties, are active participants in adding to and thus developing a complete record of all the known or ascertainable facts.

Subsequent to such public hearing, the Board analyzes the record and other information known to it and issues a formal report as to the probable cause of the accident.

Of course, as you know, the entire chain of process is conducted entirely in the open, and as rapidly as facts are identified as uncontrovertible and relevant, beginning at the accident site, they are immediately made known to the interested parties to the investigation and are at the same time released to the news media and the public. In fact, a major part of the constructive results which flow from accident investigations are the immediate putting to use for corrective purposes of all the information developed during the preliminary stages of the investigation or in the public hearing.

The Board appreciates and understands the continuing interest you and your Committee have with respect to the performance of the accident investigative functions by our Board. Please feel free to call on us at any time for information or report either as to our process generally, or as to the handling of any particular case.

Sincerely,

JOSEPH J. O'CONNELL, JR.,
Chairman.

CONGRESSMAN HORTON INTRODUCES ANTISMUT BILL

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

Mr. HORTON. Mr. Speaker, I am today introducing a bill which will permit a person to effectively remove himself from the mailing list of any publisher engaged in the dissemination of morally objectionable material. Existing laws, which are directed primarily at suppressing patently obsence materials, have proven woefully inadequate to protect the public from peddlers of filth.

In recent months I have received numerous complaints from parents in my district who are appalled by the degenerate publications which they and their children have received, unsolicited. It is imperative this body act promptly to protect people not only from that very limited range of materials which falls within the legal definition of obscenity but also from the myriad publications which are not within that definition but are, nonetheless, repulsive to the vast majority of Americans.

Because the purveyors of smut almost universally develop their mailing lists by purchasing subscription lists from reputable publications, any man or boy who subscribes to even such a wholesome publication as a sports magazine is likely to receive printed garbage at some future time. It is this unwarranted invasion of the individual's privacy which my bill seeks to prevent.

The Horton bill provides that any person who receives unsolicited mail which he deems to be obscene, lewd, or indecent may return it to the Postmaster General and request that the sender be notified to cease sending such mail to the complainant. The bill specifically provides that any parent may take such action to protect the privacy of his children as well as his own privacy.

Upon receiving a complaint, the Postmaster General is required to notify the sender to halt all such mailings to the complainant. If the publisher continues to send smut to the complaining individual, the Postmaster General is directed to schedule a hearing to determine whether or not the act has been violated. If the act has been violated, the Postmaster General may direct the Attorney General to apply to a U.S. district court for an order demanding compliance with the act. The bill provides that if the sender does not comply with this court order he is subject to the penalties for contempt of court.

This measure, which respects all of the recently announced constitutional limitations on the police power of the Government, will provide every American with a simple and totally effective method of preventing both his own privacy and that of his children from being disturbed by unsolicited and highly offensive pornography.

I know many of my colleagues share my contempt for purveyors of smut and I look forward to your strong support of this much-needed legislation.

CONGRESSMAN HORTON INTRODUCES TWO MEASURES TO AID THE RESOLUTION OF THE MIDDLE EAST CONFLICT

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

Mr. HORTON. Mr. Speaker, I am today introducing two much-needed measures to aid in settling the present conflict in the Middle East. The first of these measures is a sense-of-the-House resolution expressing what I believe are the guidelines within which a settlement must be achieved if it is to be enduring. The resolution provides that the sovereignty of Israel must be recognized, that the Suez Canal must remain an international waterway open to all nations, that all nations must recognize as final the boundaries that will emerge from the anticipated negotiations, that the shipment of arms to all countries of the Middle East be halted and that all Middle Eastern countries immediately devote their full attention to the longstanding problems of the Palestine refugees.

The second measure I am introducing should provide the necessary stimulus to cause the countries of the Middle East to relocate these refugees. It is clear that if we are to forge a lasting peace in this historically contentious area these refugees, who have long been one of the prime sources of friction between the Arab and Israel peoples, must be removed from the refugee camps along the 1949 frontier between Israel and the Arab nations and that adequate provision must be made for their permanent settlement elsewhere. Because the recent conflict has dramatically increased the number of refugees on both sides of the borders, it is now even more important that the refugee population be relocated.

Those of us who have been intimately familiar with the situation in the Middle East have long recognized the continuing threat to peace which these refugee camps pose. Fortunately, many carefully considered and thoroughly documented newspaper articles have brought the importance of this problem to the public attention in recent days.

However, public awareness of the problem is not enough. Absent positive action by one or more of the great powers of the world, these refugee camps and the concomitant hostility they generate will persist long after the present crisis of the Middle East subsides.

My bill directs the Secretary of State to reimburse—to such extent as he deems appropriate—any Middle Eastern country for expenses it incurs in relocating Arab refugees from Palestine to within its own borders. These payments

CIVIL AERONAUTICS BOARD,
Washington, D.C., July 10, 1967.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of May 19, 1967, inquiring about the Board's position regarding the respective roles which interstate and intrastate carriers should play in aviation.

The Board's policies towards intrastate carriers, and actions by State regulatory commissions, have evolved in the context of the limited coverage of the Federal Aviation Act over the economic aspects of intrastate activities. While that Act extends safety regulatory control over any operation "in", or which "directly affects" interstate commerce, the economic regulatory provisions do not explicitly apply to operations which "affect" commerce but are not "in" commerce (§ 101 (4) and (21)).

The scope of this statutory grant of jurisdiction affects the Board's actions with respect to both the intrastate aspects of the operations of interstate carriers and the operations of intrastate carriers. As to interstate carriers, a State Supreme Court has held that the State commission can regulate the air carriers' rates for local transportation between points in the State (as opposed to rates for interstate passengers moving between the same points). (*People* v. *Western Air Lines*, 268 P.2d 723, *appeal dismissed*, 348 U.S. 859.) Another State Supreme Court has ruled that its State commission could not require an interstate carrier to continue serving the intrastate portion of a route over which the Board had authorized the carrier to discontinue service. (*Frontier Airlines* v. *Nebraska Dept. of Aeronautics*, 175 Neb. 501, 122 N.W. 2d 476.)

As to the so-called intrastate operators, where a carrier operates only between points located within a single State, the Board's jurisdiction has been judicially upheld if the carrier participates substantially in the carriage of traffic moving interstate (*C.A.B.* v. *Friedkin Aeronautics, Inc.*, 246 F.2d 173; *C.A.B.* v. *Canadian Colonial Airways*, 41 F. Supp. 1006), or if the carrier flies its aircraft over a place outside the State. (*Island Airways* v. *C.A.B.*, 352 F.2d 735.)

The Board has never asserted authority over purely intrastate carriers (not carrying interstate traffic), even where the intrastate carriers compete with federally certificated ones. Furthermore, the Board does not intervene before State commissions to oppose applications by local carriers for intrastate authority, although it may on occasion file an *amicus* statement. The same policies are generally followed with respect to State regulatory commission matters involving interstate carriers.

The lack of federal control over intrastate carrier operations by air did not present substantial economic problems until recent years. When the Civil Aeronautics Act was enacted in 1938, and for many years thereafter, operations by intrastate carriers were not extensive; and no State denied interstate carriers permission to operate over intrastate segments. Furthermore, there was little regulatory action by the States. By 1961, however, 18 States had begun to issue certificates of public convenience and necessity for intrastate common carriage by air. In California, at least, passenger traffic is already sufficient to enable intrastate carriers to operate large jet aircraft.

The California and Alaska situations illustrate the resulting problems. In California, the Board sought over a decade ago to enjoin the intrastate carrier, Pacific Southwest Airlines (PSA), from operating unauthorized flights which carried many passengers whose journeys began or ended outside California. (*Friedkin, supra.*) Eventually, PSA agreed to entry of a cease-and-desist order which barred such carriage. (*Western Air Lines, Inc.* v. *PSA*, CAB Order E–19655.) Earlier this year the Board exempted PSA from Title IV of the Act to the extent that those statutory provisions applied to PSA's jet flights which momentarily operate beyond the three-mile limit in connection with takeoff or landing at mainland California points, but which do not otherwise involve transportation subject to the Board's jurisdiction. (*Pacific Southwest Airlines*, Orders E–23958 and E–24895.) (Copies enclosed.)

PSA now operates over several important intra-California routes in competition with Federally certificated air carriers, including Pacific Air Lines (Pacific), a subsidized carrier. The California Commission has also licensed at least one other carrier for operations between various points within the State.

In Alaska the Alaska Transportation Commission has undertaken to assert exclusive jurisdiction to authorize new nonstop service between Anchorage and Fairbanks, and initially attempted to prevent one federally certificated carrier, Northern Consolidated Airlines, from offering such service. The State commission also entertained an application by an intrastate carrier, Interior Airways, to offer the very same service in competition with the existing federally certificated carrier, Alaska Airlines. Although no final decision has been reached, a State court has enjoined the Commission from authorizing Interior to operate; and Northern Consolidated has begun service.

The Federal Government has a large stake in the sound development of intra-Alaskan service. Before Alaska became a State and enacted its aeronautics statute, the Board had exclusive jurisdiction over all air transportation within or to Alaska. From 1938 through mid-1959, the total subsidy bill for the Alaskan air carriers was $77 million, of which $42 million was for intra-Alaskan operations. For the two federally authorized carriers on the Anchorage-Fairbanks route, the subsidy bill for their total operations in all areas was about $16 million during fiscal 1962–1966 and is estimated to be over $2.6 million for fiscal 1967. If the Alaska Transportation Commission allows an intrastate carrier to divert Anchorage-Fairbanks traffic, the Federal Treasury could bear much of the resulting burden.

It does not appear that State authorizations for intrastate air carriers have had a substantially adverse effect upon the development of the federally regulated air transportation system. They have given rise to problems, e.g., the impact of PSA's operations in California upon Pacific, which is federally subsidized. But there is little doubt that PSA's operations have had a salutary effect upon air travel in California by way of improved service, lower fares, and increased volume. This may be an appropriate place for the Board to apply the policy that it should not pay subsidy to a carrier to provide airline service some other carrier will provide without subsidy—which is easier said than done.

Similarly, if the State Commission in Alaska should insist on actions impairing the earning ability of federally subsidized carriers, our Board may be driven to considering withdrawal of Federal subsidy. I very much doubt, however, if it will come to that.

In summary, it seems to us that there is a useful role which intrastate air carriers can play; that in most cases this will not impinge unduly upon the federally regulated systems; that we should undertake to minimize "conflicts" through informal contacts with State officials; that we should not interfere with intrastate operations merely for the purpose of asserting or extending Federal jurisdiction; that we should be alert to prevent intrastate air carrier operations from impinging unduly upon the federally regulated system by taking such actions as are open to the Board under the present law; and that, if it should prove unhappily that the present law is not adequate for that purpose, we should then come to Congress for a legislative remedy.

Sincerely yours,

CHARLES S. MURPHY,
Chairman.

JULY 11, 1967.

Hon. CHARLES S. MURPHY,
Chairman, Civil Aeronautics Board, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 10 replying to my inquiry of May 19 regarding the Board's position on the representative roles which interstate and intrastate carriers should play in aviation.

I am pleased to note that the Board recognizes that in the national transportation picture there is a useful role which intrastate carriers can play, and that there is a problem of the extent to which interstate carriers should be supported by the Board where intrastate carriers provide improved and adequate service, at lower fares, to the traveling public.

Sincerely yours,

HARLEY O. STAGGERS,
Chairman.

AIRLINE ACCIDENT INVESTIGATIONS

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

Mr. STAGGERS. Mr. Speaker, many Members of the House may be interested in the progress of investigations into a number of airplane crashes which have shocked the public during the last 3 or 4 months. For their information I include a letter from the Chairman of the National Transportation Safety Board to the Committee on Interstate and Foreign Commerce in the RECORD.

As may be seen from the letter—

The investigation of civil aircraft accidents is now the responsibility of the National Transportation Safety Board.

Investigations into three aircraft accidents occurring in March 1967 are presently underway. It is to be noted that the investigations follow standard procedures, in which well-qualified experts are employed. The public is kept informed throughout the investigation by the Safety Board—the primarily responsible body. After their investigations are complete, detailed findings and the probable causes of the accidents will be released.

Our committee has been kept informed that a study of the accidents was underway.

If any legislation is indicated as a result of any reports of the Safety Board, and if such legislation is referred to our committee, we shall hope to act on it with all due speed.

The letter from the Chairman of the National Transportation Safety Board follows:

DEPARTMENT OF TRANSPORTATION,
NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, D.C., July 7, 1967.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CONGRESSMAN: In accordance with your request, the Board is more than happy to bring you up to date on the status of three commercial airline accidents which

are to be made directly to the host governments subject to such terms and conditions as the Secretary may deem necessary.

It is my fervent hope that if this bill is enacted into law, the Soviet Union, in furtherance of the spirit of cooperation which was manifest at the Glassboro summit meeting, will join with the United States in this worthwhile and nonpolitical effort to relieve world tensions.

Since 1948 many thousands of Arabs who were formerly residents of Palestine have existed in the miserable squalor of refugee camps. These camps on the Arab-Israel frontier have not only been a source of continuing irritation to both sides, but also senselessly demeaned the residents of these camps who nearly 20 years ago were victims of the Arab-Israel war. An entire generation of refugees has grown to virtual maturity knowing no other life. United Nations statistics indicate that over one-half of the population of these camps is under the age of 18.

If this body enacts into law the proposal I am making today, this Nation will not only be helping to eliminate one of the myriad sources of animosity that produced the recent crisis, but it will also be helping to terminate the senseless waste of human resources that necessarily continues as long as these refugee camps remain.

DAY CARE ACT OF 1967

(Mr. REID of New York (at the request of Mr. PRICE of Texas) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. REID of New York. Mr. Speaker, I am introducing today the Day Care Act of 1967 which was developed by Senator JAVITS and has already sponsored by a number of Members of both the House and the Senate.

This legislation will provide day care for children of low-income families in order to enable their parents or relatives to choose to undertake vocational training, basic education, or employment. Far more than merely providing additional day-care facilities, this measure is designed to attack the problem of growing welfare rolls by encouraging parents to find vocational training or employment once they are assured that their children will be well taken care of during the day.

The increasing number of Americans receiving public assistance is staggering. In New York City alone, the monthly average of recipients rose from 531,000 in 1965 to 621,000 in 1966; nationally, some 7.5 million people are aided by the four federally sponsored welfare programs.

In dollar terms, the total cost has risen from $4.2 billion in 1962 to $6.1 billion in 1966 and these figures provide assistance to only one-half of those Americans whose income level is below the national poverty standard.

However, a considerable proportion of the 900,000 mothers receiving assistance under the aid-to-dependent-children program are anxious to undertake training and employment if they can place their children in adequate day-care facilities. These mothers want their children to grow up with parents who are working, participating members of the community, and who are not dependent on the monthly relief check.

There is a second important way in which this day-care program would reduce the cycle of dependency. The large number of personnel needed to staff and maintain the day-care centers can, to a great extent, be drawn from among the mothers who children make use of these facilities. Several existing manpower training programs can assist in training these women for such subprofessional positions. The Headstart program has already indicated that parents and neighborhood residents actively participating in their children's experiences add meaningfully to the entire program.

There are a number of other significant features to this legislation which I believe are worthy of special mention. Provisions are included in the program to make it self-liquidating. The Secretary of Health, Education, and Welfare—whose Department will administer the program—may require at least partial payment for the day-care services in the case of those families who, through employment or otherwise, are able to make a contribution.

Coordination at all levels of government and between all similar programs is mandated by specifying certain mechanisms of program administration.

Finally, evaluation requirements are written into the bill so that congressional oversight will be a meaningful, concurrent procedure.

The bill would authorize $60 million for 1 year as a new part B of title V of the Economic Opportunity Act. This should provide about 50,000 new day-care slots—not nearly enough to meet the need but certainly a meaningful start with possibilities for expansion, and hope for self-confidence and self-sufficiency for many families who now know only a future of despair.

THE NEW LEFT

(Mr. ASHBROOK (at the request of Mr. PRICE of Texas) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, Walter Trohan has written a most comprehensive article on the New Left which appeared in the Sunday, July 9, 1967, issue of the Chicago Tribune. Mr. Trohan is the chief of the Tribune's Washington bureau and has spent more than a year studying and reporting on campus movements which he finds shows a "hostility to law and order, to civilized behavior and to the concept of liberty under law." it is characterized by "anarchism, nihilism, and negativism and it flouts and derogates the institutions which give it the freedom it enjoys."

Mr. Trohan's report is "must" reading for any American who wants to have a better understanding of the New Left in America. I include the article with these remarks, Mr. Speaker, and I hope all of the Members will read it closely:

THE NEW LEFT

(By Walter Trohan)

The Student New Left is a many splintered thing. A common denominator is most difficult to find. The New Left is a mixture of theory, sociological action, and bitter protest. It is linked with the civil rights movement, the fight against poverty, and the war in Viet Nam.

It is all of these things, yet no one of them. If it is any one thing, it is the culmination of the age of protest. We see it in flag burning, draft card destruction, demonstrations, and challenges to all forms of authority. It carries the seeds of revolution in its anarchism—and therein lies its great danger to those who revere and respect democratic law and order.

The New Left is of the campus but goes beyond the campus. It involves students, faculty members, writers, intellectuals, beatniks, and hippies. Many of its adherents dress wildly to accentuate their nonconformism. They wear beat-up trousers and dresses, long hair and beards, and the rest. Sometimes it is difficult to distinguish among the sexes. Members of the New Left are in the minority, but they have influenced many of their fellows, and their activities affect almost everyone on all campuses, directly or indirectly.

Let it be understood that the New Left is not communist, altho it is Communist infiltrated. Nor does it embrace all youth; the vast majority of young people have no part of it. This infiltration is coming from various directions. First, there is the Moscow wing in the Communist party and its youth organization, the W. E. B. Du Bois clubs. Second there is the Trotskyite wing of communism in the Socialist Workers party and its youth affiliate, the Young Socialist alliance. Finally, there is the arm of the pro-Chinese Communists, the Progressive Labor party. However, these Communists are neither in control of the New Left nor working in concert. They see the movement as a means of gaining access to college campuses, reaching the minds of students, and gaining an aura of respectability.

Many people are inclined to dismiss the New Left as another harmless manifestation of college foolishness, such as swallowing live gold fish or staging panty raids. There is more to the movement, however; if organizers and Communists have their way, a dagger might be forged for the destruction of the American way of life. The average American sees the New Left in terms of protest marches and demonstrations. These should be enough to convince him that the movement has power to mobilize its members in large numbers to win attention or concessions.

One of the major aims of the New Left is to destroy the links between American industry and colleges. Industry and industrialists are a major source of college revenue. Universities are institutions from which industry can recruit the talent it needs and which serve as a valuable adjunct in research. The New Left is working to undermine this relationship. It attacks industry as part of the Pentagon complex, which is blamed for policies the New Left dislikes. The strongest attacks have been levied against industries directly producing for the war effort.

For some, morality is "bourgeois" and "old fashioned." Some reject bananas as food but are devoted to them for hallucinatory smoking. Some smoke marijuana, and others dote on LSD or other drugs. New Leftists can and do look like the conventional boy or girl next door, and they often are the brightest students.

A key ingredient of the New Left is expressed in a word they like, "alienation," although its meaning is not always clear.

However, to the New Leftist it signifies what he derides as "the establishment," the "power structure," or "the military-industrial complex."

"The young people of the 'movement,'" writes one of its spokesmen, "make no polite protest; they rage against the war because they see it as the embodiment of all they are fighting in American society. It is a product of 'the system' from which they are alienated."

The mood of the New Left is described by one of its spokesmen, the Students for a Democratic Society [S. D. S.], as one of disillusionment, pessimism, and alienation. Many see strong nihilistic or anarchistic strains in declarations that our present society is decadent and that bourgeois moral values are outmoded. In the core of the movement there seems to be a passionate desire to destroy, to hate, and to tear down. They hate free society, the concepts of law and order, and established values.

"Among the central questions that a radical ideology must attempt to answer are these," according to a New Left spokesman: "What are the fundamental changes needed to transform society, and what are the steps that radicals can take to bring these about?" These steps have included defiance of law, civil disobedience, and disparagement of the American heritage. But when the New Leftists are asked to describe their new society, they offer little other than impious incantations and misty generalizations. They have no practical suggestions in their accent on the negative.

The Dow Chemical company, which is a major manufacturer of napalm, a fire chemical, has been a major target. Last Feb. 28, a student demonstration was sponsored at Old Dominion college, in Norfolk, Va., when company officers were conducting job interviews. The demonstration was orderly, although placards and literature attacked the company. A much larger anti-Dow demonstration was staged at the University of Wisconsin, in Madison. The student newspaper carried the headline: "S. D. S. to Block Chemical Company Interviewing" and told of a massive sit-in against the interviews. Still another demonstration was staged at Penn State university. Students walked into the room where interviews were being conducted and called for a discussion of the "moral issues of the war in Viet Nam."

The right to dissent is the key weapon of the New Left. However, its leaders would confound this right with what they believe to be a right to break any law that does not please them. Civil disobedience of the New Left has manifested itself in blocking traffic, lying down in doorways, and invasion of private and public property. The New Left doesn't believe in attempting to repeal laws it dislikes or believes to be wrong or immoral. Instead it disobeys them and encourages others to disobey them.

Running thru the New Left movement, like a weird *leit motif*, is a pattern of personal habits as reflected in dress, language, and moral habits. In some respect these serve as recognition symbols for its members, not only on college campuses but elsewhere. Many New Leftists are identified by their beatnik-style long hair and sandals. Some of the young men wear beards, and the young women dress in black stockings, old shoes, and odd-fitting dresses. Often personal cleanliness is neglected, as is evidenced by dirty finger nails, unbrushed hair, and unwashed faces.

In the anti-Viet Nam war demonstration in Kezar stadium in San Francisco last April, a high percentage of the participants were beatniks and hippies, who were conspicuous with their long hair, unkempt beards, sandals, and multicolored wearing apparel. They were heckled during their parade to the stadium by pro-Viet Nam war demonstrators, who kept calling, "Take a bath!"

A curious psychology seems to underlie the desire for unconventional dress. At the heart of the New Left is the concept of rebellion against society and its institutions. Bizarre dress becomes, in the eyes of the New Leftists, a way of striking back at what they call regimentation. They want to be different. They seek ways to scoff at established institutions—not only to satisfy their own inner feelings of alienation, but to antagonize those who believe in the accepted morality. To the New Left, unconventionality is an inherent characteristic of its view of the world.

Associated with the habit of weird dress is widespread use of drugs, or the psychedelic world. It is difficult to state with accuracy the extent of hippie activity among members of the New Left—the use of LSD, marijuana, opium, dried banana skins, and other types of drugs or supposed drugs.

Obviously, many New Leftist followers have not dabbled in this activity, just as many do not adopt the strange mode of dress. However, the New Left does nothing to discourage use of or experimentation with drugs. Considerable publicity about drugs on campus has appeared in the press. Don Smith, the onetime New Left president of the Student Council at Iowa State university, admitted that he smoked marijuana at pot parties on the campus. The Scholastic, student magazine of the University of Notre Dame, has discussed use of drugs on the campus. The use of drugs seems to be part of the shock psychology of the New Left. It is a demonstration of its spirit of rebellion and practical evidence of its unconventionality. Still another hallmark of the New Left is the use of obscene language. Here again is evidence of the desire to be different and to be nonconformist. Four-letter words are frequent in "New Left Notes," the publication of the S.D.S., the New Left's campus bastion. Its writings are designed not only to shock, but also to make the authors feel themselves to be part of the "liberal modern trend," which accepts and encourages such language in literature and daily life.

Some obscene language even appears in college newspapers. The Observer, student newspaper at the University of Notre Dame, carried an article last Dec. 8, on California's anti-nudity laws. The story contained a paragraph sprinkled with obscenities. The March 14 issue of "The Spectrum," a publication of the State University of New York, in Buffalo, published a review of a performance given by "The Fugs," a university musical group. The article described, in "frank" language, the music performed and the lyrics employed. The songs ranged from a gutter description of sex to an obscene description of American foreign policy.

The moral standards of many New Leftists can be summed up in the dictum: "Whatever you want to do goes!" S. D. S. members have held some meetings in rural resort areas with members of both sexes, dressed and undressed, using the same cabins. In sex, as in language, dress, and drugs, some New Leftists believe they can assert their individuality and personality by unconventional behavior. It is ironic, however, that members of the New Left in their desperate effort to throw off the fetters of convention adopt a code even more rigid and binding than what they throw off.

A San Francisco church recently offered its facilities to hippies, and a controversy arose. The clergyman who made the offer said that hippies have "a very strong and urgent spiritual hunger" and the church should help them. An official of the church, however, took exception, saying: "When a group of people reject the moral code of our society, curse and swear, are admitted fornicators, are physically unclean, reject, if not despise, the law, etc., I believe they are unChristian and immoral. The fact that they may practice principles which are also Christian, does not make them either Christian or religious."

Another key characteristic of the New Left is unrelenting criticism of the United States usually accompanied by approval of its enemies. The New Leftists not only shout that the United States is wrong but they also assert that this country must have an evil, malicious, and unworthy motive for almost any action it takes.

In the war in Viet Nam, the United States is accused of "murder," "destroying civilians," and "unjustified and immoral bombing." At the same time virtually nothing is said about Viet Cong or communist atrocities, raids, and terror tactics. This hatred of things American constitutes a devil theory of modern history.

An anti-Viet Nam war rally was held at the University of Hawaii on March 21, 1966. The platform of Hemenway hall was decorated with a large parody of the American flag. Dollar signs replaced the stars; the flag was red, white, and black, and the stripes were pointed. A Viet Cong flag was flown. There were two signs, one with swastikas at the top and bottom, which bore the legend, "Down with L. B. J. and his fascist running dogs."

The anti-Americanism of the New Left is demonstrated in many ways. Draft cards have been burned. The flag has been desecrated. Bitter attacks are made on American policy and on our leaders. In an anti-war demonstration in New York City, floats included a replica of the Statue of Liberty lying on its side. Trucks were filled with parts of mannequins to symbolize destruction in Viet Nam. There was a replica of a submarine painted yellow. More than 50 persons burned their draft cards in Central Park during the demonstration in a ceremony organized by the Cornell university chapter of S. D. S.

"They are a minority, a tiny minority, and not a very representative one at that," the Washington Daily News commented editorially on the New York draft card burning. "What unites them is their faulty vision. They have a truly, astigmatic view of the war. They ignore United States motives in Viet Nam: to let the South Vietnamese settle their political future free from subversion from the north. They ascribe to the United States only the basest of motives: murder, conquest, dominance."

One looks in vain for any comparable criticism of North Viet Nam, of its communist allies, Soviet Russia and Red China, from the New Leftists. Not all the New Leftists, or even a majority of them, are Communists, but many Communists are New Leftists. The New Leftists seem to share the basic communist hatred of America, a hatred that apparently can be satisfied only by the total destruction of this country.

In its nihilism and anarchism lies the danger of the New Left. The National Guardian of April 8 carried this analysis of S. D. S.: "A year ago S. D. S. was discussing the possibility of moving 'from protest to politics.' Today the discussion is 'from protest to resistance.' The distinction between politics and resistance is so great as to imply a qualitative change. By politics the S. D. S. meant the creation of a leftist political force in the United States that would work within the norms of society. By resistance, according to Gregory Calvert, S. D. S. national secretary, is meant this formulation: 'No matter what America demands, it does not possess us. Whenever that demand comes—we resist.'"

The concepts of "resistance," not working within "the norms of society," should be noted. The S. D. S. plans to organize unions of draft resisters. Carl Davidson, S. D. S. national vice president, said anti-draft organization "moves from protest activity to activity that takes on more and more of the characteristics of a seditious resistance move-

challenging his election under the Georgia election code of 1964. This litigation was terminated on March 30, 1967, by the Georgia supreme court's denial of a writ of certiorari to the Georgia court of appeals which, on January 25, 1967, had held in favor of Mr. BLACKBURN on the key issue in the case. In short, they adopted Mr. BLACKBURN'S contention that the election officials had been correct in programing the computers to reject ballots where the voter had punched out the scored block for either "straight Democratic ticket" or "straight Republican ticket" and also punched out the scored block for the congressional candidate of the opposing party. The court ruled that these were invalid "over-votes" and not valid "split ticket votes," as claimed by Mr. Mackay.

As a result of the adverse court decision, Mr. Mackay withdrew his election contest in the House by letter to the Speaker dated April 13, 1967. Accordingly, the committee has concluded that Mr. BLACKBURN should be declared to be entitled to his seat and urges adoption of House Resolution 542.

If the gentleman from New York [Mr. GOODELL] will permit me to, I would like to yield for 1 minute to our colleague from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I was named by the Speaker to serve on the Special Elections Committee on Campaign Expenditures which had its existence from the general election of 1966 until the organization of this Congress in January. As a part of my responsibility serving on that committee I was the Member of Congress who objected to the seating of the gentleman from Georgia [Mr. BLACKBURN] at the time that the 90th Congress was organized. I felt since the election was in doubt and was under contest by Mr. James Mackay that it was my responsibility to interpose this objection. In the light of the fact that Mr. Mackay withdrew his objection by his letter of April 13, 1967, I am happy to join with the subcommittee, that is, Mr. ASHMORE'S subcommittee, of the Committee on House Administration, of which I am also a member, and to endorse the recommendation of that committee.

Mr. GOODELL. Mr. Speaker, I also join in the committee decision in this instance to dismiss the contest brought by Mr. Mackay against the incumbent contestee, the gentleman from Georgia [Mr. BLACKBURN]. It should be emphasized that at this stage Mr. Mackay has requested the withdrawal of his contest, so there is really no issue left to argue about.

I think there is one point, however, that should be made in this debate which affects all of us in the possibility of election contests in our own districts in the future. We must move to clarify the whole procedure of election contests in the interim between the election date and the opening of a new Congress. In that period the jurisdiction lies to a degree in the Special Committee on Campaign Expenditures. As a practical matter, the ultimate decision for investigating and determining election contests rests with the new Congress and with the Subcommittee on Elections of the Committee on House Administration. We have had in the past confusion in election contest cases. The contester in some instances has felt he had complied with the law by giving notice of contest to the Special Committee on Campaign Expenditures and failed to give notice under the law to the Clerk of the House and the Subcommittee on Elections of the Committee on House Administration.

In addition, Mr. Speaker, it seems unnecessary that we have two such subcommittees operating with overlapping jurisdiction.

We have moved to a degree to provide that the membership of the Special Committee on Campaign Expenditures will be the same as the membership of the House Subcommittee on Elections.

Perhaps this would be a solution. In any event I believe this Congress should move to try to eliminate the overlapping and confusion that exists in the present law between the jurisdictions of these two committees. It caused some difficulty in this instance. The Special Committee on Campaign Expenditures, spent considerable time debating its proper jurisdiction, and the special committee ultimately, by a divided vote, recommended that the gentleman from Georgia [Mr. BLACKBURN] not be seated on opening day. There was considerable difference of opinion as to the proper jurisdiction of the Elections Subcommittee as distinguished from the campaign expenditures special committee in this situation.

Mr. Speaker, I would hope that we could move to eliminate any possibility of this type of confusion in the future.

Mr. Speaker, one other point should be made. It is clear from the history and the contest that was brought by Mr. Mackay, that there were serious difficulties experienced with the votomatic voting machines and the cards that were used and which were punched out by the voter. In many instances they apparently did not go through the machine properly.

There were difficulties in counting the ballots. Because of this there were a great many allegations, brought by Mr. Mackay, with reference to this subject matter. They were not crucial turning points in the determination of this case.

Mr. Speaker, we did not go into these allegations in any great detail in our subcommittee. We do not feel that it is our obligation as a committee of the Congress of the United States to investigate the relative merits of votomatic voting machines and other machine. But, certainly, when we are dealing with a problem of election contests and are trying in some instances to have a recount of the vote, we must be concerned with the automatic equipment which is used that might make it impossible to have an accurate recount, where such a recount may be indicated, as determined by our subcommittee.

Mr. Speaker, the difficulties were numerous with the votomatic machines in this election.

Another aspect of the election was the difficulty in controlling the votomatic cards. Allegations were made to the effect that some of them were left out in the corridors overnight and then put through the machines, and so forth.

Mr. Speaker, we do not pass judgment as a subcommittee, and as a committee we do not ask Congress to pass upon these allegations. But we do call attention to the fact that these allegations were made and that there appears to be some substance to the allegations that great difficulties were experienced with reference to this particular type of equipment.

It is very clear, however, that the decision of the Georgia courts to the effect that Mr. BLACKBURN won this election under the laws of the State of Georgia was correct and that the gentleman is surely qualified to be seated.

Mr. Speaker, the committee is unanimous in recommending the dismissal of this election contest.

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

Mr. GOODELL. I yield to the gentleman from Georgia [Mr. BLACKBURN].

Mr. BLACKBURN. Mr. Speaker, I want to say that I certainly appreciate and thank my colleague, the gentleman from Georgia [Mr. DAVIS] for joining in the endorsement of the resolution which has come from the Committee on House Administration.

I want to say on my own behalf that I am certainly grateful for the consideration shown to me by the leadership of the House and by the Members of the House during this period when this matter was under debate.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The title was amended so as to read: "An act declaring that Benjamin B. Blackburn was duly elected as Representative from the Fourth Congressional District of the State of Georgia to the 90th Congress and is entitled to his seat."

A motion to reconsider was laid on the table.

UNIFICATION OF JERUSALEM UNDER ISRAEL ADMINISTRATION

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

Mr. FARBSTEIN. Mr. Speaker, we have heard a great deal in recent days about the restoration of the status quo ante in Jerusalem. In a speech some days ago, I predicted that Arabs of Jerusalem, no less than Jews, would be pleased by the results of the unification of Jerusalem under Israel administration. The press reports since that time—and I speak of every reliable press source—confirm that this is the case. Jerusalem is free again, to Arabs, Christians, and Jews. What is holy to all three is receiving careful attention and the people of the former Arab sector are being treated with generosity and brotherhood.

I cannot help but contrast this, Mr. Speaker, to the late administration of the old section of Jerusalem under the Jordanian Government. A story which ap-

der the law because a noncandidate cannot claim a right to the seat. These precedents are cited on page 2 of Report No. 365 accompanying the resolution.

Therefore, in accordance with the precedents, we recommend dismissal of the case on the ground that Mr. Lowe is not a "contestant" for the seat within the meaning of the term as used in the contested-election law.

After the hearing on May 4, Mr. Lowe filed a petition with the Speaker, challenging Mr. THOMPSON's election on the same grounds asserted in the contested-election case, praying that the House investigate the election and declare the election invalid and the seat vacant. This petition was referred to the Committee on House Administration on May 8. It attacks Mr. THOMPSON's election on ground that the nomination of his Democratic opponent was illegal, being contrary to the Georgia Election Code and the rules of the State Democratic Party, and that, since there was no lawful Democratic candidate, the election of Mr. THOMPSON was a nullity. The report of the committee points out that there is no precedent for unseating a member because of the illegality of his opponent's nomination, even assuming it was illegal, ang that the establishment of such a precedent would jeopardize the integrity of congressional elections. If, as petitioner contends, the validity of a Member's election is dependent on the legality of his opponent's nomination, it is not difficult to perceive the potential danger to the integrity of congressional elections. If the House were to find out that there was no lawfully nominated Democratic candidate and to declare the election null and void for that reason, the door would be open for the party of a losing candidate in a congressional elections to impeach the election of the winning candidate by claiming that the election was invalid because the losing candidate had not been nominated in accordance with election laws and party rules.

It should be noted that, prior to the election, Mr. Lowe brought suit against the Democratic nominee and certain election officials, seeking to enjoin Mr. Lindsey's candidacy and ordering the call of a special Democratic primary. This suit was dismissed by the Georgia State court prior to the election.

Therefore, Mr. Speaker, I urge adoption of the resolution.

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

Mr. ASHMORE. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, was the contestant, Mr. Lowe, under the law at any time a nominee of any recognized political party in the State of Georgia?

Mr. ASHMORE. Mr. Speaker, I will say to the gentleman, Mr. Lowe was not. He was a candidate in the primary election, during the summer or fall, prior to the general election, but he was, I believe, third. He was not the nominee of the party at any time.

Mr. HALEY. Of no recognized political party in Georgia?

Mr. ASHMORE. No, sir.

Mr. HALEY. I thank the gentleman.

Mr. GOODELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I join the distinguished gentleman from South Carolina, who chairs this subcommittee, in the opinions he has expressed. I commend him for the fairminded and fairhanded way he handled the hearings, as he always does in these types of contests.

Our subcommittee spent a great deal of time on this case. We gave the contestant, or the alleged contestant, ample opportunity to argue his viewpoint, and it came down to a very simple matter. The alleged contestant, Mr. Lowe, was not a candidate. As the gentleman from South Carolina indicated, Mr. Lowe had been a candidate in the Democratic primary and failed. After the nominee of the Democratic Party withdrew, Mr. Lowe claimed there were some violations of Georgia law with reference to the nomination of the replacement of Mr. Weltner on the Democratic ticket. Those problems with the nomination of the Democratic candidate were carried to court.

There was a dismissal in the Georgia courts of Mr. Lowe's case. The duly authorized Democratic candidate ran against the Republican candidate, Mr. FLETCHER THOMPSON, and there is no contention that Mr. FLETCHER THOMPSON was in any way disqualified by his nomination or that there was any fraud of any other irregularity in the election of Mr. FLETCHER THOMPSON as a Member of this House.

As a matter of fact, Mr. Lowe never claimed the right to the seat himself. He simply wanted to have another election.

I would join the gentleman from South Carolina in indicating that whether we base our dismissal in this instance on the fact—and I believe it is a fact—that Mr. Lowe was not a candidate under the law and he had no standing as a contestant, or whether we base it on the more general grounds in dismissing his petition, we must not open the door to this kind of election contest.

It would open all of us, if we should accept such a contest, to a type of vexations harassment which certainly should not be permitted. If in any instance we were to permit this type of contest, a party which felt it had no chance would simply have to see to it that there were irregularities in nominating its own candidate. Thereafter it could challenge the election of the candidate who had been duly elected, claiming that the nomination of the defeated candidate was in some way in violation of law.

In this instance there is no question of the qualifications of the Republican candidate who won the election. His nomination was proper.

I strongly support the view of the committee and of our chairman that this case should be dismissed, including both the election contest and the petition which has been filed.

Mr. ASHMORE. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONTESTED ELECTION CASE OF JAMES A. MACKAY, CONTESTANT, AGAINST BENJAMIN B. BLACKBURN, CONTESTEE, FOURTH CONGRESSIONAL DISTRICT OF THE STATE OF GEORGIA

Mr. ASHMORE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 542 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 542

Resolved, That Benjamin B. Blackburn was duly elected as Representative from the Fourth Congresisonal District of the State of Georgia to the Ninetieth Congress and is entitled to his seat.

The SPEAKER. The gentleman from South Carolina is recognized for 1 hour.

Mr. ASHMORE. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. GOODELL], pending which I yield myself such time as I may consume.

Mr. Speaker, the purpose of this resolution is to declare that BENJAMIN B. BLACKBURN, Representative from the Fourth District of Georgia, was duly elected and is entitled to his seat in the 90th Congress. The question of the final right of the gentleman from Georgia to his seat was referred to the Committee on House Administration by House Resolution 2 adopted on January 10, 1967.

Briefly, the facts are that in the general election last November the incumbent Democratic Representative from the Fourth District of Georgia, James A. Mackay, was defeated in a very close race by the Republican candidate, Mr. BLACKBURN. Voting was conducted by use of Votomatic vote recorders and punchcard ballots tabulated on computers. Mr. Mackay challenged the election results, claiming that the computers erroneously failed to count about 7,000 votes and that the procedures for duplicating defective ballots were improper. His charges were the subject of a limited investigation by the Special Committee to Investigate Campaign Expenditures, 1966, which filed a report recommending that Mr. BLACKBURN be made to stand aside at the swearing in of the Members of the 90th Congress and that he not be seated until the election contest could be resolved.

While the matter was before the special committee, Mr. Mackay filed a formal election contest in the House of Representatives under the contested-election law.

On the opening of the 90th Congress, an objection was made to the administration of the oath to Mr. BLACKBURN and he was asked by the Speaker to stand aside while the other Members were sworn. Thereafter, pursuant to House Resolution 2, he was conditionally seated and the election contest was referred to the Committee on House Administration to determine, in the words of said resolution, "the final right of Benjamin B. Blackburn to a seat in the 90th Congress."

While the contested-election case was in progress in the House, a group of Mr. Mackay's supporters filed suit against Mr. BLACKBURN in a Georgia State court,

peared in the New York Times on July 4, a dispatch from Agence-France-Presse, tells of how the Jordanians, during their 20-year rule in Jerusalem, removed gravestones from the Jewish cemetery on the Mount of Olives, one of the holiest cemeteries in the Judaic world, and used them, literally, to pave the road to Jericho. The inscriptions on the stones were still visible to the reporter who wrote the story. I trust that every Member of this body is as outraged as I by this barbaric conduct on the part of the Jordanians.

Mr. Speaker, one might also have noted a story in the New York Times of July 9, telling of the damage the Jordanians did to the highly regarded Rockefeller Archeological Museum in Jerusalem. The damage to the museum was slovenliness; to the cemetery, it was deliberate sacrilege. Is there any civilized human who thinks that the Arab government of Jordan deserves to have restored to it the honor of taking care of the holy places of three great religions? I regard such an idea as folly. In my view, Jordan has forfeited its rights in Jerusalem forevermore.

Never again, Mr. Speaker, can such gross irresponsibility be tolerated. Premier Eshkol has indicated that Israel would be amenable to the presence of some international guard of the holy places of Jerusalem. I favor such a symbolic detachment. What we must never countenance, however—not for a minute—is a return to the way things were before last June 5.

I include the full text of the July 4 article from the Times and the relevant paragraphs of the July 9 article:

JORDAN DESECRATED A JEWISH CEMETERY

JERUSALEM, July 3 (Agence France-Presse).—Many gravestones removed from the Jewish cemetery on the Mount of Olives were used to build Jordanian Army Camps at Al Azariya and Sur Bahir.

The Mount of Olives, which for centuries had been the burial ground for the Jerusalem Jewish community, was occupied by Jordan after the 1948 war and had been inaccessible to Jews until Israeli forces seized Jordanian Jerusalem June 7.

Newsmen who toured the camp, on the road to Jericho, saw dozens of gravestones, their inscriptions still legible, in walls and flooring.

The Minister of Religious Affairs, Dr. Zerah Wahrhaftig, who was on the tour, called the sacrilege deliberate. He said that by such acts Jordan had proved unworthy to be a custodian of holy places.

ISRAEL REPAIRING RAVAGED MUSEUM—BUILDING USED AS A FORTRESS GETS READY FOR VISITORS

(By James Feron)

JERUSALEM, July 8.—An Israeli workman spent this week removing the plaster that had long concealed the chiseled Hebrew signs on the walls of the Palestine Archeological Museum in the former Jordanian sector of Jerusalem.

The three languages of the British mandate—English, Arabic and Hebrew—had been used when the handsome stone building, familiarly known as the Rockefeller Museum, came into use in the middle nineteen-thirties. The Rockefeller family donated funds for the museum in 1927 but stipulated that it should not bear the Rockefeller name.

For the 19 years of Jordanian operation the Hebrew lettering had been hidden, plastered in where it was etched into the stone, hidden elsewhere with cardboard or display cases.

Staff members of the Israel Museum, whose archeological department is assuming control, have been removing the rubble of war to prepare one of the best known of Middle Eastern museums for an expected rush of visitors.

MUSEUM BECAME FORTRESS

Jordanian soldiers had used the fortress-like museum as a military position. It was one of the last buildings to fall before the Old City walls, which are across the street, were breached on June 7.

The signs of battle are everywhere, and some will last for some time. Most of the windows are broken. Shrapnel holes punctured the ceiling and walls, and new cracks have been made in ancient pots and jars.

Some ancient glass items spun 180 degrees during the shelling. They remained intact but their showcases splintered.

Dr. Avraham Biran, director of the Government antiquities department, said that it would cost about $80,000 to make repairs.

AVOIDING WATER POLLUTION IN NORTHEAST TEXAS—REMARKS OF FRANKLIN JONES, SR.

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

Mr. PATMAN. Mr. Speaker, my distinguished constituent, Mr. Franklin Jones, Sr., a prominent east Texas attorney, has shared my interest and concern for the lakes, rivers, and streams of northeast Texas for many years. As president of the Cypress Valley Navigation District, he has watched with particular concern the water problems resulting from industrial and population growth in many areas of our Nation, and has shown great foresight in alerting the people of the First Congressional District to the need for comprehensive planning to protect our waterways. Excerpts from Mr. Jones' recent address to the Marion County Chamber of Commerce were cited in an editorial in the Marshall News Messenger, July 2, and I enter this editorial in the RECORD:

CLEAN WATER

Speaking before the Marion County Chamber of Commerce last April, Franklin Jones Sr., focused public attention on a subject that is seldom considered in Northeast Texas—water pollution.

Our streams, rivers and lakes are clean, we say, and free of pollution. That's a problem for the big cities, we think.

Jones, however, sounded the alarm in noting this area's lack of industrial growth in bygone years may have been a blessing in disguise. But he pointed out that this region is now beginning to grow industrially, with possibilities unlimited, and that new industries should install pollution control devices, keeping the water free of pollution.

"Had Northeast Texas undergone an industrial boom several years ago, it would now be attempting to eradicate the pollution problem as other areas are," Jones said. "Now as industry comes to our land, we can take precautions to keep our waters clean," he continued.

So two months ago, Jones, president of the Cypress Valley Navigation District was bringing attention to the pollution problem in Northeast Texas. The visit to Texas of the President's Water Pollution Control Advisory Board has now served to focus public attention on this very important problem of this generation: How can we assure this and succeeding generations of Texas an adequate supply of potable water?

Texans have thought big in many fields, but have betrayed only a limited vision on the subject of water supplies until recent years. Population growth and industrialization have forced a complete reappraisal of the question of water supply and distribution. The first tentative steps toward major redistribution of water supplies through interbasin transfer have already been taken. As with most beginnings the extent and the nature of the ultimate plan is still uncertain.

In any comprehensive water plan for the state, though, the question of water pollution assumes paramount importance. For wise use and reuse of water is essential to a successful program. This means that a municipality or an industry which uses water must return it to a river system without having reduced substantially its quality.

The responsibility for pollution must be shared. There is more than enough blame to go around. It will not do to just blame industry for all our pollution woes. Municipalities, through sewage and storm sewer facilities, remain one of the most troublesome offenders of all. The people are as much to blame as business and industry and share responsibility for abating pollution.

We in Texas are barely on the threshold of revolutionary developments in water treatment. Primary treatment is no longer good enough. Secondary and tertiary treatment may be required in many industries. Some industries may indeed be forced out of business if adequate treatment of waste waters cannot be developed. The days of "to hell with the downstream users" are over.

Water treatment in Texas is going to be a tremendously expensive business. Tens of millions of dollars will be required for research to develop new processes or improve those now used. But there is no escaping the necessity for adequate treatment of water before it is returned to a river or stream. The health of our people as well as the economic well-being of our state, as Jones pointed out, demand it.

BIG CORPORATIONS DOMINATE

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

Mr. PATMAN. Mr. Speaker, over the course of many years in the Congress, I am strongly impressed with the great contribution of a few outstanding thinkers who combine a dedication to our democratic principles with a keen awareness of economic and social realities. One of this distinguished group is Prof. J. Kenneth Galbraith of Harvard who, over the many years, has shown a great capacity for casting his bright light on the society around us and showing, in sharp focus, what the facts are and, even more important, how existing facts often deviate from our hopes and expectations. Unlike many other thinkers in and out of academic life, professors like J. Kenneth Galbraith are not blinded by their own preconceptions or misconceptions. They are accurate and brilliant observers of the world around them.

Professor Galbraith's latest contribution to thinking on public policy is a new book entitled "The New Industrial State." It deals with a matter that vitally concerns all of us here in the Congress—namely, the role of the huge corporation in our society. It is his thesis that our economy is dominated by some 500 huge corporations which are controlled not so much by stockholders as by their own

managerial officials. And their power and size frees them from their reliance on the traditional market economy. They raise their own money through pricing and goods high enough to permit capital accumulation and they are powerful enough to manipulate demand in the market.

Of particular concern to us in the Congress is his observation of how weak our antitrust enforcement has proven in reaching and coping with this growing dominance of the big corporation. I do not agree with Professor Galbraith's pessimism about the total ineffectiveness of antitrust laws. They continue to be our main hope and bulwark to stem a dangerous trend toward monopoly. But I think he has done a great service in exposing existing weaknesses. It is my fervent hope that this excellent book will be read widely by those of us in the Congress who are becoming more and more concerned by the merger trend and with the imperfections of existing antimonopoly laws. In my opinion, we must strengthen these laws to preserve what is left of our free competitive economy.

The book, of course, is not primarily a treatise on antimonopoly provisions. It undertakes to analyze broad trends in our industrial society and, as such, it will be read by many people concerned with public policy. At the same time, it has particular relevance for antimonopoly policy. I commend it to the attention of my colleagues and all members of the public who are interested in public policy.

I submit for the RECORD a summary of some of Professor Galbraith's conclusions on these matters which appeared in an article in the Atlantic Monthly for May 1967. Part of this article follows:

MARKET PLANNING AND THE ROLE OF GOVERNMENT

(By John Kenneth Galbraith)

In fact since Adam and as a matter of settled doctrine since Adam Smith, the businessman has been assumed to be subordinate to the market. In last month's article I showed that modern highly technical processes and products and associated requirements of capital and time lead inevitably to planning—to the management of markets by those who supply them. It is technology, not ideology, that brings this result. The market serves admirably to supply simple things. But excellent as it may be on muskets, it is very bad on missiles. And not even the supply of components for the modern automobile can be trusted to the market; neither is it safe to assume that the market will absorb the necessary production at a remunerative price. There must be planning here as well.

The principal planning instrument in the modern economy is the large corporation. Within broad limits, it determines what the consumer shall have and at what price he shall have it. And it foresees the need for and arranges the necessary supply of capital, machinery, and materials.

The modern corporation is the direct descendant of the entrepreneur. This has kept us from seeing it in its new role. Had the corporation been an outgrowth of the state, which we readily associate with planning, we would not be in doubt. The modern corporation has, in fact, moved into a much closer association with the state than most of us imagine. And its planning activities are extensively and systematically supplemented by those of the state.

Let us consider first the regulation of prices in the modern economy and the means by which public behavior is accommodated to plan. Here, I should warn, we encounter some of the more deeply entrenched folk myths of our time, including a certain vested interest in error on the part of both economists and businessmen. If one takes faith in the market away from the economist, he is perilously barren of belief. So, he defends the market to defend his stock of knowledge. And the large corporate enterprise needs the concept of the market as a cover for the authority it exercises. It has great influence over our material existence and also our beliefs. But accepted doctrine holds that in all of its behavior it is subordinate to the market. It is merely an automation responding to instructions thereform. Any complaint as to the use or misuse of power can be met by the answer that there is none.

Control of prices is an intrinsic feature of all planning. And it is made urgent by the special vagaries of the market for highly technical products. In the formally planned economies—that of the Soviet Union, for example—price control is a forthright function of the state, although there has been some tendency in recent times to allow some of the power of prices to devolve on the socialist firm. In the Western-type economies, comprehensive systems of price control have come about by evolution and adaptation. Nobody willed them. They were simply required by circumstance.

The power to set minimum industrial prices exists whenever a small number of firms share a market. The innocent at the universities have long been taught that small numbers of firms in the market—oligopoly, as it is known—accord to sellers the same power in imperfect form that has anciently been associated with monopoly. The principal difference is the imperfect nature of this monopoly power. It does not permit the exploitation of the consumer in quite such efficient fashion as was possible under the patents of monopoly accorded by the first Elizabeth to her favorites or by John D. Rockefeller to himself.

But in fact, the modern market shared by a few large firms is combined, in one of the more disconcerting contradictions of economic theory, with efficient production, expansive output, and prices that are generally thought rather favorable to the public. The consequences of oligopoly (few sellers) are greatly condemned in principle as being like those of monopoly but greatly approved in practice. Professor Paul Samuelson, the most distinguished of contemporary economists, warns in his famous textbook on economics that "to reduce the imperfections of competition" (by which he means markets consisting of a small number of large firms or oligopoly) "a nation must struggle perpetually and must ever maintain vigilance." Since American markets are now dominated by a very few small number of very large firms, the struggle, obviously, has been a losing one and is now lost. But the result is that the economy functions very well. Samuelson himself concludes that man-hour efficiency in the United States "can hardly help but grow at the rate of three per cent or more, even if we do not rouse ourselves." A similar conflict between the inefficiency of oligopoly and the efficiency of an economy composed thereof is present in every well-regarded economic textbook. Samuelson agrees that technology and associated capital use are what improve efficiency. But these are precisely what require that there be planning and price control.

And here we have the answer. Prices in the modern economy are controlled not for the purposes of monopolistic exploitation. They are controlled for purposes of planning. This comes about as an effortless consequence of the development of that economy. Modern industrial planning both requires and rewards great size. This means, in turn, that a comparatively small number of large firms will divide the production of most (though not all) products. Each, as a matter of ordinary prudence, will act with full consideration of its own needs and the common need. Each must have control of its own prices. Each will recognize this to be a requirement of others. Each will foreswear any action, and notably any sanguinary or competitive price-cutting, which would be prejudicial to the common interest in price control. This control is not difficult either to achieve or to maintain. Additionally, one firm's prices are another firm's costs. So, stability in prices means stability in costs.

The fact of control is far more important than the precise level at which prices are established. In 1964 in the United States, the big automobile companies had profits on their sales ranging from 5 percent to over 10 percent. There was security against collapse of prices and earnings for firms at either level. Planning was possible at either level of return. All firms could function satisfactorily. But none could have functioned had the price of a standard model fluctuated, depending on whim and reaction to the current novelties, from, say, $1800 to $3600, with steel, glass, chrome, plastics, paint, tires, stereo music, and labor moving over a similar range.

However, the level of prices is not unimportant. And from time to time, in response to major changes in cost—often when the renegotiation of a wage contract provides a common signal to all firms in the industry—prices must be changed. The prices so established will reflect generally the goals of those who guide the enterprise, not of the owners but of those who make the decisions. Security of earnings will be a prime objective. This is necessary for autonomy—for freedom from interference by shareholders and creditors. The next most important goal will be the growth of the firm. This is almost certainly more important than maximum profits. The professional managers and technicians who direct and guide the modern firm do not themselves get the profits. These accrue mainly to the shareholders. But the managers and technicians do get the benefits of expansion. This brings the prestige which is associated with a larger firm and which is associated with growth as such. And as a very practical matter, it opens up new executive jobs, new opportunities for promotion, and better excuses for higher pay.

Prices, accordingly, will be set with a view to attracting customers and expanding sales. When price control is put in the context of planning, the contradiction between expectation of monopolistic exploitation and expectation of efficiency, which pervades all textbook discussion, disappears. Planning calls for stability of prices and costs, security of return, and expansion. With none of these is the consumer at odds. Reality has, by its nature, advantages of internal consistency.

I must mention here one practical consequence of this argument, namely, its bearing on legal action against monopoly. There is a remarkable discrimination in the way such measures, notably the antitrust laws are now applied. A great corporation wielding vast power over its markets is substantially immune. It does not appear to misuse its power; accordingly, it is left alone. And in any case, to declare all large corporations illegal is, in effect, to declare the modern economy illegal. That is rather impractical—and would damage any President's consensus. But if two small firms making the same product seek to unite, this corporate union will be meticulously scrutinized. And very possibly, it will be forbidden. This may be so even though the merged firm is miniscule in size or market power as compared with the giant that is already a giant.

The explanation is that the modern antimonopoly and antitrust laws are substantially a charade. Their function is not t