LATAM SUMMIT MEETING

coverage to primaries and nominating conventions, and to modernize its limitations on spending by individuals. Title II of the bill would establish the Federal Elections Commission and require all political committees active in Federal elections, or in more than one State, to file with the Commission detailed statements of organization and reports of contributions and expenditures. Title III would require every candidate for Congress, and every elected Senator and Representative, to file reports disclosing the receipt of gifts and honorariums.

I have made one significant addition to this generally excellent measure, by adding a new section which authorizes the Federal Elections Commission to receive, process, audit, and publish reports on any statements or financial reports voluntarily submitted by campaign committees and organizations which are not required to comply with the provisions of the act. Since the mandatory reporting provisions of the act are necessarily restricted to committees involved in Federal elections or interstate activities, this amendment, while not requiring any compliance with the act by intrastate committees, would expressly permit the Commission to process reports from such committees if they are voluntarily made.

The importance of this amendment is its relation to the second bill I am offering today. This measure would provide a Federal income tax credit covering one-half of the amount of any political contribution up to $20, in the case of an individual taxpayer, and up to $40 in the case of a husband and wife filing a joint return. A number of my colleagues have also introduced bills providing tax relief, through full or partial credit or deduction, to offset contributions to all or some political committees. Many of these proposals, however, restrict eligible contributions to those made to national or State party committees.

The unique feature of my bill is that it would cover contributions to all political committees which comply with the reporting requirements of the Election Reform Act. This provision would obviously embrace all interstate committees, including both national committees, national third party organizations, and special groups organized for nationwide operations in one election or in support of one group of candidates. It would automatically cover all committees operating in elections for the House and Senate, since they would be required to comply with the Election Reform Act. Finally, it could also cover those State and local committees, including both regular party organizations and one-candidate or special-purpose groups, which elect to file statements and reports with the Commission in accord with the modified version of the Election Reform Act which I have outlined above.

The effect of this legislation on all interstate and Federal election committees would be to require them to disclose their receipts and expenditures, according to uniform regulations, and to permit them in return to encourage small contributions with the incentive of a 50 percent tax credit. The effect of the legislation on State and local committees would be to encourage them to make similar disclosures as the price of offering their contributors similar tax relief. In this regard, I might note that, while it would be imprudent, and possibly unconstitutional, to require such intrastate committees to meet Federal standards, it does not appear inappropriate to ask voluntary compliance with such Federal disclosure standards as a prerequisite for indirect support from Federal funds.

Mr. Speaker, under the rules of the House these bills will be considered by two separate committees. I believe, however, that they should be evaluated as a single proposal, one which would combine the carrot of tax relief with the stick of public disclosure. I feel that this is the best way to begin to reform campaign financing, in a manner which both encourages citizens to support the party of their choice, and insure that the public will know what is being done.

THE PRESIDENT'S LEADERSHIP AT A HISTORIC CONFERENCE

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

Mr. BOGGS. Mr. Speaker, the American people are proud of the President's performance at Punta del Este. They are proud because they share his belief that the United States is anxious to be full partners in the social and economic development of this hemisphere.

The historic conference at Punta del Este was a success. I believe that we will build on the trust, good will, and understanding achieved among the heads of state in the months and years to come.

We did not go to Punta del Este as bankers or credit counsellors—but as friends of Latin America, committed to their strength and security in the community of nations.

As a result, I think there is greater awareness of our resolve to work as partners and to be responsible and trusted neighbors.

I am glad to report that the overwhelming sentiment of our Nation's press agrees that this conference was successful and gives credit to the one man—above all others—who helped to make it so: Lyndon B. Johnson.

Under unanimous consent I insert a random sampling of these editorials in the RECORD:

[From the Cleveland Plain Dealer, Apr. 16, 1967]

SELF-HELP IN LATIN AMERICA

Success of the latest Inter-American Conference at Punta del Este will depend on future action by Latin American leaders.

The area's presidents, after meeting together, always have promised to bring about a better life for the masses of Latin Americans.

This time, spurred by the dynamic presidents of Chile and Peru, there seems to be better hope of forthcoming economic and political reforms. The surface solidarity of the presidents at the conference, barring Ecuador, was encouraging. There was an

President Johnson's participation was limited, comparatively. He had few financial gifts to proffer at this meeting because the United States Senate put a temporary lock on the purse strings. This had the effect of forcing the Latin American nations to do more active planning. This was good. While the United States can help these nations develop, through financial and technical aid, there are limits to U.S. involvement.

The United States trade volume with Europe is enormous. The U.S. is closer, by heritage to Europe. The cultural differences between the United States and Latin American countries often are formidable.

President Johnson could not commit this nation to significantly increased aid in dollars while he was at Punta del Este. But latest Alliance for Progress reports show that economic growth in Latin America barely has been keeping pace with the rising population. Before the United States thinks of a common market with Latin America, before larger shares of U.S. markets are conceded, there must be much stiffer internal reforms in Latin American countries.

After this sixth Punta del Este conference, the onus for action is squarely on those South of the U.S. border.

[From the Atlanta Constitution, Apr. 15, 1967]

SUCCESS AT PUNTA DEL ESTE

The Punta del Este conference of Latin American heads of state was a success. Its only contention came as a result of President Johnson's inability to offer specific terms of aid. This was prevented by congressional action just before the conference began, in moves initiated by Sen. Fulbright.

At any rate, the presidents of the American republics approved a declaration of purpose and an "action program" designed to achieve economic integration—a common market—for the Americas. Bolivia was the only nation not represented at the meeting.

The presidents proclaimed "the solidarity of the countries they represent and their decision to achieve the fullest measure the free, just and democratic social order demanded by peoples of the hemisphere."

In summary, the declaration contained the following points:

"Latin America will create a common market. The President of the United States, for his part, declares his firm support for this promising Latin-American initiative.

"We will lay the physical foundations for Latin-American economic integration through multnational projects so as to open the way for the movement of both people and goods throughout the continent.

"We will join in efforts to increase substantially Latin-American trade earnings.

"We will modernize the living conditions of our rural populations, raise agricultural productivity in general and increase food production for the benefit of both Latin America and the rest of the world.

"We will vigorously promote education for development."

If this program can be carried out, productivity of the world's fastest-growing population can be increased. It is significant, although offered substantial American aid, the countries have agreed to do so much on their own. In fact, the conference ended with praise for Mr. Johnson for not coming with promises of sackfuls of new money and pleading instead for more than lip service to their new projects of economic integration and help.

Should the program proceed, Latin American economic development can be speeded up by years. It is yet to be demonstrated, however, how programs of land reform and aid for the masses of the poor will be effected. Also is evidence of a strengthening of the Alliance for Progress.

[From the Boston Globe, Apr. 15, 1967]

MR. JOHNSON STEPS LIGHTLY

Inasmuch as he is President of the United States, President Johnson had been expected by some of his hosts to arrive at the now ended conference of the presidents of American republics with what some of the delegations described as sacks full of money.

He did not, thanks largely to the Senate Foreign Relations Committee which refused to give him what amounted to a check for $1.5 billion. Thus, a U.S. President, for the first time at any economic conference in years, left not one dollar behind nor even the unconditional promise of dollars to come. And the strange part of it is, Mr. Johnson, formerly at least, was more or less acclaimed for it by the other presidents. The conference had been billed as Latin America's own. It was just that, and, if most presidents were disappointed, they did not put their disappointment into words.

There was some disgruntlement, of course, such as the Ecuadorian president's not entirely unjustified complaint that the United States, now spending billions in Vietnam, has done more for its defeated enemies in World War II than for its neighbors and allies in this hemisphere.

But Mr. Johnson was firm. The criterion he laid down was both new and stern. The contributions which he hopes Congress may authorize in the future will not be niggardly, in his planning, but they will be based on tangible performance of the pledges which the other governments had made to help themselves and to institute real, rather than showcase, social reforms, especially land reform.

Mr. Johnson sounded for all the world like a rich uncle who is closely watching the behavior of his nephews. This could have been upsetting, except that it was accepted in the spirit in which it was meant. The President's rhetoric was free-flowing, but he was careful to predicate his promises on the Congressional debates to come, and, since the Latin American presidents can read the Washington dispatches, too, they knew ahead of time that Mr. Johnson is not exactly a favorite of Sen. Fulbright's committee.

The President pledged that, if the Latin American republics create the common market they have said they intend to create, he, in turn, will ask Congress for a fund to ease their transition to an integrated economy. He promised to ask Congress for other grants as well—all of them conditional—for the Inter-American Bank, for preferential tariff advantages, for agricultural and health programs, for education, for an inter-American science and technology foundation, for exploring the possibilities for the peaceful uses of atomic energy, for establishing Alliance for Progress Centers at colleges and universities in the United States.

Some conference observers have spoken disappointedly of the absence of any illusions of immense success.

But this is good. The world has had enough of its illusions blasted. The conference faced some of the harsh realities of international life. There is progress in that.

[From the New York Post, Apr. 17, 1967]

FOOTNOTES TO PUNTA DEL ESTE

After a fitful campaign of several years' duration, in which there were more defeats than victories, the leaders of the Alliance for Progress in Latin America returned to Punta del Este to regroup.

This was a wartime conference of allies, in many ways, and there was no spirit of defeatism or retreat about it. On the contrary, some promising new tactics were agreed on and a sense of comradeship and confidence was generally evident.

The most significant element in that spirit is the surging determination of a new generation of progressive Latin American leaders that their people shall become masters of their own fates, directors of their own destinies. This common purpose may mean infinitely more, at this point, than a common market.

President Johnson's sympathetic statements during the conference and his practice of the pragmatic, personal diplomacy at which he is expert reflected a successful effort by the U.S. to re-identify with that purpose.

He and the other Presidents now know each other somewhat better and there is renewed hope that they may understand each other better. The U.S., even with a limited aid commitment to Latin America, cannot play down its economic influence in the region—its huge investments and the export markets it now furnishes are too great—but the influence can be used far more constructively and creatively.

In the years since the first Punta del Este conference, great gulfs opened up between promises and performance, between Presidents and peasants. Most of them are still widening otday. The contribution of the second Punta del Este conference will be measured by its success or failure in bridging them. It is much too early to assert that we have made a real breakthrough in the basic war between the "haves" and "have-nots" of this continent.

[From the Louisville, Ky., Courier Journal, Apr. 17, 1967]

PUNTA DEL ESTE TURNED OUT WELL

Surprisingly, given the context of the meeting, the conference at Punta del Este has turned out well. The Senate may even have done President Johnson a favor by showing his fellow delegates that our governmental theory of checks and balances really works.

The declaration of aims that crowned the conference is an inspiring one, even if it does to some extent reiterate the unfilled promises of previous gatherings. And although the Senate Committee on Foreign Relations refused to approve a fixed sum of money for the President to promise his colleagues of Latin America, this does not mean that the senators will refuse to go along with his moderate pledges to secure aid for the objectives of the conference.

Indeed, these objectives are what the committee has been urging as applicable to all recipients of foreign aid. They embody a willingness at least to aim for more self-sufficiency, wider trade, improved education, health and housing. With all of these things the committee in general and Senator Fulbright in particular, have usually been in sympathy. It has been the seeming lack of effort on the part of our negotiators to insist on them that the committee has criticized in the past.

While most of the goals, particularly the idea of a common market, must be far in the future, this conference seemed to express a common purpose and a note of unified aspiration that bodes well. If the narrow nationalisms of the past can be merged in some unified effort for the future, then the United States not only should but must furnish all the material aid and moral support it can to help it succeed.

[From the Hartford Courant, Apr. 16, 1967]

LATIN AMERICAN HOPES

President Johnson's statement that he left the conference of American Presidents at Punta del Este "in good heart" happily seems to be a good deal more than diplomatic rhetoric. Even before he went to Uruguay last week, statistics showed that considerable progress in economic development and general living conditions has been achieved since the historic beginnings of the Alliance for Progress six years ago.

Now, in a declaration that is intended as a blueprint for further advances, Latin American heads of state envision a common market in 1985, and important self-help programs in further economic integration, in education, health and technological exchange. If not much time was spent on social reform directly, President Johnson apparently sees this phase of the Alianza dream prospering as the economic situation prospers. In all events, he reminds that economic and social development is a task not for sprinters but for long-distance runners—not to the swift but the strong. And he never said a truer word in optimism or in caution.

But what seems extremely encouraging about not only the conference but the overall picture was the almost fierce pride of self-dependence that ran through the sessions. The Presidents ended by praising Mr. Johnson for not coming to Punta del Este with sackfuls of money, and for pleading instead for more than lip service to new projects for self-help. Small Ecuador does not feel quite the same way, as its interim President, Otto Arosemena Gomez, heatedly pointed out. But as for the rest, the tenor of their discussions was for mutual cooperation and self-aid. And since this was a point on which Congress had been plainly concerned before Mr. Johnson went to Uruguay, such determination not to rely more and more on the United States is as encouraging as it is intrinsically important.

As always, the proof of the pudding will be in the eating—quite literally better eating for the people of Latin America, among other things. One may especially hope that President Johnson is correct in feeling that social reform—one of the two chief aims of the Alianza—will somehow go hand in hand with economic advance. Actually, more concrete thought will have to be given to this matter eventually. But by and large the Punta del Este sessions at the moment appear to merit Mr. Johnson's description of being "extremely valuable."

[From the Baltimore (Md.) News American, Apr. 18, 1967]

MILESTONE IN URUGUAY

The summit meeting at Punta del Este in Uruguay was not the unqualified success hoped for by some optimists. Yet it certainly was no failure.

Agreement by leaders of 18 Latin-American nations to establish a Common Market in the area, and to work more closely together to achieve other joint social and economic progress, was undeniably an event of historic importance.

Refusal by Ecuador to sign the pledge of mutual cooperation toward these goals dramatized an undercurrent of South American dissatisfaction with the United States role. Many delegates privately agreed—and with good reason—that the U. S. has woefully ignored their need for massive aid, and even at the conference failed to pledge them the assistance they will require.

On the other hand, this nation also failed to get all it wanted. This final joint declaration contained no reference of the Communist threat to this hemisphere. The U. S. also originally had urged that the long-sought Latin American Common Market be speeded to become operative within 10 years, instead of the 1985 target date fixed at the summit meeting.

Despite the disappointing behind-the-scenes compromises, and the open criticism of the U. S. expressed by Ecuador, the conference ended in a general show of harmony. This in itself was a remarkable achievement, considering vast differences and the intense nationalism that have kept Latin-America divided so long.

What will come of the summit meeting remains to be seen. At best, as President Johnson pointed out, the long and difficult road to hemispheric unity is one that will require the stamina and dedication of long-distance runners.

All concerned will have to prove in acts which will be difficult that their pledges are not mere words. For our part, the U. S. must begin to show in more tangible ways that it realizes the tremendous importance of the task.

If all work together, the fine words proclaimed at Punta del Este can be translated into reality. It is the goal of hemispheric cooperation originally envisioned by the great South American liberator, Simon Bolivar, and it is a goal worth many sacrifices.

A spread of Cuba's communism could be the price of failure.

[From the Providence Journal, Apr. 17, 1967]

A NEW TARIFF SYSTEM

President Johnson has pledged as emphatically as he possibly could at the Punta del Este summit conference that the U.S. will strive to gain worldwide tariff concessions for developing nations.

Mr. Johnson couldn't have addressed a more appreciative forum. The depth of the prosperity gap in Latin America has few rivals except in the most distresed corners of Southeast Asia and Africa. The leaders who listened to the President are thoroughly familiar with the latest international trade figures that show how the poor nations are getting a smaller and smaller slice of world trade.

Major revisions of tariff policies among the advanced industrial nations is of the utmost urgency. Projections of a decade ago by economic commissions and panels of trade experts, figuring the development rate among poor nations, were much to optimistic. National economies, notably in South America, have been hopelessly outdistanced by the sharply increased birth rate. Food production, rather than booming as was expected under the stimulus of aid, has lagged.

There should be no illusions that a whole new system of tariffs among advanced nations will change all this. But a handful of industrial nations, with a small fraction of the world's population which consumes more than half of the world's output, must face up more squarely than heretofore to the moral overtones of international trade talks.

This imbalance in wealth need not forever worsen. Most obviously, poor commodity-producing nations should be spared sharp price declines for their exports. If production cutbacks are the answer, then impoverished countries with fledging industries need markets in the U.S. and Western Europe. Perhaps Australia offers a shining example of a more liberal trade policy over the import of semimanufactured products of developing nations.

Progress elsewhere will come when a halt is called to the footdragging over flimsy questions like: "What is a developing country?" Hopefully, President Johnson's call for action at Punta del Este will put aside unreasonable cautions over trade concessions to underdeveloped countries.

THE LATE HONORABLE CHRISTIAN A. HERTER

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

Mr. BOGGS. Mr. Speaker, in February of this year, our colleague, BILL BATES, of Massachusetts, led the tributes paid to our late distinguished colleague in this House, Christian A. Herter. At that time, I was unable to add my praise of this most distinguished American who served his State and our Nation in many responsible posts in public service, culminating with his appointment by former President Eisenhower as Secretary of State.

For 50 years, Christian Herter gave of his energies and talents in the service of our country, and I am proud to have known him and to have shared his friendship. Even after his tenure as Secretary of State, 1959–61, under President Eisenhower, Christian Herter once more answered the late President Kennedy's call to serve again, this time as our Nation's Special Representative for Trade Negotiations. He worked diligently and with dedication to make our current Kennedy round negotiations in Geneva a success, and our country is indeed in his debt.

The fact is, Mr. Speaker, that it was Christian Herter and the late Will Clayton who joined together in early 1962 to write a proposed liberalized trade policy for our country—a policy that was outward looking and progressive—and a policy which was carried forward with the enactment that year of the Trade Expansion Act of 1962. It was an honor for me to work with Secretary Herter and Will Clayton to help engender congressional and public support for passage of the Trade Expansion Act; they contributed immeasurably to the success of the hearings on our Nation's economic and trade policies which I directed in December 1961, as chairman of the House-Senate Subcommittee on Foreign Economic Policy.

Secretary Herter always evinced a spirit of cooperation with our allies, and he gave of his time and his energy and his full talents to the advancement of our Nation. He began his career as an attaché in the American Embassy in Berlin in 1916–17 until the United States entered World War I. He was assigned to the American delegation to the peace negotiations at Versailles. Later he was an Assistant to Secretary of Commerce Herbert Hoover for 5 years. For 12 years he was a noted member of the Massachusetts State Legislature, and for the last 4 years of his service, he was speaker of the house. For 10 years, from 1943 to 1953, he represented his district and State as a Member of this House, Mr. Speaker, and he brought honor and credit to this body by his good works here. Following his service with us, he was elected Governor of his own State of Massachusets and served until 1957. Then President Eisenhower appointed him Under Secretary of State. Two years later, he succeeded the late John Foster Dulles as Secretary of State, where he served admirably and well.

With men of the caliber, dedication, and wisdom of Secretary Herter, regardless of which political party they profess, we need have no fear for the future of the United States. He was a soldier in the service of his country, and I am proud to salute him on this occasion. It is said, Mr. Speaker, that many are called, but few are really chosen. I believe that Christian Herter answered every call to serve his country, and he was one of those "chosen" to achieve progress for the United States. We all are in his debt, and this House and this Nation are finer places because he dwelt among us for so many years. May God rest his soul and care for his family.

PITTSBURGH IN TRANSIT

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

Mr. MOORHEAD. Mr. Speaker, for 3 days this week, more than 1,000 urban transportation experts from seven States and 25 foreign countries met in my home city of Pittsburgh at the second International Conference on Urban Transportation.

The Pittsburgh industrialists who underwrote the $185,000 cost of the conference brought the experts in to guide them in their plan to make Pittsburgh the "transit capital of the world."

The implications for Pittsburgh and the Nation of this plan were pointed out in an editorial in the Pittsburgh Post-Gazette of April 18, 1967. Under leave to extend my remarks, I insert the editorial at this point in the RECORD:

PITTSBURGH IN TRANSIT

Major American cities are strangling as vehicular congestion grows. Traffic planners grapple desperately with the problem, but their "solutions" are palliatives which serve only to delay the crisis. It would seem there is only one way out of the metropolitan morass—an efficient system of urban transportation.

Happily, Pittsburgh industrialists and business executives are aware of the urgency of the situation and are preparing to take energetic action to meet it. The Second International Conference on Urban Transportation, now being held here, will explore the complex problems of mass transit. As in earnest of their deep interest in the possibilities of providing rapid transit for densely populated urban areas, local industries have allocated $185,000 to underwrite the conference.

More than 1,000 delegates from all parts of the world will hear leading authorities in the field of urban transportation discuss the subject in all its aspects. Engineers will present plans for improved rapid transit systems. Bankers and economists will probe the mysteries of their financing and organization.

Pittsburgh industrialists concerned with urban transportation cannot be accused of timidity. Their aims is simply to make Pittsburgh the "Transit Capital of the World." It might be objected that the antiquated mass transit system of this city could prove an insuperable barrier to the achievement of supremacy in this field. But the group of industrialists sponsoring the ambitious program regard this circumstance as a challenge. They will be able to fashion a modern super-efficient rapid transit system without being hobbled by the necessity of building on an existing system.

The creation of a modern system here would be the primary step to establishing Pittsburgh as the world's foremost producer of rapid transit equipment and hardware. Needless to say, the economic benefits to Pittsburghers would be incalculable. Pittsburgh would reassert its leadership in heavy industry. District businesses and industrial workers would reap huge rewards in the form of profits and wages.

Perhaps the most grateful beneficiary of such a plan would be the weary commuter. After all, the primary objective of any modern transit plan should be to make his journey to and from work as speedy and pleasant as possible. Frederick J. Close, program chairman and board chairman of

Alcoa, has put the matter very simply: "If we can't figure out the easiest way to get to and from home, to and from school, or whatever, it's a sad commentary on the human being."

HOMEOWNERSHIP FOR LOW-INCOME FAMILIES

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

Mr. BARRETT. Mr. Speaker, last year the Subcommittee on Housing and the Committee on Banking and Currency were most pleased to be able to enact into law a new FHA program to encourage homeownership by low-income families by providing a long term loan at a 3-percent interest rate to nonprofit corporations to provide these families with rehabilitated sales housing.

Mr. Speaker, the author and chief architect of this program which has so much potential to help our poor families with their housing problems is our respected colleague, the gentlewoman from St. Louis, Congresswoman LEONOR K. SULLIVAN. She deserves the lion's share of the credit for this excellent new program and, under unanimous consent, I insert at this point in the RECORD an article describing the new program and Mrs. SULLIVAN's role in its achievement by Mr. Hugh L. Morris which appeared in the Sunday Bulletin in Philadelphia on April 16:

UNITED STATES HELPS LOW-INCOME FAMILIES TO BUY HOUSES

(By Hugh L. Morris)

WASHINGTON.—The Federal Housing Administration has put into effect a key part of President Johnson's program to determine if low-income families have the desire and the ability to buy standard homes and to keep them in good shape.

Under the plan, families with incomes low enough to make them eligible for public housing may be helped to buy single-family homes which have been rehabilitated up to minimum local code conditions for safety and soundness.

Prices of the re-done homes will be kept within reach of the families through the help of non-profit organizations such as churches and labor unions and with Federal mortgage money made available at subsidized interest rates.

Technically, the program is called FHA Section 221(h), and unofficially it is known as the Sullivan plan because it was introduced as legislation last year by Rep. Leonor Sullivan (D-Mo), a member of the housing subcommittee.

Mrs. Sullivan said the program had been successfully tried in St. Louis and held great promise for achieving in all cities the joint objectives of rebuilding blighted residential areas and providing standard housing for poor families.

While the Administration wavered between opposition and lukewarm endorsement, Mrs. Sullivan sold Congress on the plan and it became part of the 1966 housing law.

Still the Administration balked over using the program because it involved a subsidized interest rate, but it was put into effect within a week after the President announced it as part of a "low-income housing-ownership pilot program."

"For many American families home ownership is a source of pride and satisfaction, of commitment to community life," President Johnson said. "Some families with low but steady incomes have become the owners of decent, modest homes.

"Their well-maintained homes are often in the midst of slum areas. They are frequently surrounded by substandard homes owned by absentee landlords, where poor families pay rent in amounts much higher than would have been required for ownership of a modest home."

Here is where the Sullivan plan fits in.

The program is intended to encourage rehabilitation of housing for low-income families in stable neighborhoods or to assist in the improvement of a neighborhood through rehabilitation in order to create a stable environment.

Nonprofit sponsors such as churches and labor unions may obtain a direct Federal loan at 3 percent interest to buy and rehabilitate enough dwellings to make an impact on the area—at least five reasonably close to each other.

When they have been renovated, they will be resold to families who have incomes within the public housing range but are acceptable credit risks.

In its regulations, FHA spelled out that the families must "have acceptable credit characteristics evidencing satisfactory credit behavior and the ability to manage income."

In making this determination, FHA said, consideration should be given to the guidance which will be provided by the nonprofit sponsor and to recent evidences of improvement from marginal credit patterns of the past.

The family must put up at least $200, all of which can be applied in payment of settlement costs. The mortgage will be a government loan at 3 per cent interest without an FHA mortgage insurance premium, which will reduce monthly payments about one-fourth below what they would be on an FHA-insured mortgage at 6 percent.

If the family cannot afford to keep the house, it can be sold to another qualified family at the subsidized rate or to any buyer on regular mortgage terms.

CHAIRMAN PATMAN ADDRESSES NATIONAL HOUSING CONFERENCE

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

Mr. BARRETT. Mr. Speaker, last week, the National Housing Conference met in Washington and once again dramatized the need for greater efforts to meet the Great Society's goals in housing and urban and rural development.

One of the principal speakers at this event was our distinguished colleague, Representative WRIGHT PATMAN, chairman of the Banking and Currency Committee. Mr. PATMAN's remarks are an excellent exposition of the country's failings and accomplishments in the field of housing during 1966.

In his usual forthright manner, Mr. PATMAN calls attention to the fact that mistaken monetary policies drastically curtailed the construction of needed housing in the past year. As Mr. PATMAN notes, new housing starts dropped to 1.2 million in 1966 at a time when the country required a minimum of 2 million new units just to keep up with current demand.

Our colleague from Texas correctly places the blame for this slowdown on the Federal Reserve System's high interest, tight money policies.

Mr. PATMAN's speech clearly established the need for the Nation to get on with its housing and its development programs in both the urban and rural areas. In unmistakable terms, he calls for greater effort to upgrade all of these programs.

Mr. Speaker, I place Mr. PATMAN's speech in the RECORD and commend it to my colleagues:

REMARKS OF HON. WRIGHT PATMAN, CHAIRMAN, HOUSE BANKING AND CURRENCY COMMITTEE, TO THE NATIONAL HOUSING CONFERENCE, WASHINGTON, D.C., APRIL 9, 1967

Good afternoon, ladies and gentlemen. I am happy to be back speaking to your fine group again this year.

Last year, when I met with you at this same conference, the housing industry was just beginning to feel the squeeze of tight money and high interest rates. At the time, I warned you that the Federal Reserve's squeeze would put the entire housing industry through one of the most severe crises it had ever faced.

You people know very well what happened through the remainder of the year. By the end of December, new housing starts had dropped to 1.2 million, the lowest level since 1957. This was 300,000 housing starts below the 1965 figures. And all of these drops came at a time when we needed at least two million new starts in 1966 just to keep up with the current demand.

It will be years before we know just how much damage the Federal Reserve did to the future of housing, urban development, and rural development in 1966. Today, luckily, we meet at a happier time with interest rates on their way down and with the supply of money increasing.

Yes, the Federal Reserve Board has belatedly recognized that it made a most grievous error on December 6, 1965, when it raised interest rates 37½%. It is at long last trying to correct its mistakes. In the process, of course, the Board and some of its propagandists are attempting to re-write history. They are attempting to hide the mistakes of that infamous day—December 6, 1965—and appear as the low interest heroes of 1967.

This is the same old process that we have been going through ever since 1951, when William McChesney Martin took over as chairman of the Federal Reserve Board. The cycle is the same—the Federal Reserve tightens money, raises interest rates, until the economy skids into a recession or a depression. Then, long after the damage is done, they scurry around, cleaning up their mistakes, and finally lowering interest rates. During Martin's term, this up and down process has cost the American people at least $200 billion in excess interest charges.

Before they recognized their mistakes this time, they caused a severe recession in the housing industry, and a slightly lesser downturn in the automobile industry. Other areas of the economy were weakened by this same high interest, tight money policy and it will be some time before we know just what damage the Federal Reserve did to the economy.

In many ways, the Federal Reserve outdid itself in 1966. It actually brought on recessions in parts of the economy at a time when we were in an almost full-scale war in Southeast Asia. Now, I am no admirer of the Federal Reserve, but I am amazed at their ability to cause recessions in a war-time economy. It proves that the Federal Reserve can cause recession and depression, at any time, at any place, and under any circumstances. Nothing stops them—not even a war.

I know that those of you interested in good housing and redevelopment projects feel easier today as a result of the prospect for lower interest rates. But, how long will it be before you are placed in the high interest wringer again? The Federal Reserve has—through its seized independence—the power to do that at any time and you can rest as-