

the Veterans' Administration held that the members were eligible to apply for NSLI. Some did so. Others were not able to complete and submit applications before World War II started and thereafter the Veterans' Administration utilized emergency radio-gram procedures in an attempt to supply insurance coverage.

Later the Congress granted certain gratuitous insurance protection to those military personnel who were captured, besieged, or otherwise isolated by the enemy early in the war.

It is easy to understand that confusion existed as to who had contract insurance before capture, or after liberation, and who were covered by gratuitous insurance. Similarly, it can be appreciated that when the U.S. Armed Forces, in computing backpay after liberation, deducted premiums for contract insurance coverage erroneous deductions were probably made in a number of cases.

Attempts were made to refund payments in various types of claims, including these erroneous NSLI premium deductions. Despite these efforts, however, the committee recognizes that the probability exists that some errors that were made remain uncorrected. The Veterans' Administration has advised that it would have no objection to the favorable consideration of this portion of the bill.

The bill would require an application for the refund and satisfactory proof that the erroneous deductions were made and have not been refunded. Refund will be made only to the former serviceman concerned or to certain limited survivors.

The Committee on Finance agrees with the House Veterans' Affairs Committee that the bill should require the application to be filed, initially, with the Philippine Government which would then certify to the Veterans' Administration those cases where the necessary eligibility criteria have been met.

It is difficult to estimate the cost of this section. It is possible that some 2,000 veterans who had premium deductions without having contract NSLI and another 1,200 veterans who, having insurance coverage, had double deductions made may file a claim for refund. On this basis, the Veterans' Administration estimated that the total claims cost would not exceed \$500,000 and the administrative cost for processing the claims would add another \$35,000.

Section 2 of the bill involves the peso-dollar payment rate of gratuitous veterans benefits for these Filipinos. After liberation of the Philippines in 1945, congressional committee and the administration each began studies of responsibilities and problems facing the United States and Philippine Governments in the area of veterans' benefits.

As a result of such studies, provisions were placed in the law which limited the veterans benefits that would be available to persons who served in the military forces of the Philippine Commonwealth while such forces were in the service of the U.S. Armed Forces, to compensation for service-connected disabilities and deaths and certain NSLI policies. Some time later the law was amended to also provide hospitalization for service-connected disabilities, an allowance to cover funeral and burial expenses, and a flag to drape the veteran's casket.

Because of the different financial and economic conditions existing in the United States and in the Philippines, it was considered justified in 1946 to authorize payment of monetary benefits in Philippine pesos rather than in U.S. dollars. For the same known and obvious differences in the economy and standards of living, it was deemed proper to apply a ratio of 1 Philippine peso for each U.S. dollar. At that time the rate of exchange was 2 Philippine pesos for 1 U.S. dollar, or in other words, the value of the peso was approximately 50 cents.

Consequently, provisions were placed in the law which provided for the payment of gratuitous monetary benefits on a peso-for-dollar basis to veterans of the Philippine Commonwealth Army (including guerrillas) and the so-called "new" Philippine Scouts, and to the dependents of such deceased veterans. These provisions have continued in effect to the present time.

Section 2 of the bill has been amended to make it consistent with the provisions of H.R. 16367, which passed the Senate on September 16, 1966. That bill provides that the payment of educational allowances thereunder would be in pesos at the rate of 50 cents for each dollar authorized and that provision has been incorporated into H.R. 16557.

The Committee on Finance is fully cognizant of the frequent and minor, often daily, variations in the exchange rate in the Philippines. Accordingly, it is intended that the computation of the proper peso payments by the Administrator at any given time for the purpose of either law shall be made in such manner as he deems reasonable and administratively feasible.

The cost of the increase in benefits due to the peso rate change, as estimated by the Veterans' Administration, is shown in the table which follows:

Annual additional estimated cost	
Fiscal year:	
1967	\$12,524,000
1968	12,045,000
1969	11,639,000
1970	11,218,000
1971	10,887,000

Cumulatively such additional costs will approximate \$276,735,000 by the end of fiscal year 2000. Through the end of the programs concerned (year 2060), there would be additional cumulative costs of \$62,061,000 or an overall additional cost of \$338,796,000.

#### DEPARTMENT OF TRANSPORTATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1627, S. 3010. I do this so that the bill will become the pending business.

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

The LEGISLATIVE CLERK. A bill (S. 3010) to establish a Department of Transportation, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations, with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Department of Transportation Act."

#### DECLARATION OF PURPOSE

Sec. 2. The Congress hereby declares that the general welfare, the economic growth and stability of the Nation and its security require the development of national transportation policies and programs conducive to the provision of fast, safe, efficient, and convenient transportation at the lowest cost consistent therewith and with other national objectives, including the efficient utilization and conservation of the Nation's resources.

The Congress therefore finds that the establishment of a Department of Transportation is necessary in the public interest and to assure the coordinated, effective administration of the transportation programs of the Federal Government; to facilitate the devel-

opment and improvement of coordinated transportation service, to be provided by private enterprise to the maximum extent feasible; to encourage cooperation of Federal, State, and local governments, carriers, labor, and other interested parties toward the achievement of national transportation objectives; to stimulate technological advances in transportation; to provide general leadership in the identification and solution of transportation problems; and to develop and recommend to the President and the Congress national transportation policies and programs to accomplish these objectives with full and appropriate consideration of the needs of the public, users, carriers, industry, labor, and the national defense.

It is hereby declared to be the national policy that, in carrying out the provisions of this Act, special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites.

#### ESTABLISHMENT OF DEPARTMENT

Sec. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Transportation (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Transportation (hereinafter referred to as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary (or, during the absence or disability of the Under Secretary, or in the event of a vacancy in the office of Under Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(c) There shall be in the Department four Assistant Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(d) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(e) (1) The Secretary shall establish within the Department a Federal Highway Administration; a Federal Railroad Administration; a Federal Maritime Administration; and a Federal Aviation Administration. Each of these components shall be headed by an Administrator, and in the case of the Federal Aviation Administration there shall also be a Deputy Administrator. The Administrators and the Deputy Federal Aviation Administrator shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The qualifications of the Administrator of the Federal Aviation Agency specified in section 301(b) of the Federal Aviation Act of 1958, as amended (72 Stat. 744; 49 U.S.C. 1341), and the qualifications and status of the Deputy Administrator specified in section 302(b) of the Federal Aviation Act of 1958, as amended (72 Stat. 744; 49 U.S.C. 1342), shall apply, respectively, to the Administrator and Deputy Administrator of the Federal Aviation Administration. However, nothing in this Act shall be construed to preclude the appointment of the present

Administrator of the Federal Aviation Agency as Administrator of the Federal Aviation Administration in accordance with the provisions of the Act of June 22, 1965, as amended (79 Stat. 171).

(3) The Administrators and the Commandant of the Coast Guard shall report directly to the Secretary. They shall carry out such functions, powers, and duties as the Secretary may prescribe and such additional functions, powers, and duties as specified in this Act.

(4) The functions, powers, and duties specified in this Act to be carried out by each Administrator and by the Maritime Board shall not be transferred elsewhere in the Department unless specifically provided for by reorganization plan submitted pursuant to provisions of chapter 9 of title V of the United States Code, or by statute.

(f) (1) The Secretary shall carry out the provisions of the National Traffic and Motor Vehicle Safety Act of 1966 (80 Stat. 718) through a National Traffic Safety Bureau (hereinafter referred to as "Bureau"), which he shall establish in the Department of Transportation. The Bureau shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate and shall be compensated at the rate prescribed for level V of the Federal Executive Salary Schedule. All other provisions of the National Traffic and Motor Vehicle Safety Act of 1966 shall apply.

(2) The Secretary shall carry out the provisions of the Highway Safety Act of 1966 (80 Stat. 731) (including chapter 4 of title 23 of the United States Code) through a National Highway Safety Bureau (hereinafter referred to as "Bureau"), which he shall establish in the Department of Transportation. The Bureau shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, who shall be compensated at the rate prescribed for level V of the Federal Executive Salary Schedule. All other provisions of the Highway Safety Act of 1966 shall apply.

(3) The President is authorized, as provided in section 201 of the Highway Safety Act of 1966, to carry out the provisions of the National Traffic and Motor Vehicle Safety Act of 1966 through the Bureau and Director authorized by section 201 of the Highway Safety Act of 1966.

(4) The office of Federal Highway Administrator, created by section 303 of title 23, United States Code, is hereby transferred to and continued within the Department under the title Director of Public Roads. The Director shall be the operating head of the Bureau of Public Roads, or any other agency created within the Department to carry out the primary functions carried out on the effective day of this Act by the Bureau of Public Roads, and he shall be compensated at the rate prescribed for level IV of the Federal Executive Salary Schedule.

#### GENERAL PROVISIONS

SEC. 4. (a) The Secretary in carrying out the purposes of this Act shall, among his responsibilities, exercise leadership under the direction of the President in transportation matters, including those affecting the national defense and those involving national or regional emergencies; provide general leadership in the development of national transportation policies and programs, and make recommendations to the President and the Congress for their implementation; promote and undertake development, collection, and dissemination of technological, statistical, economic, and other information relevant to domestic and international transportation; promote and undertake research and development in and among all modes and types of transportation services and facilities; promote and undertake research and development with respect to noise abatement, with particular attention to aircraft noise; and

consult with the heads of other Federal departments and agencies engaged in the procurement of transportation or the operation of their own transport services to encourage them to establish and observe policies consistent with the maintenance of a coordinated transportation system operated by private enterprise.

(b) (1) In carrying out his duties and responsibilities under this Act, the Secretary shall be governed by all applicable statutes including the policy standards set forth in the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 et seq.); the national transportation policy of the Interstate Commerce Act, as amended (49 U.S.C., preceding §§ 1, 301, 901, and 1001); the Merchant Marine Act of 1920, as amended (41 Stat. 988; 46 U.S.C. 861 et seq.); the Merchant Marine Act, 1928, as amended (45 Stat. 689; 46 U.S.C. 891 et seq.); the Merchant Marine Act, 1936, as amended (49 Stat. 1985 (title I); 46 U.S.C. 1101 et seq.); the Shipping Act, 1916, as amended (60 Stat. 41; 46 U.S.C. 801 et seq.); the Merchant Marine Ship Sales Act of 1946, as amended (60 Stat. 41; 50 U.S.C. App. 1735 et seq.); the Act of August 27, 1958, as amended (72 Stat. 885; 23 U.S.C. 101 et seq. Federal-Aid Highways); and title 14 U.S.C., titles LII and LIII of the Revised Statutes (46 U.S.C., chs. 2A, 7, 11, 14, 15, and 18), the Act of April 25, 1940, as amended (54 Stat. 163; 46 U.S.C. 526-526u), and the Act of September 2, 1958, as amended (72 Stat. 1754; 46 U.S.C. 527-527h), all relating to the United States Coast Guard.

(2) Nothing in this Act shall be construed to authorize, without appropriate action by Congress, the adoption, revision, or implementation of any transportation policy, or investment standards or criteria contrary to or inconsistent with any Act of Congress.

(c) Orders and actions of the Secretary or the National Transportation Safety Board in the exercise of functions, powers, and duties transferred under this Act, and orders and actions of the Administrators and the Maritime Board taken pursuant to the functions, powers, and duties specifically assigned to them by this Act, shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the department or agency exercising such functions, powers, and duties immediately preceding their transfer.

(d) In the exercise of the functions, powers, and duties transferred under this Act, the Secretary, the Administrators, and the National Transportation Safety Board and the Maritime Board shall have the same authority as that vested in the department or agency exercising such functions, powers, and duties immediately preceding their transfer, and their actions in exercising such functions, powers, and duties shall have the same force and effect as when exercised by such department or agency.

(e) It shall be the duty of the Secretary to investigate the safety compliance record of each carrier (or person) seeking authority from the Interstate Commerce Commission (referred to in this subsection as the "Commission") and to report his findings to the Commission, and in addition (1) to intervene and present evidence of the applicant's fitness in Commission application proceedings for permanent authority or for approval of proposed transactions when applicant's safety record fails to satisfy the Secretary; (2) to furnish promptly upon request of the Commission a statement regarding the safety record of any carrier (or person) seeking temporary operating authority from the Commission; and (3) to furnish upon request of the Commission a complete report of the safety compliance of any carrier and also have made such additional inspections or safety compliance surveys which thereafter the Commission deems necessary or desirable in order to process an application or to determine the fitness of a carrier, in-

cluding intervention and presentation of evidence upon request of the Commission.

(f) The Secretary shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing all transportation plans and programs that carry out such policy and include measures to maintain or enhance the natural beauty of the lands traversed. After the effective date of this Act, the Secretary shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless (1) there is no feasible alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational areas, or historic site resulting from such use.

(g) The Secretary and the Secretary of Housing and Urban Development shall consult and exchange information regarding their respective transportation policies and activities; carry on joint planning, research, and other activities; and coordinate assistance for local transportation projects. They shall jointly study how Federal policies and programs can assure that urban transportation systems most effectively serve both national transportation needs and the comprehensively planned development of urban areas. They shall, within one year after the effective date of this Act, and annually thereafter, report to the President, for submission to the Congress, on their studies and other activities under this subsection, including any legislative recommendations which they determine to be desirable.

SEC. 5. (a) There is hereby established within the Department a National Transportation Safety Board (referred to hereafter in this Act as "Board").

(b) There are hereby transferred to, and it shall be the duty of the Board to exercise, the functions, powers, and duties transferred to the Secretary by sections 6 and 8 of this Act with regard to—

(1) determining the cause or probable cause of transportation accidents and reporting the facts, conditions, and circumstances relating to such accidents; and

(2) reviewing on appeal the suspension, amendment, modification, revocation, or denial of any certificate or license issued by the Secretary or by an Administrator.

(c) The Board shall exercise the functions, powers, and duties relating to aircraft accident investigations transferred to the Secretary by section 6(d) of this Act.

(d) The Board is further authorized to—

(1) make such recommendations to the Secretary or Administrators on the basis of the exercise of its functions, powers, and duties which, in its opinion, will tend to prevent transportation accidents and promote transportation safety;

(2) conduct special studies on matters pertaining to safety in transportation and the prevention of accidents;

(3) insure that in cases in which it is required to determine cause or probable cause, reports of investigation adequately state the circumstances of the accident involved;

(4) initiate on its own motion or conduct rail, highway, or pipeline accident investigations as the Board deems necessary or appropriate;

(5) make recommendations to the Secretary or appropriate Administrator concerning rules, regulations, and procedures for the conduct of accident investigations;

(6) request the Secretary or appropriate Administrator to initiate specific accident investigations or conduct further investigations as the Board determines to be necessary or appropriate;

(7) arrange for the personal participation of members or other personnel of the Board in accident investigations conducted by the

Secretary or appropriate Administrator in such cases as it deems appropriate; and

(8) request from the Secretary or appropriate Administrators notification of transportation accidents and reports of such accidents as the Board deems necessary.

(e) Except as otherwise provided by statute, the Board shall make public all reports, orders, decisions, rules, and regulations issued pursuant to sections 5(b) (1) and 5(b) (2) and the Board shall also make public—

(1) every recommendation made to the Secretary or an Administrator;

(2) every special study conducted; and

(3) every action of the Board requesting the Secretary or an Administrator to take action pursuant to section 5(d) (1), (2), (3), (5), (6), or (8).

(f) In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department.

(g) The Board shall report to the Congress annually on the conduct of its functions under this Act and the effectiveness of accident investigations in the Department, together with such recommendations for legislation as it may deem appropriate.

(h) The Board shall consist of five members to be appointed by the President, by and with the advice and consent of the Senate. No more than three members of the Board shall be of the same political party. Members of the Board shall be appointed with due regard to their fitness for the efficient dispatch of the functions, powers, and duties vested in and imposed upon the Board, and may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(i) Members of the Board shall be appointed for terms of five years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term, and (2) the five members first appointed shall serve for terms (designated by the President at the time of appointment) ending on the last day of the first, second, third, fourth, and fifth calendar years beginning after the year of enactment of this Act. Upon the expiration of his term of office, a member shall continue to serve until his successor is appointed and shall have qualified.

(j) The President shall designate from time to time one of the members of the Board as Chairman and one of the members as Vice Chairman, who shall act as Chairman in the absence or incapacity of the Chairman, or in the event of a vacancy in the office of the Chairman. The Chairman shall be the chief executive and administrative officer of the Board and shall exercise the responsibility of the Board with respect to (1) the appointment and supervision of personnel employed by the Board; (2) the distribution of business among the Board's personnel; and (3) the use and expenditure of funds. In executing and administering the functions of the Board on its behalf, the Chairman shall be governed by the general policies of the Board and by its decisions, findings, and determinations. Three of the members shall constitute a quorum of the Board.

(k) The Board is authorized to establish such rules, regulations, and procedures as are necessary to the exercise of its functions.

(l) In carrying out its functions, the Board (or, upon the authorization of the Board, any member thereof or any hearing examiner assigned to or employed by the Board) shall have the same powers as are vested in the Secretary to hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at

any place in the United States it may designate.

(m) The Board may delegate to any officer or official of the Board, or, with the approval of the Secretary, to any officer or official of the Department such of its functions as it may deem appropriate: *Provided, however*, That with respect to aviation, the proviso in section 701(g) of the Federal Aviation Act of 1958, as amended (72 Stat. 782; 49 U.S.C. 1441(g)) shall apply to the Secretary and his representatives; and

*Provided further*, That the Board shall not delegate the appellate functions transferred to it by section 6(d) of this Act.

(n) Subject to the civil service and classification laws, the Board is authorized to select, appoint, employ, and fix compensation of such officers and employees, including investigators, attorneys and hearing examiners, as shall be necessary to carry out its powers and duties under this Act.

(o) The Board is authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of the Department and of other civilian or military agencies and instrumentalities of the Federal Government, and to cooperate with the Department and such other agencies and instrumentalities in the establishment and use of services, equipment, and facilities of the Board. The Board is further authorized to confer with and avail itself of the cooperation, services, records, and facilities of State, territorial, municipal, or other local agencies.

#### TRANSFERS TO DEPARTMENT

SEC. 6. (a) There are hereby transferred to and vested in the Secretary all functions, powers, and duties of the Secretary of Commerce and other offices and officers of the Department of Commerce under—

(1) the following laws and provisions of law relating generally to highways:

(A) Title 23, United States Code, as amended.

(B) The Federal-Aid Highway Act of 1966 (80 Stat. 766).

(C) The Federal-Aid Highway Act of 1962, as amended (76 Stat. 1145; 23 U.S.C. 307 note).

(D) The Act of July 14, 1960, as amended (74 Stat. 526; 23 U.S.C. 313 note).

(E) The Federal-Aid Highway Act of 1954, as amended (68 Stat. 70).

(F) The Act of September 26, 1961, as amended (75 Stat. 670).

(G) The Highway Revenue Act of 1956, as amended (70 Stat. 387; 23 U.S.C. 120 note).

(H) The Highway Beautification Act of 1965, as amended (79 Stat. 1028; 23 U.S.C. 131 et seq. notes).

(I) The Alaska Omnibus Act, as amended (73 Stat. 141; 43 U.S.C. 21 note prec.).

(J) The Joint Resolution of August 28, 1965, as amended (79 Stat. 578; 23 U.S.C. 101 et seq. notes).

(K) Section 502 of the General Bridge Act of 1946, as amended (60 Stat. 847; 33 U.S.C. 525(c)).

(L) The Act of April 27, 1962, as amended (76 Stat. 59).

(M) Reorganization Plan No. 7 of 1949 (63 Stat. 1070; 5 U.S.C. 1332-15 note).

(2) the following laws and provisions of law relating generally to ground transportation:

(A) The Act of September 30, 1965, as amended (79 Stat. 893; 49 U.S.C. 1631 et seq.).

(B) The Urban Mass Transportation of 1964, as amended (78 Stat. 306, 49 U.S.C. 1607).

(3) the following laws and provisions of law relating generally to aircraft:

(A) The Act of September 7, 1957, as amended (71 Stat. 629; 49 U.S.C. 1324 note).

(B) Section 410 of the Federal Aviation Act of 1958, as amended (72 Stat. 769; 49 U.S.C. 1380).

(C) Title XIII of the Federal Aviation Act of 1958, as amended (72 Stat. 800; 49 U.S.C. 1531 et seq.).

(4) the following law relating generally to pilotage: The Great Lakes Pilotage Act of 1960, as amended (74 Stat. 259; 46 U.S.C. 216 et seq.).

(5) (A) the following laws and provisions of law relating generally to the Merchant Marine:

(1) The Merchant Marine Act, 1920, as amended (41 Stat. 988; 46 U.S.C. 861 et seq.).

(2) The Merchant Marine Act, 1928, as amended (45 Stat. 689; 46 U.S.C. 891 et seq.).

(3) The Merchant Marine Act, 1936, as amended (49 Stat. 1985; 46 U.S.C. 1101 et seq.).

(4) The Shipping Act, 1916, as amended (39 Stat. 728; 46 U.S.C. 801 et seq.).

(5) The Merchant Ship Sales Act of 1946, as amended (60 Stat. 41; 50 U.S.C. App. 1735 et seq.).

(6) The Maritime Academy Act of 1958, as amended (72 Stat. 622; 46 U.S.C. 1381 et seq.).

(7) The Act of June 12, 1940, as amended (54 Stat. 346; 46 U.S.C. 1331 et seq.).

(8) The United States Fishing Fleet Improvement Act, as amended (74 Stat. 212; 46 U.S.C. 1401 et seq.).

(9) The Act of September 14, 1961, as amended (75 Stat. 514; 46 U.S.C. 1126b-1).

(10) The Act of June 13, 1957, as amended (71 Stat. 73; 46 U.S.C. 1177a), to the extent it relates to operating-differential subsidies.

(11) The Act of June 2, 1951, as amended (65 Stat. 59; 46 U.S.C. 1241a), to the extent it relates to the vessel operations revolving fund.

(12) The Act of July 24, 1956, as amended (70 Stat. 605; 46 U.S.C. 249 et seq.).

(13) The Act of August 9, 1954, as amended (68 Stat. 675; 50 U.S.C. 198 et seq.).

(14) Section 500 of the Transportation Act, 1920, as amended (41 Stat. 499; 49 U.S.C. 142).

(15) Reorganization Plan No. 21 of 1950 (64 Stat. 1273; 46 U.S.C. 1111 note).

(16) Reorganization Plan No. 7 of 1961 (75 Stat. 840; 46 U.S.C. 1111 note).

(17) Reorganization Plan No. 6 of 1949 (63 Stat. 1069; 46 U.S.C. 111 note).

(B) There are hereby transferred to the Federal Maritime Administrator and it shall be his duty to exercise the functions, powers, and duties of the Secretary relating to the merchant marine transferred under subsection (a) (5) (A) of this section, except such as the Maritime Board shall exercise in accordance with subsection (a) (5) (C) of this subsection.

(C) There is hereby established with the Department a Maritime Board. The Maritime Board shall exercise the following functions, powers, and duties:

(1) All functions, powers, and duties of the Federal Maritime Board transferred to it under section 105 (1), (2), and (3) of Reorganization Plan Numbered 21 of 1950 and subsequently vested in the Secretary of Commerce by section 202(b) of Reorganization Plan Numbered 7 of 1961.

(2) The administration of the provisions of title XI of the Merchant Marine Act, 1936 (52 Stat. 969; 46 U.S.C. 1271 et seq.).

(D) The Maritime Board shall be composed of three members as follows: The Federal Maritime Administrator, who shall be Chairman of the Maritime Board, and two additional members appointed by the President, by and with the advice and consent of the Senate. Not more than two members of the Maritime Board shall be from the same political party. The two additional Maritime Board members appointed by the President shall—

(1) be appointed for terms of four years; except that the terms of the members first

appointed shall expire as follows: one on June 30, 1968, and one on June 30, 1970; and

(2) be compensated at the rate provided for level IV of the Federal Executive Salary Schedule. Each member appointed to fill a vacancy occurring prior to the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Upon the expiration of his term of office, a member shall continue to serve until his successor is appointed and shall have qualified. No member shall engage in any other business, vocation, or employment.

(3) A vacancy in the Maritime Board shall be filled in the same manner as in the case of the original appointment. A vacancy in the Maritime Board shall not impair the power of the remaining members to exercise the authority of the Maritime Board. Any two members of the Maritime Board shall constitute a quorum for the transaction of business, and the concurring votes of any two members shall be sufficient for the disposition of any matter which may come before the Maritime Board.

(4) The provisions of the last sentence of section 201(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1111(b)), shall apply with respect to the Federal Maritime Administrator, members of the Maritime Board, and all officers and employees thereof. The first two sentences of section 201(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1111(b)) are repealed.

(5) The Federal Maritime Administrator and members of the Maritime Board shall be appointed with due regard to their fitness for the efficient dispatch of the functions, powers, and duties assigned, and the two additional Maritime Board members may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

(6) The Maritime Board is authorized to establish such rules, regulations, and procedures as are necessary to the exercise of its functions; and to delegate to any officer or official of the Maritime Board or Federal Maritime Administration such of its functions as it may deem appropriate.

(7) Part II of Reorganization Plan Numbered 21 of 1950, and part II and section 303(c) of Reorganization Plan Numbered 7 of 1961, are hereby superseded by this Act and the amendments made by this Act.

(8) Nothing in this Act or any of the amendments made by this Act shall be deemed to affect (1) the Federal Maritime Commission established by part I of Reorganization Plan Numbered 7 of 1961, or (2) any of the functions of such Commission.

(E) Decisions of the Maritime Board made pursuant to the exercise of the functions, powers, and duties enumerated in subsection (a) (5) (C) of this section to be exercised by the Maritime Board shall be administratively final, and appeals as authorized by law shall be taken directly to the courts.

(6) The following law to the extent it authorizes scientific and professional positions which relate primarily to functions transferred by this subsection: The Act of August 1, 1947, as amended (61 Stat. 715; 5 U.S.C. 1161).

(7) The following laws and provisions of laws relating generally to traffic and highway safety:

(A) The National Traffic and Motor Vehicle Safety Act of 1966 (80 Stat. 718).

(B) The Highway Safety Act of 1966 (80 Stat. 731).

(b) (1) The Coast Guard is hereby transferred to the Department, and there are hereby transferred to and vested in the Secretary all functions, powers, and duties, relating to the Coast Guard, of the Secretary of the Treasury and of other officers and offices of the Department of the Treasury.

(2) Notwithstanding the transfer of the Coast Guard to the Department and the transfer to the Secretary of the functions, powers, and duties, relating to the Coast Guard, of the Secretary of the Treasury and of other officers and offices of the Department of the Treasury, effected by the provisions of paragraph (1) of this subsection, the Coast Guard, together with the functions, powers, and duties relating thereto, shall operate as a part of the Navy, subject to the orders of the Secretary of the Navy, in time of war or when the President shall so direct, as provided in section 3 of title 14, United States Code, as amended.

(3) Notwithstanding any other provision of this Act, the functions, powers, and duties of the General Counsel of the Department of the Treasury set out in chapter 47 of title 10, United States Code, as amended (Uniform Code of Military Justice), are hereby transferred to and vested in the General Counsel of the Department.

(c) There are hereby transferred to and vested in the Secretary all functions, powers, and duties of the Federal Aviation Agency, and of the Administrator and other officers and offices thereof, including the development and construction of a civil supersonic aircraft: *Provided, however,* That there are hereby transferred to the Federal Aviation Administrator, and it shall be his duty to exercise the functions, powers, and duties of the Secretary pertaining to aviation safety as set forth in sections 306, 307, 308, 309, 312, 313, 314, 1101, 1105, and 1111, and titles VI, VII, IX, and XII of the Federal Aviation Act of 1958, as amended. In exercising these enumerated functions, powers, and duties, the Administrator shall be guided by the declaration of policy in section 103 of the Federal Aviation Act of 1958, as amended. Decisions of the Federal Aviation Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in this subsection to be exercised by the Administrator shall be administratively final, and appeals as authorized by law or this Act shall be taken directly to the National Transportation Safety Board or to the courts, as appropriate.

(d) There are hereby transferred to and vested in the Secretary all functions, powers, and duties of the Civil Aeronautics Board, and of the Chairman, members, officers, and offices thereof under titles VI (72 Stat. 775; 5 U.S.C. 1421 et seq.) and VII (72 Stat. 781; 49 U.S.C. 1441 et seq.) of the Federal Aviation Act of 1958, as amended: *Provided, however,* That these functions, powers, and duties are hereby transferred to and shall be exercised by the National Transportation Safety Board. Decisions of the National Transportation Safety Board made pursuant to the exercise of the functions, powers, and duties enumerated in this subsection shall be administratively final, and appeals as authorized by law or this Act shall be taken directly to the courts.

(e) There are hereby transferred to and vested in the Secretary all functions, powers, and duties of the Interstate Commerce Commission, and of the Chairman, members, officers, and offices thereof, under—

(1) the following laws relating generally to safety appliances and equipment on railroad engines and cars, and protection of employees and travelers:

(A) The Act of March 2, 1893, as amended (27 Stat. 531; 45 U.S.C. 1 et seq.).

(B) The Act of March 2, 1903, as amended (32 Stat. 943; 45 U.S.C. 8 et seq.).

(C) The Act of April 14, 1910, as amended (36 Stat. 298; 45 U.S.C. 11 et seq.).

(D) The Act of May 30, 1908, as amended (35 Stat. 476; 45 U.S.C. 17 et seq.).

(E) The Act of February 17, 1911, as amended (36 Stat. 913; 45 U.S.C. 22 et seq.).

(F) The Act of March 4, 1915, as amended (38 Stat. 1192; 45 U.S.C. 30).

(G) Reorganization Plan No. 3 of 1965 (79 Stat. 1320).

(H) Joint Resolution of June 30, 1906, as amended (34 Stat. 838; 45 U.S.C. 35).

(I) The Act of May 27, 1908, as amended (35 Stat. 325; 45 U.S.C. 36 et seq.).

(J) The Act of March 4, 1909, as amended (35 Stat. 965; 45 U.S.C. 37).

(K) The Act of May 6, 1910, as amended (36 Stat. 350; 45 U.S.C. 38 et seq.).

(2) the following law relating generally to hours of service of employees: The Act of March 4, 1907, as amended (34 Stat. 1415; 45 U.S.C. 61 et seq.).

(3) the following law relating generally to medals for heroism: The Act of February 23, 1905, as amended (33 Stat. 743; 49 U.S.C. 1201 et seq.).

(4) the following provisions of law relating generally to explosives and other dangerous articles: Sections 831-835 of title 18, United States Code, as amended.

(5) the following laws relating generally to standard time zones and daylight saving time:

(A) The Act of March 19, 1918, as amended (40 Stat. 450; 15 U.S.C. 261 et seq.).

(B) The Act of March 4, 1921, as amended (41 Stat. 1446; 15 U.S.C. 265).

(C) The Uniform Time Act of 1966, as amended (80 Stat. 107).

(6) the following provisions of the Interstate Commerce Act, as amended—

(A) relating generally to safety appliances methods and systems: Section 25 (49 U.S.C. 26).

(B) relating generally to investigation of motor vehicle sizes, weights, and service of employees: Section 226 (49 U.S.C. 325).

(C) relating generally to qualifications and maximum hours of service of employees and safety of operation and equipment: Sections 204(a) (1) and (2), to the extent that they relate to qualifications and maximum hours of service of employees and safety of operation and equipment; and sections 204(a) (3), (3a), and (5) (49 U.S.C. 304).

(D) to the extent they relate to private carriers of property by motor vehicle and carriers of migrant workers by motor vehicle other than contract carriers: Sections 221 (a), 221(c), and 224 (49 U.S.C. 321 et seq.).

(f) (1) Nothing in subsection (e) shall diminish the functions, powers, and duties of the Interstate Commerce Commission under sections 1(6), 206, 207, 209, 210a, 212, and 216 of the Interstate Commerce Act, as amended (49 U.S.C. 1(6), 306 et seq.), or under any other section of that Act not specifically referred to in subsection (e).

(2) (A) With respect to any function which is transferred to the Secretary by subsection (e) and which was vested in the Interstate Commerce Commission preceding such transfer, the Secretary shall have the same administrative powers under the Interstate Commerce Act as the Commission had before such transfer with respect to such transferred function. After such transfer, the Commission may exercise its administrative powers under the Interstate Commerce Act only with respect to those of its functions not transferred by subsection (e).

(B) For purposes of this paragraph—

(i) the term "function" includes power and duty, and

(ii) the term "administrative powers under the Interstate Commerce Act" means any functions under the following provisions of the Interstate Commerce Act, as amended: Sections 12, 13(1), 13(2), 14, 16(12), the last sentence of 18(1), sections 20 (except clauses (3), (4), (11), and (12) thereof), 240(a) (6) and (7), 204(c), 204(d), 205(d), 205(f), 220 (except subsection (c) and the proviso of subsection (a) thereof), 222 (except subsections (b) (2) and (b) (3) thereof) and 417

(b)(1) (49 U.S.C. 12 et seq., 304 et seq., and 1017).

The Federal Railroad Administrator shall carry out the functions, powers, and duties of the Secretary pertaining to railroad and pipeline safety as set forth in the statutes transferred to the Secretary by subsection (e) of this section.

The Federal Highway Administrator shall carry out the functions, powers, and duties of the Secretary pertaining to motor carrier safety as set forth in the statutes transferred to the Secretary by subsection (e) of this section.

Decisions of the Federal Railroad Administrator and the Federal Highway Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in the two immediately preceding paragraphs of this subsection to be carried out by the Administrators shall be administratively final, and appeals as authorized by law or this Act shall be taken directly to the National Transportation Safety Board or the courts, as appropriate.

(g) There are hereby transferred to and vested in the Secretary all functions, powers, and duties of the Secretary of the Army and other officers and offices of the Department of the Army under—

(1) the following law and provisions of law relating generally to water vessel anchorages:

(A) Section 7 of the Act of March 4, 1915, as amended (38 Stat. 1053; 33 U.S.C. 471).

(B) Article 11 of section 1 of the Act of June 7, 1897, as amended (30 Stat. 98; 33 U.S.C. 180).

(C) Rule 9 of section 1 of the Act of February 8, 1895, as amended (28 Stat. 647; 33 U.S.C. 258).

(D) Rule numbered 13 of section 4233 of the Revised Statutes, as amended (33 U.S.C. 322).

(2) the following provision of law relating generally to drawbridge operating regulations: Section 5 of the Act of August 13, 1894, as amended (28 Stat. 362; 33 U.S.C. 499).

(3) the following law relating generally to obstructive bridges: The Act of June 21, 1940, as amended (54 Stat. 497; 33 U.S.C. 511 et seq.).

(4) the following laws and provisions of law relating generally to the reasonableness of tolls:

(A) Section 4 of the Act of March 23, 1906, as amended (34 Stat. 85; 33 U.S.C. 494).

(B) Section 503 of the General Bridge Act of 1946, as amended (60 Stat. 847; 33 U.S.C. 526).

(C) Section 17 of the Act of June 10, 1930, as amended (46 Stat. 552; 33 U.S.C. 498a).

(D) The Act of June 27, 1930, as amended (46 Stat. 821; 33 U.S.C. 498b).

(E) The Act of August 21, 1935, as amended (49 Stat. 670; 33 U.S.C. 503 et seq.).

(5) the following law relating to prevention of pollution of the sea by oil: The Oil Pollution Act, 1961, as amended (75 Stat. 402; 33 U.S.C. 1001 et seq.).

(6) the following laws and provision of law to the extent that they relate generally to the location and clearances of bridges and causeways in the navigable waters of the United States:

(A) Section 9 of the Act of March 3, 1899, as amended (30 Stat. 1151; 33 U.S.C. 401).

(B) The Act of March 23, 1906, as amended (34 Stat. 84; 33 U.S.C. 491 et seq.).

(C) The General Bridge Act of 1946, as amended (60 Stat. 847; 33 U.S.C. 525 et seq.).

(h) Notwithstanding any other provision of this Act, the transfer of functions, powers, and duties to the Secretary or any other officer in the Department shall not include functions vested by the Administrative Procedure Act, as amended (60 Stat. 237; 5 U.S.C. 1001 et seq.) in hearing examiners

employed by any department, agency, or component thereof whose functions are transferred under the provisions of this Act.

(1) The administration of the Alaska Railroad, established pursuant to the Act of March 12, 1914, as amended (38 Stat. 308), and all of the functions authorized to be carried out by the Secretary of the Interior pursuant to Executive Order Numbered 11107, April 25, 1963 (28 F.R. 4225), relative to the operation of said Railroad, are hereby transferred to and vested in the Secretary of Transportation who shall exercise the same authority with respect thereto as is now exercised by the Secretary of the Interior pursuant to said Executive order.

#### TRANSPORTATION INVESTMENT STANDARD

SEC. 7 (a) The Secretary shall develop and from time to time in the light of experience revise standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment, except such proposals as are concerned with (1) the acquisition of transportation facilities or equipment by Federal agencies in providing transportation services for their own use; (2) an interoceanic canal located outside the contiguous United States; (3) defense features included in the direction of the Department of Defense in the design and construction of civil air, sea, and land transportation; (4) programs of foreign assistance; or (5) water resource projects. The standards and criteria developed or revised pursuant to this subsection shall be promulgated by the Secretary upon their approval by the Congress.

The standards and criteria for economic evaluation of water resource projects shall be developed by the Water Resources Council established by Public Law 89-80. For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway; where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the economic growth of the area.

The Water Resources Council established under section 101 of Public Law 89-80 is hereby expanded to include the Secretary of Transportation on matters pertaining to navigation features of water resource projects.

(b) Every survey, plan, or report formulated by a Federal agency which includes a proposal as to which the Secretary has promulgated standards and criteria pursuant to subsection (a) shall be (1) prepared in accord with such standards and criteria and upon the basis of information furnished by the Secretary with respect to projected growth of transportation needs and traffic in the affected area, the relative efficiency of various modes of transport, the available transportation services in the area, and the general effect of the proposed investment on existing modes, and on the regional and national economy; (2) coordinated by the proposing agency with the Secretary and, as appropriate, with other Federal agencies, States, and local units of government for inclusion of his and their views and comments; and (3) transmitted thereafter by the proposing agency to the President for disposition in accord with law and procedures established by him.

#### AMENDMENTS TO OTHER LAWS

SEC. 8. (a) Section 406 (b) of the Federal Aviation Act of 1958, as amended (72 Stat. 763; 49 U.S.C. 1376(b)), is amended by adding the following sentence at the end thereof: "In applying clause (3) of this subsection, the Board shall take into consideration any standards and criteria prescribed by the Secretary of Transportation, for determining the character and quality of transportation required for the commerce of the United States and the national defense."

(b) Section 201 of the Appalachian Regional Development Act of 1965, as amended (79 Stat. 10; 40 U.S.C. App. 206) is amended as follows:

(1) The first sentence of subsection (a) of that section is amended by striking the words "Commerce (hereafter in this section referred to as the "Secretary")" and inserting in lieu thereof "Transportation".

(2) The last sentence of subsection (a) of that section is amended by inserting after the word "Secretary", the words "of Transportation".

(3) Subsection (b) of that section is amended by inserting after the word "Secretary", the words "of Commerce".

(4) Subsection (c) of that section is amended by striking the first sentence and inserting in lieu thereof the following sentence: "Such recommendations as are approved by the Secretary of Commerce shall be transmitted to the Secretary of Transportation for his approval."

(5) The second sentence of subsection (c) of that section is amended by inserting after the word "Secretary" the words "of Transportation".

(6) Subsection (e) of that section is amended by inserting after the word "Secretary" the words "of Transportation".

(7) Subsection (f) of that section is amended by inserting after the word "Secretary", the words "of Commerce and the Secretary of Transportation". Subsection (f) of that section is further amended by striking the word "determines" and inserting in lieu thereof "determine".

(8) Subsection (g) of that section is amended by striking the period at the end thereof and adding the following: "to the Secretary of Commerce, who shall transfer funds to the Secretary of Transportation for administration of projects approved by both Secretaries."

(c) Section 206(c) of the Appalachian Regional Development Act of 1965, as amended (79 Stat. 15; 40 U.S.C. App. 206), is amended by inserting after "Interior," the words "Secretary of Transportation".

(d) Section 212(a) of the Interstate Commerce Act, as amended (49 Stat. 555), is amended by striking "of the Commission" the second, third, and fourth times those words occur.

(e) Section 13(b)(1) of the Fair Labor Standards Act of 1933, as amended (52 Stat. 1067), is amended by striking the words "Interstate Commerce Commission" and inserting in lieu thereof "Secretary of Transportation."

(f) The second sentence of section 3 of the Federal Explosives Act, as amended (40 Stat. 386; 50 U.S.C. 123) is amended to read as follows: "This Act shall not apply to explosives or ingredients which are in transit upon vessels, railroad cars, aircraft, or other conveyances in conformity with statutory law or with the rules and regulations of the Secretary of Transportation."

(g) (1) Section 1 of the Act of May 13, 1954, as amended (68 Stat. 92), is further amended as follows: Strike the entire section 1, and insert in lieu thereof the following:

"SECTION 1. There is hereby created, subject to the direction and supervision of the



Secretary of Transportation, a body corporate to be known as the Saint Lawrence Seaway Development Corporation (hereafter referred to as the "Corporation")."

(2) Notwithstanding any other provision of this Act, the Administrator of the Saint Lawrence Seaway Development Corporation shall report directly to the Secretary.

(h) Section 201 of the Highway Safety Act of 1966 (80 Stat. 731) is amended by striking the words "Federal Highway Administrator" and inserting in lieu thereof the words "Director of Public Roads", by striking the word "Agency" wherever it occurs in such section and inserting in lieu thereof the word "Bureau", and by striking "an Administrator" or "Administrator" wherever appearing therein, and inserting in lieu thereof "a Director" or "Director", respectively.

(i) Section 115 of the National Traffic and Motor Vehicle Safety Act of 1966 (80 Stat. 718) is amended by striking the word "Agency" wherever it occurs in such section and inserting in lieu thereof the word "Bureau", and by striking the word "Administrator" wherever it occurs in such section and inserting in lieu thereof the word "Director".

(j) Section 3(a) of the Marine Resources and Engineering Development Act of 1966 (80 Stat. 204) is amended by striking the words "the Treasury" and inserting in lieu thereof "Transportation".

(k) Section 2(e) of the Act of September 22, 1966, Public Law 89-599, is amended by striking the words "of Commerce" and inserting in lieu thereof the words "of Transportation".

#### ADMINISTRATIVE PROVISIONS

Sec. 9. (a) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, the National Transportation Safety Board, or any other officer in the Department, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out the provisions of this Act and to prescribe their authority and duties.

(b) Section 5108(a) of title V of the United States Code, relating to the maximum number of positions authorized for grades 16, 17, and 18 of the General Schedule is amended by striking out "2,577" and inserting in lieu thereof "2,622".

(c) The Secretary may obtain services as authorized by section 3109 of title V of the United States Code, but at rates not to exceed \$100 per diem for individuals unless otherwise specified in an appropriation Act.

(d) The Secretary is authorized to provide for participation of military personnel in carrying out the functions of the Department. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Department by the appropriate Secretary, pursuant to cooperative agreements with the Secretary of Transportation.

(e) (1) Appointment, detail, or assignment to, acceptance of, and service in any appointive or other position in the Department under the authority of section 9(d) and section 9(g) shall in no way affect status, office, rank, or grade which officers or enlisted men may occupy or hold or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, nor shall any member so appointed, detailed, or assigned be charged against any statutory limitation on grades or strengths applicable to the Armed Forces. A person so appointed, detailed, or assigned shall not be subject to direction by or control by his armed force or any officer thereof directly or indirectly with respect to the responsibilities exercised

in the position to which appointed, detailed, or assigned.

(2) The Secretary shall report annually in writing to the appropriate committees of the Congress on personnel appointed and agreements entered into under subsection (d) of this section, including the number, rank, and positions of members of the armed services detailed pursuant thereto.

(f) (1) In addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or vested in the Secretary in this Act, the Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties.

(2) In addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or specified by this Act to be carried out by any officer in the Department, such officer may delegate any of such functions, powers, and duties to such other officers and employees of the Department as he may designate; may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out such functions, powers, and duties.

(3) The Administrators established by section 3(e) of this Act may not delegate any of the statutory duties and responsibilities specifically assigned to them by this Act outside of their respective administrations.

(g) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the Federal Aviation Agency, and of the head and other officers and offices thereof, are hereby transferred to the Secretary: *Provided, however*, That the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, and other funds employed in carrying out the duties and functions transferred by this Act to the Secretary which are specified by this Act, to be carried out by the Administrator shall be assigned by the Secretary to the Administrator for these purposes.

(h) So much of the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by sections 6 (except section 6(c)) and 8 (d) and (e) of this Act as the Director of the Bureau of the Budget shall determine shall be transferred to the Secretary: *Provided, however*, That the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed by the CAB in carrying out the duties transferred by this Act to be exercised by the National Transportation Safety Board shall be transferred to the National Transportation Safety Board: *Provided further*, That the positions, personnel, assets, liabilities, contracts, property, and unexpended balances of appropriations, authorizations, and other funds employed in carrying out the functions, powers, and duties transferred by this Act to the Secretary which by this Act are transferred to or to be exercised by the Federal Maritime Administrator, or the Maritime Board shall be assigned by the Secretary to the Federal Maritime Administrator or the Maritime Board,

as appropriate for these purposes. Except as provided in subsection (l), personnel engaged in these functions, powers, and duties shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(i) The transfer of personnel pursuant to subsections (g) and (h) of this section shall be without reduction in classification or compensation for one year after such transfer.

(j) In any case where all of the functions, powers, and duties of any officer or agency, other than the Coast Guard, are transferred pursuant to this Act, such office or agency shall lapse. Any person who, on the effective date of this Act, held a position compensated in accordance with the Federal Executive Salary Schedule, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in his new position.

(k) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations, together with any appropriations made for the purpose of providing capital, which appropriations are hereby authorized. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. The Comptroller General of the United States shall make an annual audit of the working capital fund at the end of each fiscal year and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(l) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

(m) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, the National Transportation Safety Board, or other officer in the Department, as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

(1) Emergency medical services and supplies;

- (2) Food and other subsistence supplies;
- (3) Messing facilities;
- (4) Motion picture equipment and film for recreation and training;

(5) Reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons; and

(6) Living and working quarters and facilities. The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary, and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(n)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(2) For the purpose of Federal income, estate, and gift taxes, property accepted under paragraph (1) shall be considered as a gift or bequest to or for use of the United States.

(3) Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(o)(1) The Secretary is authorized, upon the written request of any person, or any State, territory, possession, or political subdivision thereof, to make special statistical studies relating to foreign and domestic transportation, and other matters falling within the province of the Department, to prepare from its records special statistical compilations, and to furnish transcripts of its studies, tables, and other records upon the payment of the actual cost of such work by the person or body requesting it.

(2) All moneys received by the Department in payment of the cost under paragraph (1) shall be deposited in a separate account to be administered under the direction of the Secretary. These moneys may be used, in the discretion of the Secretary, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

(p) The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as shall be appropriate for the purpose of consultation with and advice to the Department in performance of its functions. Members of such committee, other than those regularly employed by the Federal Government, while attending meeting of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under subsection (c) of this section, and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title V of the United States Code for per-

sons in the Government service employed intermittently. Payments under this subsection shall not render members of advisory committees employees or officials of the United States for any purpose.

(q)(1) Notwithstanding any provision of this Act or other law, a member of the Coast Guard on active duty may be appointed, detailed, or assigned to any position in the Department other than Secretary, Under Secretary, and Assistant Secretary for Administration.

(2) Subject to the provisions of title V of the United States Code, a retired member of the Coast Guard may be appointed to any position in the Department.

(r)(1) The Secretary is authorized to enter into contracts with educational institutions, public or private agencies or organizations, or persons for the conduct of scientific or technological research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary shall require a showing that the institutions, agencies, organizations, or persons with which he expects to enter into contracts pursuant to this section have the capability of doing effective work. He shall furnish such advice and assistance as he believes will best carry out the mission of the Department, participate in coordinating all research initiated under this section, indicate the lines of inquiry which seem to him most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutions, agencies, organizations, or persons and between them and other research organizations, the Department, and other Federal agencies.

(3) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he deems desirable on the research carried out pursuant to this section.

(4) Nothing contained in this subsection is intended to amend, modify, or repeal any provisions of law administered by the Department which authorize the making of contracts for research.

#### CONFORMING AMENDMENTS TO OTHER LAWS

SEC. 10. (a) Section 19(d)(1) of title 3, United States Code, as amended, is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Transportation."

(b) Section 101 of title V of the United States Code is amended by inserting at the end thereof the following:

"The Department of Housing and Urban Development.

"The Department of Transportation".

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

(d) Subchapter II (relating to executive schedule pay rates) of chapter 53 of title V of the United States Code is amended as follows:

(1) Section 5312 is amended by adding at the end thereof the following:

"(11) Secretary of Housing and Urban Development.

"(12) Secretary of Transportation."

(2) Section 5313 is amended by striking out "(7) Administrator of the Federal Aviation Agency" and inserting in lieu thereof "(7) Under Secretary of Transportation", and by adding at the end thereof the following:

"(19) Administrator, Federal Aviation Administration."

(3) Section 5314 is amended by adding at the end thereof the following:

"(46) Assistant Secretaries of Transportation (4).

"(47) Administrator, Federal Highway Administration.

"(48) Administrator, Federal Railroad Administration.

"(49) Administrator, Federal Maritime Administration.

"(50) Chairman, National Transportation Safety Board."

(4) Section 5315 is amended by adding at the end thereof the following:

"(78) Members, National Transportation Safety Board.

"(79) General Counsel, Department of Transportation.

"(80) Deputy Administrator, Federal Aviation Administration.

"(81) Assistant Secretary for Administration, Department of Transportation.

"(82) Director of Public Roads."

(6) Section 5317 is amended by striking out "thirty" and inserting in lieu thereof "thirty-nine".

(7)(A) After section 5317 insert a new section as follows:

"§ 5318. Presidential authority to place a position at level III

"The President is further authorized to place one position in level III."

(B) Amend the table of contents at the beginning of chapter 53 by inserting at the end of the material relating to subchapter II the following:

"5318. Presidential authority to place one position in level III."

(e) Subsections 5314(6), 5315(2), and 5316 (12), (13), (14), (78), (82), and (89) of title V of the United States Code are repealed, subject to the provisions of section 9 of the Department of Transportation Act.

(f) The Act of August 1, 1956, as amended (70 Stat. 397; 46 U.S.C. 1241c), is amended by striking the words "Secretary of Commerce" where they appear therein and inserting in lieu thereof "Secretary of Transportation".

(g) Title 18, United States Code, section 1020, as amended, is amended by striking the words "Secretary of Commerce" where they appear therein and inserting in lieu thereof "Secretary of Transportation".

(h) Subsection (1) of section 801, title 10, United States Code, as amended, is amended by striking out "the General Counsel of the Department of the Treasury" and inserting in lieu thereof "the General Counsel of the Department of Transportation".

#### ANNUAL REPORT

SEC. 11. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

#### SAVINGS PROVISIONS

SEC. 12. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective—

(A) under any provision of law amended by this Act, or

(B) in the exercise of duties, powers, or functions which are transferred under this Act,

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, Administrators, Board, Maritime Board, or General Counsel (in the exercise of any authority respectively vested in them by this

Act), by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the department or agency before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, Administrators, Board, Maritime Board, or General Counsel (in the exercise of any authority respectively vested in them by this Act), by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2) —

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act —

(A) such department or agency is transferred to the Secretary, or

(B) any function of such department, agency, or officer is transferred to the Secretary,

then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the department, agency, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function, power, or duty transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department or agency, officer or office so transferred or functions of which are so transferred shall be deemed to mean the officer or agency in which this Act vests such function after such transfer.

#### SEPARABILITY

Sec. 13. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

#### CODIFICATION

SEC. 14. The Secretary is directed to submit to the Congress within two years from the effective date of this Act, a proposed codification of all laws that contain the powers, duties, and functions transferred to or vested in the Secretary or the Department by this Act.

#### EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 15. (a) This Act shall take effect ninety days after the Secretary first takes office, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in section 3, 5, or 6 of this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in such sections, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates provided for in sections 3, 5, 6, and 10 of this Act. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

#### ADJOURNMENT

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until 12 o'clock tomorrow noon.

The motion was agreed to; and (at 6 o'clock and 7 minutes p.m.) the Senate adjourned until tomorrow, Thursday, September 29, 1966, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate September 28, 1966:

##### IN THE AIR FORCE

Gen. Hunter Harris, Jr., FR624 (major general, Regular Air Force) U.S. Air Force, to be placed on the retired list in the grade of general under the provisions of section 8962, title 10 of the United States Code.

##### IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

##### To be lieutenant general

Lt. Gen. Albert Watson II, O18105, Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

##### To be lieutenant general

Maj. Gen. Ferdinand Thomas Unger, O20734, U.S. Army.

##### IN THE NAVY

The following-named officers of the U.S. Navy for temporary promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Addisson, Hubert K.	Atkinson, Bert M., Jr.
Allen, Charles D.	Babbitt, Franklin G.
Allred, Jimmie B.	Barker, Edwin F., Jr.
Altz, Leroy V., Jr.	Barlow, John F.
Anders, Samuel G., Jr.	Barton, Charles A.
Anderson, Vernon F.	Bayly, Donald C.
Anderson, James R.	Bellah, James C.
Anderson, Raymond	Bennett, Arthur
M., Jr.	K., Jr.
Ashley, Linsey S.	Benrubi, Lazar H.

Beutler, Albert G.	Hardy, Willis A.
Blackwelder, Buren L.	Earlan, Wick R., Jr.
Blanks, Alva L.	Harris, William L., Jr.
Blount, Robert H.	Hayes, Arthur M., Jr.
Bodamer, Robert E.	Hazen, Alan M.
Bodnaruk, Andrew	Heile, Donald H.
Boland, Paul	Henderson, Jerome E.
Boller, Jack W.	Henriques, David N., Jr.
Boniface, John G.	Herzog, John J.
Boule, Arthur E., Jr.	Hilton, Jack
Bowen, Alva M., Jr.	Hoke, Charles H.
Boyd, Carl J.	Hollingsworth, Russell K., Jr.
Boyd, Paul C.	Holschuh, Howard W.
Brazzell, Robert J.	Hooffstetter, William B.
Brett, Robert P.	Horn, Maurice A.
Brown, Francis T.	Houston, Willard S., Jr.
Burgin, Wilbur J.	Howard, George D.
Caldwell, Jack	Howe, Thomas
Campbell, William M.	Hoy, Hugh A.
Carlisle, Charles S.	Hughes, Thomas J., Jr.
Carnahan, Ralph H.	Hugus, James E.
Carneghi, Albert J.	Hulihan, John W.
Carrier, Francis A.	Irish, Edelbert E.
Casper, William F., Jr.	Johnson, Charles E.
Chapman, James F.	Joy, Harmon R.
Chute, Charles L.	Kaine, Francis R.
Clark, Gilbert L.	Kearns, John S.
Clausen, Paul K.	Kent, John L.
Coffey, Claude C., Jr.	Kidd, John D.
Cone, Warren M.	Cox, Channing H.
Cooley, Homer K., Jr.	Cravener, Leahmon A.
Cox, Channing H.	Crawford, Robert E.
Cravener, Leahmon A.	Cushman, Charles H., Jr.
Crawford, Robert E.	Damrow, Julius P.
Cushman, Charles H., Jr.	Davies, Henry E.
Damrow, Julius P.	Davis, Hector W., Jr.
Davies, Henry E.	DeCamp, Dwight E.
Davis, Hector W., Jr.	Dedman, Tyler F.
DeCamp, Dwight E.	Dehn, Emerson C.
Dedman, Tyler F.	Delaware, Joseph L.
Dehn, Emerson C.	DeLorenzi, Robert M.
Delaware, Joseph L.	Leib, James Jr.
DeLorenzi, Robert M.	Lewis, George H.
Leib, James Jr.	Doak, William C.
Lewis, George H.	Doescher, Walter W., Jr.
Doak, William C.	Dorman, Alvin E.
Doescher, Walter W., Jr.	Doss, Robert F.
Dorman, Alvin E.	Doty, William K.
Doss, Robert F.	Dowling, Patrick S.
Doty, William K.	Duacek, Anthony W.
Dowling, Patrick S.	Duberg, Carl N.
Duacek, Anthony W.	Dudley, Harrison G.
Duberg, Carl N.	Ellis, George W.
Dudley, Harrison G.	Ellis, William H.
Ellis, George W.	Endacott, Jack A.
Ellis, William H.	Exum, John D.
Endacott, Jack A.	Ferguson, William P.
Exum, John D.	Field, Francis E.
Ferguson, William P.	Fisher, Lee W.
Field, Francis E.	Fowler, Earl B., Jr.
Fisher, Lee W.	Francis, Samuel
Fowler, Earl B., Jr.	Fritsch, Edward C., Jr.
Francis, Samuel	Gammill, James L.
Fritsch, Edward C., Jr.	Gatewood, Walter P.
Gammill, James L.	Gautier, Robert H.
Gatewood, Walter P.	Geer, Jon R.
Gautier, Robert H.	Gerhard, Harry E., Jr.
Geer, Jon R.	Gernert, Harold F.
Gerhard, Harry E., Jr.	Giorgis, Albert S.
Gernert, Harold F.	Girard, Jean L.
Giorgis, Albert S.	Glaser, William R.
Girard, Jean L.	Glenzer, Hubert Jr.
Glaser, William R.	Gless, Richard D.
Glenzer, Hubert Jr.	Glindeman, Henry P., Jr.
Gless, Richard D.	Gorder, Merle H.
Glindeman, Henry P., Jr.	Gordon, Jack G.
Gorder, Merle H.	Gray, Gordon L., Jr.
Gordon, Jack G.	Gray, Julian F.
Gray, Gordon L., Jr.	Gregory, Grover K., Jr.
Gray, Julian F.	Griffin, Thomas H.
Gregory, Grover K., Jr.	Grill, Robert W.
Griffin, Thomas H.	Gullette, John G.
Grill, Robert W.	Guthrie, Charles A.
Gullette, John G.	Habs, Orrie A.
Guthrie, Charles A.	Hamberg, Harold A.
Habs, Orrie A.	
Hamberg, Harold A.	



Our committee realizes that, assuming this project receives full congressional authorization, much intensive work lies ahead for the participants before definitive contracts can be signed to proceed with the work. However, the evidence presented to our committee indicates that the parties will continue to collaborate effectively.

Mr. President, I reiterate that S. 3807 has received the undivided support of the Joint Committee on Atomic Energy, and I urge the Senate to pass this bill today.

Mr. President, as the title indicates, this is an authorization which was reported without objection by the Joint Committee on Atomic Energy. I have discussed it personally with the ranking Republican member on the Senate side of the aisle, the Senator from Iowa [Mr. HICKENLOOPER], and he has no objection to the bill being passed today.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3807

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 89-428 is hereby amended by adding a new section as follows:*

"SEC. 108. LARGE-SCALE COMBINATION NUCLEAR POWER-DESALTING PROJECT.—The Commission is hereby authorized to enter into a cooperative arrangement, in association with the Department of the Interior, with the Metropolitan Water District of Southern California, with privately, publicly, or cooperatively owned utilities, or others, for participation in a large-scale nuclear power-desalting project involving the development, design, construction, and operation of a desalting plant, back pressure turbine, and a nuclear powerplant or plants that will also be utilized for the generation of electric energy, in accordance with the basis for an arrangement described in the program justification data submitted by the Commission in support of this authorization for fiscal year 1967 without regard to the provisions of section 169 of the Atomic Energy Act of 1954, as amended: *Provided further*, That appropriations in the amount of \$15,000,000 are hereby authorized for the Commission's participation in this project; and the Commission's cooperative assistance shall pertain to the dual-purpose aspects of the project; the siting and related design of the plants; and the coupling of the desalting plant with the back pressure turbine and the nuclear powerplants; or to other aspects of the project pertaining to interrelationship of nuclear power and desalting."

#### DEPARTMENT OF TRANSPORTATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

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

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 3010) to establish a Department of Transportation, and for other purposes.

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

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

#### UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the pending business there be a time allocation of one-half hour on each amendment to be controlled by the mover and the Senator from Arkansas [Mr. McCLELLAN] and 3 hours on the bill, the time to be controlled by the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Washington [Mr. JACKSON] on the one side, and by the Senator from South Dakota [Mr. MUNDT] on the other.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, when the Government Operations Committee opened hearings on S. 3010 I stated that we would study this bill—that we would examine it carefully—and try to do a constructive job of revising and improving it. I fully realized that to do this would take time, perhaps a long time. The committee had this measure under active consideration for the better part of 6 months. We examined and considered this bill in detail, and the fact that the committee has largely accomplished what it undertook is attested to by the unanimous vote cast by the committee in ordering the bill favorably reported.

In all candor, however, the committee could well have used still more time in which to study all facets of the problems presented in the establishment and organizing of a department of this magnitude and complexity.

There is, however, general agreement that a Department of Transportation is needed, and indications are that this need will only intensify in the months and years ahead. So while the committee would liked to have had additional time in which to work on this measure, we concluded, in view of the action taken by the House, that we would get the bill out at this session. Accordingly, we labored diligently to get the best possible bill under those circumstances. We could not and did not, resolve each and every issue presented by this ambitious and complicated proposal in the time we had available. It is anticipated that revisions and additional work will have to be done in future sessions of Congress and that there will be need for reorganizations within this Department.

Mr. President, the committee held 9 days of hearings on S. 3010, receiving

testimony from 58 witnesses representing the executive branch, independent regulatory agencies, industry, labor, and the public. In addition, 36 exhibits and 50 statements and communications were incorporated into the hearing record which runs to 4 volumes. Since those hearings were concluded, seven executive sessions were held on this bill in addition to several informal conferences.

President Johnson, in his message on transportation stated:

America today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

It was the purpose of the Committee on Government Operations to determine if a Department of Transportation could be organized and established to meet that need. We sought to determine if a reshuffling of Government agencies and a transfer of power and programs would facilitate the realization of a coordinated transportation system. We were also interested in finding out if such a Department would promote economy and efficiency in the Government, and whether it could be so structured as to promote safety in public transportation on the highways, in the air, and on the sea.

I believe that the enactment of the bill as recommended by our committee will help us attain these goals.

The committee received and analyzed several hundred suggested changes and amendments, many of which proved meritorious. Indeed, we finally adopted so many amendments that it was necessary to report the bill with an amendment in the nature of a substitute.

The amended bill will centralize in one new Cabinet-level Department the responsibility for leadership in the development, direction, and coordination of the principal transportation policies, functions, and operations of the Federal Government. These activities are currently being carried on by almost 100,000 Federal employees in a dozen different departments, independent regulatory agencies and elements thereof, and involve annual expenditures of \$6 billion.

The bill will provide a focal point of responsibility within the Federal Government for all modes of transportation safety. And finally, the bill will provide a locus of responsibility that the Congress can look to for making legislative, budgetary, and other recommendations designed to improve our transportation system.

All of the major transportation agencies and functions of the Federal Government would be transferred to the Department of Transportation, except the economic regulatory functions of the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and the Federal Power Commission. The bill would also transfer to the Secretary, the modal Administrators and a newly created National Transportation Safety Board, transportation safety responsibilities which are now vested in agencies throughout the Government.

AGENCIES AND FUNCTIONS TRANSFERRED TO THE  
NEW DEPARTMENT

S. 3010, as amended, would transfer to the new Department the following agencies and functions:

First. The Federal Aviation Agency, in its entirety, along with all of its functions.

Second. The Bureau of Public Roads, Department of Commerce, together with the Federal-aid highway program which it administers, as well as its numerous other highway activities.

Third. The Office of the Under Secretary of Commerce for Transportation, together with all of the transportation functions now vested in the Secretary of Commerce and other officers and offices of the Department of Commerce under various statutes.

Fourth. The Federal Maritime Administration, Department of Commerce, with its operating and construction-differential subsidy programs for the United States Merchant Marine and shipping industry.

Fifth. The U.S. Coast Guard, Department of the Treasury, whose principal peacetime activities relate to transportation and marine safety.

Sixth. The Great Lakes Pilotage Administration, Department of Commerce.

Seventh. The safety functions of the Civil Aeronautics Board.

Eighth. Those functions of the Secretary of the Army, performed by the Corps of Engineers, which relate to anchorages, bridges, and tolls.

Ninth. St. Lawrence Seaway Development Corporation.

Tenth. The Alaska Railroad, now under the direction and supervision of the Secretary of the Interior.

Eleventh. The functions, powers, and duties vested in the Secretary of Commerce by the National Traffic and Motor Vehicle Act of 1966 and the Highway Safety Act of 1966.

Twelfth. Railroad and motor carriers safety laws, along with several miscellaneous functions from the Interstate Commerce Commission.

ORGANIZATION OF THE DEPARTMENT

The proposed Department would be headed by a Secretary of Transportation, an Under Secretary, four Assistant Secretaries, a General Counsel, and an Assistant Secretary for Administration. The principal operating agencies within the Department would be a Federal Aviation Administration, a Federal Highway Administration, a Federal Maritime Administration, a Federal Railroad Administration, and the U.S. Coast Guard. Each of these operating agencies would be headed by an Administrator, except for the Coast Guard which would continue to be headed by the Commandant. All of these principal officers, including the modal Administrators and a Deputy Administrator in the case of aviation, would be appointed by the President, subject to Senate confirmation.

The bill further establishes within the Department an independent, bipartisan National Transportation Safety Board, composed of five presidentially ap-

pointed members with tenure, subject to Senate approval.

The bill would also establish within the Department an independent, bipartisan Maritime Board, composed of the Federal Maritime Administrator, as Chairman, and two other members, appointed by the President, subject to Senate confirmation, to handle maritime subsidy matters involving quasi-judicial decisions.

ASSIGNMENT AND PERFORMANCE OF TRANSFERRED  
FUNCTIONS

In general, all of the functions, powers, and duties now vested in the transferred agencies, or in those from which such functions have been transferred, would be transferred to and vested in the Secretary of Transportation. However, the amended bill provides for further distribution of some of these functions by assigning them to the operating modal units, the National Transportation Safety Board, or the Maritime Board. The purpose of this arrangement was to vest in the Secretary the general administration and promotional functions, powers, and responsibilities incident to the operation of the Department, while the actual performance of some of these functions, especially those requiring expertise in the area of safety, are assigned to appropriate units within the Department.

By vesting sole authority for safety matters in trained experts—as proposed by this bill—the committee believes that any possible semblance of political influence will be eliminated. At the same time, this arrangement will allow the Secretary to devote his major efforts to the numerous other responsibilities attendant to the organization and operation of a Cabinet-level Department.

TRANSPORTATION INVESTMENT STANDARDS

As introduced, section 7(a) of S. 3010 placed upon the Secretary of Transportation the responsibility of developing and revising standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment. It then exempted four specific types of proposals for Federal investment from the standards and criteria to be established by the Secretary. The committee amended this to add water resource projects as a fifth type of proposal for Federal investment to the other four that are excluded from the criteria to be established by the Secretary of Transportation.

This is necessary since navigation is a major function of any total concept of water resource development and, therefore, other phases of water resource development should not be influenced by standards and criteria established for application to problems related solely to transportation.

The committee amendment also provides that standards and criteria developed or revised pursuant to this subsection shall not be promulgated by the Secretary until they are approved by the Congress instead of the President, as originally proposed.

This is intended to retain within the Congress its constitutional authority to regulate commerce among the several States. A blanket delegation of such widespread authority to the executive branch of the Government is considered unwise. The section, as revised, would place on the Secretary of Transportation the responsibility of developing the standards and criteria but would retain in the Congress the final responsibility for their approval—thereby maintaining the checks and balances contemplated by the framers of the Constitution.

The amendment would continue the authority of the Water Resources Council to establish standards and criteria for the evaluation of water resources projects where it was placed by the Congress just last year when the Council was established by section 101 of Public Law 89-80.

A definition of primary navigation benefits is also contained in the amendment. This is necessary to insure that future projects will be evaluated on the same basis that has resulted in the development of our truly great system of inland navigation that has served this Nation so well in peace and war. In November of 1964, the Corps of Engineers, under policy guidance of the Bureau of the Budget, issued new criteria for the evaluation of navigation projects. Not a single proposed waterway has met the test of these new criteria. The Bureau of the Budget finally recognized the difficulty of applying the criteria set forth in the directive of November 1964, and has just recently stated that they will be reversed. But the much needed expansion of our network of inland waterways is far too important to the national welfare to be subjected to the conceptual manipulations of the Bureau of the Budget. This is a matter within the proper purview of Congress, and my amendment to section 7 returns this prerogative to the legislative branch.

In this connection, it is important to note that the corps' experience with the development of commerce on major existing waterways has shown that the former method of evaluating navigation benefits which my amendment reinstates has resulted in ultra-conservative estimates of traffic growth.

Finally, section 7, as amended, expands the membership on the Water Resources Council to include the new Secretary of Transportation on matters pertaining to navigation features of water resource projects. The expansion of the Water Resources Council to include the Secretary of Transportation on these matters is consistent with the intent of section 101 of Public Law 89-80, which established the Council.

In conclusion, Mr. President, we need to review and restructure the organization of our Government wherever and whenever necessary if we are to move forward with the flow of progress. Federal programs and expenditures must be fully coordinated, and adequate provisions must be made for the development and implementation of new policies. That there is a critical need to do this now in the field of transportation is

clearly demonstrated, and appropriate action should be taken by Congress to achieve that end.

The creation of a Cabinet-level Department represents the highest form of Government reorganization. It is not a proposal to be lightly undertaken.

If our transportation system is to meet the needs of today and the demands of tomorrow, we must focus our efforts and attention at the Federal level in a Cabinet Department, as proposed by this legislation.

America is a nation on the move and we need the very best transportation system possible for our people and our goods. Your committee believes that the organizational structure for the new Department proposed in this bill will facilitate the Federal Government's contribution toward the realization of that goal.

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

Mr. McCLELLAN. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Does the Senator feel that if this bill is approved by Congress and becomes law, it will again become possible to make progress in waterway improvement and development?

Mr. McCLELLAN. I believe so, with the amendment that the committee adopted—an amendment which I sponsored—which places the criteria for determining the benefits on the basis of comparison with presently existing rates for transportation by competing facilities, rather than what the rates might be after the navigation project was completed, and rates began to come down to meet its competition.

Mr. AIKEN. Of course, the formula or the policy in effect at the present time—

Mr. McCLELLAN. For the last 2 years.

Mr. AIKEN. Yes; for the last 2 years. That policy appears to give the railroads the power to block every single waterway improvement.

Mr. McCLELLAN. I think they do have that power, under the present policy.

Mr. AIKEN. I think they have done it, too.

Mr. McCLELLAN. They probably have done so, and I think it is wrong.

If we are to compare benefits in order to justify an improvement, the proper way is to compare them with existing conditions, not what the conditions will be after the competition has been established, and that competition begins to work against the competitors.

Mr. AIKEN. It certainly has been possible to block waterway developments, or even modest improvements in waterways, simply by the railroads making a promise—which might be expected at some times and places, but ought not to be permitted under Government policies—which they do not keep.

Mr. McCLELLAN. Yes. I point out another vast improvement which I think we have made in this bill: Under the original bill, as presented by the administration, the Secretary of the Department would formulate policies and submit them to the President, and then could initiate them and put them into effect.

Under the bill, as reported by the committee, the Secretary can take the leadership—in fact, he is directed to take the leadership—in formulating policy. But they have to come to Congress for approval before the policies can be put into effect.

Thus, particularly as to the waterways, we have dual protection. I think that is the way it should be. I think that is the only way to maintain checks and balances, if Congress is to perform its function of establishing policy by law.

Mr. AIKEN. I have noticed, in some of the studies that have been made of proposed waterway improvements, that the report and the study seem to be based on existing business along an unimproved waterway, without giving full consideration to the expansion of business which would occur along that route if the waterway were improved.

Mr. McCLELLAN. The formula set forth in this bill requires that that be considered.

Mr. AIKEN. Does the Senator think that would be an important consideration?

Mr. McCLELLAN. Well, we are going to make it the law, if we pass this bill.

Mr. AIKEN. That is one good thing about the bill, anyway, if it does what the Senator says it does.

Mr. McCLELLAN. It is intended to do that. I think everyone is satisfied that it would. We worked on this; we did not just take it for granted. The provisions of this bill, if I may say so, embody the views of the chairman, because I am vitally interested in the progress of the development of our water resources and inland navigation and transportation.

I may say that I took the position that the original bill would have to be corrected, and I think we have corrected it.

Mr. AIKEN. In the case of modes of transportation, we know from experience and observation that reasonable and fair competition makes business rather than destroying it.

Mr. McCLELLAN. Wherever there is navigation on the inland waterways, the prosperity of the entire areas concerned is enhanced, and everyone profits by it—the railroads and everyone else.

Mr. AIKEN. The ones who oppose progress the most frequently turn out to be the greatest beneficiaries.

Mr. McCLELLAN. That is true. That was found to be so with respect to the development of the hydroelectric power potential. The private power companies opposed such development originally, but today the development has resulted in a greater need and demand, and there are demands from more sources than ever for more power.

Mr. AIKEN. We have a good example of that in New England, where the private utility companies have vigorously opposed the Dickey-Lincoln School project in Maine. I do not know how practical that proposal is, although I think it is practical. But the very fact that it has had encouragement from Government circles has prompted the New England utility companies to move ahead and to progress, action which undoubtedly they would have postponed

for some years had it not been for the threat of competition.

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

Mr. McCLELLAN. I am glad to yield.  
Mr. BARTLETT. I should like to have one point cleared up. For a long while—I suppose from the very time the Coast Guard was created—appropriation requests for that service went directly to the Committees on Appropriations of the two Houses of Congress without any authorization being required. Two, three, or four years ago—not long ago, in any case—a bill was passed by the Senate and House and signed by the President requiring that Coast Guard appropriations be authorized by the Committee on Commerce of the Senate and the Merchant Marine and Fisheries Committee of the House. That put the Coast Guard on the same level as the military services, so far as appropriations are concerned.

It is my understanding that the chairman of the Committee on Commerce, the distinguished Senator from Washington [Mr. Magnuson], made representations to the Committee on Government Operations that he hoped that this practice would continue and that the Committee on Commerce would retain the authority to authorize appropriations for the Coast Guard in advance of the appropriations being made.

The question I should like to ask is: Will this be possible under the bill? Will there be any change in existing law?

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 27 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield the floor at this time to the distinguished Senator from Washington [Mr. Jackson], who is a member of the committee. He will answer the question of the Senator from Alaska.

The PRESIDING OFFICER. How much time does the Senator from Washington require?

Mr. JACKSON. Mr. President, I yield myself such time as I may require to respond to the question and to make a formal statement.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, in answer to the question of the distinguished Senator from Alaska, the committee has provided that the status quo will be maintained insofar as the Coast Guard is concerned. Under the pending bill, it will be in exactly the same situation with respect to its existing authority under the Treasury Department.

That authority, in all respects, will remain the same.

I assume that practice would continue under the bill.

Mr. BARTLETT. I am happy to hear that. I know my pleasure will be shared by the colleague of the Senator, the senior Senator from Washington.

I think this authorization process has worked out much better, not only as far as the Coast Guard is concerned, but

also as far as the interests of the country are concerned, than the previous system.

I am glad that the committee saw fit to retain this power in the Commerce Committee.

Mr. JACKSON. Mr. President, as the Senator is aware, the Secretary of the Treasury has full authority and control over the Coast Guard in peacetime.

Mr. BARTLETT. That is correct.

Mr. JACKSON. As a matter of practice, however, the Coast Guard is operated for all practical purposes as a separate entity.

The committee in its report has recognized the tradition that the Coast Guard be under the authority and control of the Department of the Treasury. We have made it clear that we feel the practice over the years of giving certain specific identification to the Coast Guard is a sound practice.

It is our intent that this practice be continued in the new Department.

Mr. BARTLETT. However, the Coast Guard will be shifted in its entirety to the new Department. Is that correct?

Mr. JACKSON. The Coast Guard will be shifted in its entirety to the new Department without any substantive change in the existing situation as it relates to the Coast Guard.

Mr. BARTLETT. Mr. President, I thank the Senator.

Mr. JACKSON. Mr. President, S. 3010 will establish a new Department of Transportation, encompassing within its jurisdiction every form of transportation—on land, in the water, and in the sky above. The bill will affect the commuter on his way to and from work, the shipper and producer marketing his goods, the consumer, the traveler by private auto, bus, train, ship, and airplane, and management and labor.

The Department of Transportation with its over 94,000 employees would rank fourth in size in terms of civilian and military employment; and with its nearly \$6.3 billion for fiscal 1967 would rank fifth in size in terms of budget in the Federal Government.

Within its broad compass the new Department will have the operation of a railroad—the Alaska Railroad; the development of a giant jet aircraft—the supersonic transport; the construction and operation of a seaway—the St. Lawrence Seaway Corporation; the operation of airports—National and Dulles in Washington, D.C.; the enforcement of laws on the high seas and waters within U.S. jurisdiction—the U.S. Coast Guard, which operates as part of the Navy in time of war; the regulation of pilotage on the Great Lakes—the Great Lakes Pilotage Administration; the development and supervision of an Interstate Highway System—the \$4.5-billion-a-year Federal highway program, administered by the Bureau of Public Roads; highway beautification—the Highway Beautification Act; the operation of schools—the Merchant Marine Academy and the Coast Guard Academy; demonstrations in high-speed ground transportation—the High Speed Ground Transportation Act; merchant marine and shipping programs—the Merchant Marine Acts; the

operation of air navigation systems and the control of airspace—Federal Aviation Act; and, finally, safety—safety of railroads, motor carriers, buses, oil pipelines, airplanes, ships, and automobiles.

But even with all these duties, not all transportation will be included in the Department. Urban transportation will remain in the Department of Housing and Urban Development; transportation of mail will remain in the Post Office Department; transportation of military goods and personnel will remain in the Department of Defense; transportation of Government-owned agricultural commodities will remain in the Department of Agriculture; construction of navigation projects will remain in the Corps of Engineers; and the economic regulation of transportation will remain with the regulatory agencies—the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and the Federal Power Commission.

The new Department of Transportation, headed by a Cabinet-level Secretary, will centralize responsibility for coordination of our existing transportation programs and policies, and for the development of a transport system to meet the needs of the 21st century.

S. 3010 vests in the Secretary of Transportation the responsibility for providing general leadership in the development of national transportation policies and programs; making recommendations to the President and the Congress for their implementation; promoting and undertaking the development, collection, and dissemination of technological, statistical, economic, and other information relevant to domestic and international transportation; promoting and undertaking research and development in and among all modes and types of transportation services and facilities; promoting and undertaking research and development in noise abatement, with particular attention to aircraft noise; the development of standards and criteria for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation, with certain stated exceptions, including water resource projects; and the coordination of all of the farflung transportation activities of the Federal Government. The Secretary will also be vested with all of the administrative and promotional functions, powers, and duties transferred to the Department.

To aid the Secretary in performing these challenging duties, S. 3010 provides for four Assistant Secretaries without statutory assignments. These Assistant Secretaries will perform such duties as the Secretary may prescribe in the carrying out of his coordination and leadership functions.

S. 3010 also provides for four Administrators—one each for Aviation, Highway, Rail, and Maritime—to carry out policy and program matters relating to each particular mode. These four modal administrators, together with the Commandant of the Coast Guard, and the Administrator of the St. Lawrence Seaway Development Corporation, will exer-

cise duties in particular areas of transportation.

The establishment of both cross-the-board Assistant Secretaries and modal administrators should insure that the Secretary has assistance not only in his coordination and leadership duties, but also in his responsibilities for carrying out programs concerning particular modes of transportation.

Primary responsibility for safety within the Department would be vested in a National Transportation Safety Board. This Board would: First, determine the probable cause of all transportation accidents and report the facts, conditions, and circumstances of each accident; second, review on appeal the suspension, amendment, modification, or denial or any certificate or license issued by the Secretary or Administrator; and third, conduct special safety studies, issue reports on safety, and recommend safety legislation. The Safety Board would assume the present accident investigation, determination of probable cause, and licensing appeal functions of the Civil Aeronautics Board.

S. 3010, as introduced, vested all functions, powers, and duties transferred to the Department in the Secretary. This would include not only promotional and administrative functions, such as administering the Federal highway acts, but also quasi-legislative and quasi-judicial functions, such as establishing rules and regulations for the safe transportation of explosives.

The essence of quasi-judicial and quasi-legislative functions is that they involve matters which are to be determined on the record after affording interested persons an opportunity to present their views. Congress could, for example, establish rules and regulations for the transportation of explosives. This would not be practicable and instead, Congress has delegated this duty to an independent agency—the Interstate Commerce Commission—to make such rules and regulations according to procedures established under the Administrative Procedure Act.

The effect of vesting these duties in the Secretary would be that the initial decision would be made by a modal administrator, and then an extra layer of appeal would be added—to the Secretarial level—before finality occurred. The committee considered that such quasi-judicial and quasi-legislative matters should be decided by the modal administrators, and that their decisions should be administratively final and appealable only to the courts, except certain certificate appeals which would go to an independent board—the National Transportation Safety Board—in accordance with present practice.

Two matters the committee considered to be of this quasi-judicial nature. The first is safety. Presently, rail, highway and pipeline safety are carried out by an independent agency—the Interstate Commerce Commission. Aircraft safety is carried out by two independent agencies, the Federal Aviation Agency and the Civil Aeronautics Board. Maritime safety is now carried out by the Coast Guard, which as a practical matter

functions as an independent unit within the Treasury under a Presidentially appointed Commandant.

S. 3010 as reported by the committee places responsibility for highway safety in the Highway Administrator; for rail and pipeline safety in the Railroad Administrator; and for aviation safety in the Federal Aviation Administrator. The decisions of these administrators as to safety would be administratively final. The Coast Guard, which would be transferred to the Department as a legal entity, would continue to operate under the Commandant, and handle maritime safety in accordance with present procedures.

The second matter involving quasi-judicial functions is maritime subsidy matters. As to maritime subsidy matters, there are requirements for hearings, and a history of independent boards and administrations handling these matters. S. 3010, as favorably reported by the committee, places in the Maritime Board the exercise of maritime subsidy matters, which involve hearings, and the Board's decisions are administratively final. Appeals, as provided by law, would be directly to the courts.

The placing of these duties in modal Administrators and the Maritime Board will free the Secretary to carry out the vital responsibilities and duties as to coordination, development of transportation policy, promotional functions, and administration entrusted to him by this act. It will also insure that these technical matters requiring the highest degree of expertise receive adequate attention, free from any partisan political considerations.

The removal of these duties leaves the Secretary vast responsibilities. He is directed to develop transportation policy, and to coordinate all Government transportation policies and programs. In the highway field, it will be the Secretary's duty to administer the nearly \$5 billion a year Federal-aid highway program; the Highway Beautification Act; and the recently passed Highway Safety and National Traffic and Motor Vehicle Safety Acts of 1966. The quasi-judicial functions entrusted to the Federal Highway Administrator concerning motor carrier safety involve approximately \$2 million a year and less than 200 personnel.

The Secretary's responsibilities in the railroad and pipeline field would be to carry out those duties now in the Secretary of Commerce involving high-speed ground transportation, research and development; and the duties now in the Secretary of the Interior involving the Alaska Railroad. The Railroad Administrator would carry out those duties transferred from the Interstate Commerce Commission concerning rail and pipeline safety.

The committee devoted serious and lengthy consideration to the assignment of aviation and maritime functions within the Department. The committee members desired to treat all quasi-judicial functions similarly within the Department, but the application of this principle to aviation safety and maritime matters was not easy.

Under the Federal Aviation Act of 1958, the FAA has been responsible for operating the air navigation system, regulating air commerce to promote its safety, and prescribing minimum standards for the certification of airmen and for design, materials, and workmanship of aircraft construction and maintenance. These functions, pertaining to safety, were transferred to and made the duty of the Federal Aviation Administrator to exercise within the Department. The other duties now carried out by the Federal Aviation Agency, such as administration of the Federal Airport Act; aircraft registration and title recording; duties under the International Aviation Facilities Act; and duties under the Washington National Airport Act, were vested in the Secretary.

The duties vested in the Secretary could, of course, be delegated by the Secretary to the modal Administrators, but they need not be. The duties statutorily assigned to the modal Administrators, such as those involving aviation safety, would be carried out by them and could not be transferred within the Department by the Secretary.

The Civil Aeronautics Board presently has statutory responsibility for investigating accidents involving civil aircraft, determining the cause or probable cause of such accidents, and reviewing on appeal certificate actions taken by the Federal Aviation Agency. This division of responsibility between the Federal Aviation Agency, which is charged with operating and maintaining air safety, and the Civil Aeronautics Board which has responsibility for investigation and determination of probable cause, has worked well according to the testimony presented to the committee.

S. 3010 as introduced would have transferred Civil Aeronautics Board duties involving probable cause and appeal certificate actions to the National Transportation Safety Board, and aircraft investigation to the Secretary, who would assign them to an Office of Accident Investigation. The committee determined that aircraft accident investigation should be kept independent in accordance with the present practice, and assigned this duty to the National Transportation Safety Board.

In the maritime field, the committee determined that maritime subsidy matters, which primarily are of a quasi-judicial nature, should be placed in the hands of a statutorily established Maritime Board. The Maritime Board would be composed of the Federal Maritime Administrator, as Chairman, and two additional members, with tenure, appointed by the President and confirmed by the Senate. The decisions of the Maritime Board would be administratively final, and appeals authorized by law would be directly to the courts.

The remaining matters, in accordance with the handling of other modes, could have been vested in the Secretary. Instead, it was decided to place these matters in the hands of the Maritime Administrator, but not to make his decisions administratively final. Some of these other matters, such as determining trade routes, do involve questions

which could be considered in the gray zone of quasi-judicial; but others, such as examining nautical schools, administering the Merchant Marine Academy, and certain national emergency powers, clearly do not. The various merchant marine matters are interrelated, and therefore it was decided to provide for their exercise solely by the Federal Maritime Administrator and the Maritime Board. It was not considered appropriate, however, to make the Maritime Administrator's decisions in such areas as national emergency functions and nautical school review administratively final.

This administrative assignment of functions, which the committee adopted, has strengthened the bill. It will entrust responsibilities within the Department to appropriate officials. Furthermore, it will free the Secretary to devote his time to providing this Nation with a coordinated national transportation to meet the needs of the coming 21st century.

Mr. President, before urging the Senate to act favorably on S. 3010, I want to pay special tribute to the staff members.

Mr. James R. Calloway, the staff director, led the team that handled these long drawn out hearings and the discussions that went on after the hearings were completed. His work was outstanding.

He was ably assisted in the Committee on Government Operations by Mr. Eli Nobleman, a longtime member of the professional staff.

Mr. President, the problems presented to the committee go to the heart of our national transportation policy. The need for a substantive understanding of transportation matters is obvious in this undertaking. We were fortunate, through the courtesy of the Commerce Committee chairman [Mr. Magnuson] to have the services of his chief counsel, Mr. Gerald B. Grinstein, who has had long and extensive experience in this field.

Mr. Stanton P. Sender, a staff counsel of the Commerce Committee, had the responsibility for advising and assisting on the substantive transportation problems. I must say that his experience at the Interstate Commerce Commission in the transportation field and on the Senate Commerce Committee for many years was of invaluable help. Mr. Sender's advice, counsel, and technical assistance and tremendous understanding of the broad and complex field of transportation made it possible, with the wonderful cooperation of the other members of the staff, to report the bill unanimously to the Senate.

Mr. President, I urge the adoption of S. 3010 as favorably and unanimously reported by the committee.

(At this point, Mr. RIBICOFF assumed the chair.)

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. On page 68 of the bill, line 7, the following appears:

The standards and criteria for economic evaluation of water resource projects shall be



developed by the Water Resources Council established by Public Law 89-80. For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway;

Am I correct in understanding that to get feasibility under the criteria, potential business on the waterway shall be taken into consideration?

The reason I ask that question is that under the present formula and the present methods, investigators will go to the established companies who are located perhaps several miles away from the waterfront, for the simple reason that there is no improved waterway they can use. They naturally say they cannot use them because they know if the waterways were improved they would have competition and would have to locate on it, or relocate themselves.

I am afraid that some studies have been made only of existing shippers who do not want competition as to the proposed improvement in a waterway.

Mr. JACKSON. I can only answer the question this way. The entire burden of section 7 of the bill is to maintain the existing law. The language as originally presented in the administration bill would have changed substantially the requirements relating to water transportation. This grew out of a 1964 Bureau of the Budget directive.

As the distinguished Senator from Arkansas [Mr. McCLELLAN] pointed out in his opening remarks, we did not accept the administration language as presented to the committee. We elected to maintain the status quo.

I wish to emphasize this. There is no change in the standard that the Corps of Engineers, or any other agency charged with that responsibility, would apply.

I assume that takes care of recently contemplated matters, but I hesitate to predict that.

Mr. HARRIS. Mr. President, will the Senator yield to me briefly?

Mr. AIKEN. On page 69 there is set forth the method of evaluation. I am glad that the committee did not accept the administration recommendation because under the policy of the last 2 years the improved waterways have been something to dream about but not to expect.

Mr. JACKSON. That was a policy, but not a statutory policy.

Mr. AIKEN. I understand that.

Mr. JACKSON. I yield to the Senator from Oklahoma [Mr. HARRIS], who can respond more definitively as to the existing state of the law at the present time. This is what we are really talking about.

Mr. HARRIS. I thank the Senator from Washington.

As a member of both the Committee on Government Operations and the Committee on Public Works, and as cosponsor with the distinguished Senator from Arkansas [Mr. McCLELLAN], of title VII, as it now stands in the bill, I would respond to the Senator from Vermont by saying this.

Before November 1964, as the Senator well knows, the Bureau of the Budget used what was called the "current rate"

theory on criteria for navigation projects. After that, they went to a "compelled rate" theory, so that after November 1964, we have built no new navigation projects; no new ones have been authorized.

Since we have been considering title VII in the Committee on Government Operations, the Bureau of the Budget has now issued another letter in which they have gone back to the "current rate" theory. That is, cost-benefit ratio would be based upon the savings on freight on the basis of current freight rates, with these two exceptions.

First, the Bureau of the Budget letter says that the Bureau intends to continue to study the matter, which sounds very ominous, because what they did by letter they can change by letter. Furthermore, when they define "current rate," they can go off as far as they want to, to another part of the country and use rates being charged a long way from where the project is to be built. We think it should be written into the statute that cost-benefit ratio will be based on current rates, and current rates should be defined to be those rates in the actual area where the navigation project is proposed. That is what this would do.

Mr. President, I ask unanimous consent to have printed in the Record at this point the marked portion of page 14 of the committee report, which sets forth the explanation of title VII of the bill and also sets forth the finding of the committee that current rates should be defined as rates presently being charged in the actual area of the proposed navigation project.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The fourth amendment would continue the authority of the Water Resources Council to establish standards and criteria for the evaluation of water resource projects where it was placed by the Congress last year when the Council was established by section 101 of Public Law 89-80. In addition, it would set forth a definition of primary navigation benefits which the committee deemed necessary in order to insure that future projects will be evaluated on the same basis as those which have resulted in the development of this Nation's outstanding system of inland navigation which has served so well in peace and war. After providing that the standards and criteria for economic evaluation of water resource projects shall be developed by the Water Resources Council, the amended language provides:

"For the purpose of such standards and criteria, the primary direct navigation benefits of a water resource project are defined as the product of the savings to shippers using the waterway and the estimated traffic that would use the waterway; where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the economic growth of the area."

The fifth amendment which merely expands the membership of the Water Resources Council to include the Secretary of Transportation in matters pertaining to navigation features of water resource proj-

ects, is entirely consistent with the intent of section 101 of Public Law 89-80, which established the Council.

In connection with the definition of primary direct benefits, contained in the fourth amendment and set forth above, the committee desires to make it abundantly clear that in estimating navigation benefits, the Corps of Engineers is to use the rates prevailing in the area under consideration in the survey report and is not to introduce a freight rate applied in some other area, even though it may have limited application in the transportation of commodities from other regions to an area that could be served by the proposed development.

Mr. AIKEN. I wish to commend the committee for putting this requirement into the law.

I am prompted to ask these questions because of one situation which I have in mind where I believe, under the old formula and study, it was shown that the benefit-to-cost ratio really was about 0.83-to-1, without taking into consideration the inevitable increase in business in the communities along the route which would, in my judgment, bring it to an economic level.

Mr. JACKSON. May I comment on that point?

Mr. AIKEN. I would be happy to have the comment of the Senator.

Mr. JACKSON. To be specifically responsive to the question of the Senator from Vermont, I wish to read from page 27 of the committee report:

The estimate of traffic that would use the waterway is to be based on such freight rates, taking into account projections of the economic growth of the area.

That is simply a codification of existing law and practice prior to the directive that the Bureau of the Budget issued in 1964.

Mr. AIKEN. I wish to ask one further question. Does that take into consideration an increase in recreational traffic as well as what we call heavier cargo, because the case I have in mind would enjoy a great recreational increase?

Mr. JACKSON. Under the legislation we have passed, I will answer this way: The corps, of course, in multiple-purpose projects can include in its program recreational benefits. I cannot answer the question of the Senator as to the traffic on the river of a recreational nature. But it would be commercial and noncommercial. All of that, of course, is tied in with the benefit-to-cost ratio of the project.

Mr. AIKEN. Does the Senator agree that the recreation potential should be taken into account?

Mr. JACKSON. I think it should, certainly, because it is commerce.

Mr. AIKEN. Whether or not there would be both freight and recreation?

Mr. JACKSON. Yes.

Mr. HOLLAND. Mr. President, I think I understand the situation, and I am happy that it has developed as I think it has. I should like the Senator from Oklahoma [Mr. HARRIS] to attend to my questions so that he, too, may reply if it becomes appropriate.

Do I understand correctly that the system by which the benefit-to-cost ratio was established, prior to the unfortunate order of the Bureau of the Budget in

1964, which had operated well and successfully for many years but was set aside by the Bureau of the Budget, will now become the rule of operation in determining the benefit-to-cost ratio of proposed waterway development projects under this legislation, so that no Bureau of the Budget or any other administrative office can change it?

Mr. JACKSON. We have not only negated the 1964 directive of the Bureau of the Budget but we have, by statute, also written into section 7 what the criteria are, should be, and must be, in connection with water navigation projects. Much of that, in the past, has been of a policy nature. We have now, by statute, made clear that we insist the policy be that of the executive branch prior to the directive of the Bureau of the Budget of 1964.

Mr. HOLLAND. I congratulate the Senator from Washington.

Mr. JACKSON. It goes beyond what it was previously.

Mr. HOLLAND. My understanding is that after a great many of us, including the Senator from Washington, the Senator from Oklahoma, the Senator from Vermont, and others, had protested vigorously against the change in policy which resulted from the order of the Bureau of the Budget in 1964, the Bureau of the Budget recently went back to the program by supplanting the order of 1964 and reinstating the old policy.

I have felt that it would be wise to make the old policy permanent for all purposes by putting it in the act and preventing the Bureau of the Budget, or any other executive office or agency from changing it by arbitrary fiat. Do I correctly understand that that is the provision of this legislation?

Mr. JACKSON. The Senator is correct.

Mr. HARRIS. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. HARRIS. In answer to the Senator from Florida, and also for purposes of making the record clear, I agree 100 percent with what the Senator from Florida has said.

The authority over new navigation projects would have been fragmented in the original bill as introduced. Now, under this bill, it will remain with the Water Resources Council and the Corps of Engineers. We have written into the statute the criteria we support, and we have defined the criteria in the report. This is far superior, I think, to what the other body wound up with by striking title VII altogether. I would say that title VII now is a real "plus" in the bill. It is an integral part of my support of the bill—that is, what we have written into it. It is also what the Senator from Arkansas [Mr. McCLELLAN], who is a vigorous supporter of the amendment, wants in the bill. I think that this is a very good title VII, and it is absolutely essential that the Senate and the conference keep it unchanged.

Mr. HOLLAND. Let me express not only my own appreciation of this, but because the distinguished chairman of the Subcommittee on Public Works of the Appropriations Committee, the sen-

ior Senator from Louisiana [Mr. ELLENBERGER], has been deeply concerned with the same subject, and I am sure that he too will be highly appreciative of the change. I express publicly my appreciation to the Senators who have brought it about.

Mr. RANDOLPH. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to my friend from West Virginia.

Mr. RANDOLPH. I am grateful for the opportunity to affirm the position of the distinguished Senator from Florida, who formerly served on the Public Works Committee with great diligence and effectiveness. I also commend the chairman and members of the Government Operations Committee for their action with regard to the criteria on water resource development.

Mr. HOLLAND. Let me ask another question.

Mr. JACKSON. Certainly.

Mr. HOLLAND. There are, of course, a number of regulatory agencies. I think, for instance, of the CAB, of the ICC, and of the FPC, which have certain authority which used to be exercised directly by Congress in connection with the handling of various activities in commerce.

I assume, from what I have read from the report, and from what I was able to hear of the distinguished Senator's statement, that the continued operation of those functions, which are really delegated by Congress to agencies which are performing functions performed in the early days of our country by Congress, will be continued in those regulatory agencies which are really congressional agencies rather than executive agencies; am I not correct?

Mr. JACKSON. The Senator is substantially correct. The transfer, of course, of the accident investigation functions of the CAB—

Mr. HOLLAND. That is not a part of the legislative delegation.

Mr. JACKSON. That is correct. Those agencies to which the Senator has referred remain outside the proposed Department of Transportation and they have not been affected by the proposed bill.

Mr. HOLLAND. I again express my appreciation, because, while I favor the simplification of this whole field by unification of executive factors relative to transportation into one agency, where they can be handled as they should be at one place, I would be reluctant ever to see functions which are really legislative delegated to an executive agency, and this will be a Cabinet agency.

Mr. JACKSON. That is correct.

Mr. HOLLAND. It should handle only those functions which are executive. I am happy, indeed, to hear from the distinguished Senator that the legislative functions heretofore assigned as a matter of convenience and, indeed, of necessity by Congress to the various regulatory agencies, insofar as those functions relate to transportation, have been safeguarded and continued in independent agencies which will continue to function along legislative lines.

Mr. JACKSON. The Senator is correct.

Mr. SALTONSTALL. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. SALTONSTALL. I appreciate the Senator's yielding to me. I have been reading page 7 of the committee report with relation to the Federal Maritime Administration and, of course, we are very much interested in that in Massachusetts, on account of the port of Boston and the building of ships in our State. As I read the report, and from what I am told, the maritime industry—both the management and the unions—are now satisfied with the form of the bill as it has been reported; am I not correct?

Mr. JACKSON. I should like to be able to answer that in the affirmative. I think they are in substantial agreement with the bill as reported, but they would like to see either a completely independent maritime agency within the Department of Transportation, or maritime completely exempted from the Department.

Obviously, we could not do that because then there would not be any point in having a Department of Transportation.

What we did, in short, was to set up a separate maritime board which would handle quasi-judicial matters.

The board would have three members, and the Federal Maritime Administrator would be chairman and an ex officio member of the board. The other two members would be appointed for terms of 4 years each on a bipartisan basis. The decisions of the board would be administratively final, and appeals from the board would go directly to the circuit court; they would not go through the Secretary.

In short, we have tried to separate administrative functions from rulemaking decisions, which are of a quasi-legislative nature. On quasi-judicial decisions, appeals would be directly to the circuit court.

An exception would be made in the case of Federal Aviation Agency certificate actions, which could be appealed to the National Transportation Safety Board. In general, that is the line of demarcation that was made in the bill.

Mr. SALTONSTALL. So the administrative functions would be performed in the Department of Transportation by administrators, but quasi-judicial functions would be handled by a board and would be entirely separate from the administrative functions?

Mr. JACKSON. There would be a separate, autonomous board; and any appeal from that board would be directly to the courts. That is to say, in accordance with the Administrative Procedure Act, appeals would be to the circuit court. Such appeals would not go first to the Secretary. At the present time, appeals could go first to the Secretary of Commerce. As I stated in my opening remarks, that is an added layer of hindrance in the appellate process. The members of the committee—and they were unanimous—could see no reason to burden the Secretary with these functions.

The Secretary has the enormous task of developing transportation policy which we, by this legislation, have charted for him. I should say he would have his hands full.

Mr. SALTONSTALL. In establishing the new department, the Secretary is given some powers—that is, in a broad way—over all of the agencies, so he will not be merely a figurehead at the top of a group of independent agencies?

Mr. JACKSON. To give one illustration, the Secretary will supervise the entire highway grant-in-aid program, which amounts to about \$4.5 billion out of a budget of a little less than \$6 billion. He will have substantial administrative responsibilities. I believe that the distribution of responsibilities that we have provided for makes sense. The Secretary should not be burdened with all the detailed problems that arise from quasi-judicial responsibilities. We have tried to make that fundamental line of demarcation. The bill as originally presented to us vested all these responsibilities in the Secretary. The committee has tried hard to do a constructive, thorough job, in the hope of writing a sound bill.

Mr. SALTONSTALL. I am particularly interested from a maritime point of view; and, from what the Senator has said, I understand that, with respect to the broad, general language, both management and the unions are not opposed to any particular section of the bill.

Mr. JACKSON. They feel that this is an improvement. They would like to have it completely independent. The House has exempted it.

If I may refer to one other point raised, concerning the authority of the Secretary, I should say that the real purpose of the legislation is to place in the hands of a Cabinet officer the responsibility and duty of hammering out a national transportation policy.

Mr. SALTONSTALL. We need one.

Mr. JACKSON. We need one. All administrations have wrestled with this problem. Congress has wrestled with it. We do not have a well-coordinated national transportation policy. This proposed legislation, if enacted into law, will give that opportunity to a Cabinet officer.

I hasten to add that he will have the opportunity of hammering out a policy which he must present to Congress for implementation. We have not given the Secretary authority to rewrite the transportation laws. But we have imposed on him the top priority and duty of, in due time, presenting to Congress a well coordinated and, I hope, useful, long-range transportation policy. We are hopeful he can do it. If he does, he will have accomplished the solution to one of the great problems that faces us, which is like the task of solving the water problem.

As President Kennedy said, the man who can solve the water problem will be entitled to two Nobel prizes, one in the field of science and one for peace.

We have the same kind of problems in the transportation field as we have with respect to diversion of water, water rights, and so forth.

Mr. SALTONSTALL. The Senator and I are both members of the Armed Services Committee, and we know that when we established the Unification Act we left it to the future to improve on it and gain experience under it. In that respect, that is what the Senator has said about this new Department.

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

Mr. JACKSON. I yield to the Senator from Maryland.

Mr. BREWSTER. I wish to make one brief comment on the colloquy about the maritime industry. Yes, there is substantial agreement between management and labor as to the need for a maritime policy, but the industry thinks the administration as established by the proposed Department of Transportation should have more independence than is now presented.

At a propitious time later, I shall offer some amendments to endeavor to bring that about.

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

Mr. JACKSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I call the Senator's attention to the part of the bill on page 68 which refers to an apparent change in standards and criteria for economic evaluation of water resource projects.

It is my understanding that this would reverse what I think is a far more accurate method of computing the benefit-cost ratio for waterways. The language would open the old pork barrel to literally billions of dollars—over the years—of unjustified and wasteful waterway projects. I want to make sure I understand the meaning of the language.

I read from page 68, starting on line 13:

Where the savings to shippers shall be construed to mean the difference between (a) the freight rates or charges prevailing at the time of the study for the movement by the alternative means and (b) those which would be charged on the proposed waterway; and where the estimate of traffic that would use the waterway will be based on such freight rates, taking into account projections of the rate of growth.

I made a speech on June 20 on the floor of the Senate in which I went into great detail extolling the provisions of the new evaluation system used by the Corps of Engineers. I ask unanimous consent that the text of that speech be printed in the RECORD at this point.

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

#### CORPS OF ENGINEERS NEW PROCEDURES FOR WATERWAYS GREAT IMPROVEMENTS

Mr. PROXMIRE. Mr. President, in recent months, several Members of Congress have criticized the Corps of Engineers new and improved procedures for estimating the benefits to be derived from waterway projects. As you know, I am no stranger to criticizing the corps, since I have not hesitated to attack the corps in the past for rigging the benefits that can be expected from public works projects in order to insure congressional approval. The corps is under intense pressure from Congress to recommend projects which are primarily intended to inject massive Federal funds into a Congressman's district or State. Often these projects could not be justified

unless phony benefit-cost standards were used. For instance, Prof. Robert Haveman of Grinnell College made a study of 147 projects in 10 States between 1947 and 1962 involving some \$2,664 million. He applied the techniques of highly qualified economists to these projects. Using these techniques he found that 63 of these 147 projects, representing over a billion dollars in Federal funds or 44.2 percent of the total, should never have been undertaken.

Now that the corps has implemented a system which more accurately measures future benefits it is only natural that it should come under congressional fire from legislators who are threatened with the loss of multi-million-dollar projects. Thus, I believe it is high time someone spoke out in support of the corps efforts to spend our tax dollars wisely, and I shall therefore reply to the recent congressional criticism. I shall show, first, that the corps new procedures for estimating benefits are an improvement because they are more in line with accepted economic practice. Second, I shall respond to the specific points raised by the congressional critics.

#### I. BENEFITS MUST BE ESTIMATED IN ORDER TO MAKE MAXIMUM USE OF RESOURCES

Mr. President, from the standpoint of society as a whole, the goal of all economic ventures is to obtain the maximum amounts of goods and services at the lowest possible cost of resources. For instance, it would be senseless to build four waterways to do an amount of work that can be done equally well by one waterway; in this situation four water projects vastly increase costs but provide no additional benefit. In the same way, it makes no sense to build even one waterway if alternative modes of transportation can do the job with a smaller expenditure of society's resources. In order that proposed waterways shall conform to this goal of maximum production of goods and services at the least cost in resources, it is necessary to know, first, the amount of traffic that will be carried by the waterway and, second, whether this traffic will be carried more cheaply by water than by alternative modes of transportation. For if we determine both the amount of traffic to be carried and whether it will be carried most cheaply by water, we can determine whether the proposed waterway or an alternative mode of transport will do the work at least cost.

#### II. THE FORMER PROCEDURES OVERESTIMATED THE AMOUNT OF WATERWAY TRAFFIC

Now it is a certainty that the amount of traffic that will move via water depends in great part on the water rate as compared to the rate charged by competing modes of transportation, such as the railroads, the mode to which I shall refer here. Before altering its procedures, the corps used to estimate the amount of traffic accruing to a potential waterway by comparing the current water rate with the current rail rate. The corps would then calculate the benefit accruing to this waterway traffic by again using the difference between the current water and rail rates. To illustrate these bygone procedures, assume that at current rates shippers pay \$2 to move a unit of traffic via water and \$3 to ship it via rail. The corps would calculate that the difference in rates would cause a certain amount of traffic to shift to water transportation—let us assume it would be 100 units. Each of these 100 units would save the \$1 difference between the water and rail rates, so that the total benefit accruing to the water traffic would be \$100.

However, as many observers pointed out, these old procedures were seriously defective for at least two reasons. First, it was erroneous to use current rail and water rates to estimate the traffic that would move by waterway in the future. For both railroads and water carriers are undergoing technological innovations which imply that in future

years rates will be lower and that there will be a smaller spread between water rates and rail rates. Moreover, if and when a waterway comes into existence, rail rates will become lower entirely aside from improvements in technology. This is so because railroads charge what the traffic will bear, a method of pricing which, in the absence of competition, creates a very large gap between the railroad's costs and the rates it charges. When a waterway comes into existence, the competition it provides forces the railroad to bring its rates more into line with its costs: for example, the rail rate on petroleum shipments from Portland, Oreg., to Florida fell by 33 percent after a competing portion of the Columbia River became navigable. Thus, since technological improvements and waterway competition insure that future rates will be closer to water rates than is true currently, the former corps practice of using current rates to estimate future waterway traffic resulted in an overestimation of such traffic. In terms of our previous example, where there was a \$1 difference between current rail and water rates and where the spread caused 100 units of traffic to move via water, in the future there will be a smaller spread between rail and water rates and, everything else being equal, less than 100 units will move via water.

### III. THE FORMER PROCEDURES ALSO OVERESTIMATED THE BENEFIT ACCRUING TO WATERWAY TRAFFIC

In addition to overestimating the amount of traffic which would move via water, the corps' old procedures also overestimated the benefit accruing because traffic is carried by water rather than rail. In this connection, it must be understood that real social benefit only arises if the water project provides its service at a lower cost of real social resources. In other words, there is benefit only if less steel, concrete, labor, management skill, and so forth are used up in carrying traffic by water than in carrying traffic via rail. Therefore, the ideal way to measure benefit would be to measure the value of steel, concrete, and other costs required by water transportation and compare this with the value of the steel, concrete, and so forth, required by rail transportation.

However, the plain fact of the matter is that at present there is no satisfactory method for producing a sufficiently exact comparison of real water and rail costs. It is necessary, therefore, to fall back on the best substitute method available: benefit—or the saving in real costs—is computed by comparing water rates with rail rates.

There was, however, a threefold problem with the corps' previous procedure of comparing current water rates with current rail rates to estimate future benefit. First, since the amount of traffic was overestimated, so was the benefit. Second, since, as we have seen, charging what the traffic will bear causes current rail rates to be far above current real rail costs, the amount of future cost saving is exaggerated when the current water rate is subtracted from the bloated current rail rate. Third, since technological progress will, in the future, diminish the spread between real water costs and real rail costs, the amount of future cost saving is even further exaggerated by comparing current water and rail rates to estimate future benefit. In terms of our previous example, where the current water and rail rates were \$2 and \$3 respectively, the old procedures exaggerated benefit because, first, less than 100 units of traffic will move via water; second, the spread between the current \$2 water rate and the bloated current \$3 rail rate is greater than the spread between current costs; and third, in the future the spread between real costs will be even less than it is today.

I should now like to briefly recapitulate some of the salient points in the foregoing. Formerly the corps used current water and

rail rates to estimate the future traffic and benefits of a proposed waterway. However, because of technological improvements in rail travel as well as competition from the proposed waterway, in the future there will be a smaller spread between rail and water rates. There will also be a smaller spread between real rail costs and real water costs. For these reasons, the use of current rates to make predictions resulted in overestimating both the amount of future traffic, and the amount of future benefit accruing to waterways.

### IV. THE NEW PROCEDURES MORE ACCURATELY ESTIMATE WATERWAY BENEFIT ACCRUING TO THIS TRAFFIC

By its recent change in policy, however, the corps has adopted more accurate and economically appropriate procedures for making estimates. The corps now estimates the amount of traffic that will move on a future waterway by comparing the estimated future water rate with the estimated future rate which railroads will charge to meet the water competition—referred to as the water compelled rail rate. It then measures benefit by the difference between the future water rate and the rail rate that would have been paid in the absence of waterway competition—the nonwater compelled rail rate. In terms of our previous example, one might find that the future water rate will be \$1.75, the future water compelled rail rate will be \$2 and the future nonwater compelled rail rate will be \$2.50. Under these conditions, 50 units of traffic will move by water and each unit will benefit by the difference between the \$1.75 future water compelled rate and the \$2.50 rail rate that would have been paid in the absence of a waterway. I note parenthetically that the future nonwater compelled rail rate of \$2.50 is lower than the current rail rate of \$3 because of technological improvement, but higher than the future water compelled rail rate of \$2 because of the lack of water competition.

Mr. President, the corps' new procedures are far better than its old ones because the present procedures are based on more accurate approximations of future traffic, rates, and costs. We know that rates will not remain static and that current rates therefore do not reflect future ones. This means that a railway charging \$3 to move a unit of traffic today would only charge, say, \$2 in competition with a waterway, both because of technological advances and competitive pressures. The corps, recognizing this built-in defect, is now using future rate estimates in arriving at both the amount of traffic which will move on a proposed waterway and the benefit to the national economy of the waterway. As a result, estimated waterway traffic, together with estimated benefits from the waterway, are substantially less. The corps' new methods insure that, in making its decisions, Congress will have a much better idea of the value to society of its appropriations. Clearly, it is much better to calculate traffic and benefit by using reasonable predictions of future rates, as the corps now does, than to use current rates, as the corps formerly did, and as many congressional critics say they will continue to do.

Mr. President, I shall use the few minutes remaining to answer congressional criticisms.

#### A. DO THE NEW METHODS CAUSE UNPREDICTABILITY?

One criticism raised in Congress recently is that to estimate future traffic and rates is to introduce highly unpredictable elements. There are two clear answers to this criticism. First, although the projection of future rates and traffic may be subject to some error, the traffic rate estimates advocated by the congressional critics is predictably inaccurate in the extreme. For the critics would, as the corps formerly did, use current rates to predict future traffic and benefits. Thus, the critics would use figures

which are sure to be inaccurate because future rates will, as previously said, be different from current ones. Though the critics would be measuring existent realities, they would simply be measuring the wrong things. Clearly, then, the corps' reasonable predictions of future rates are sure to be more accurate than the critics' methods would be.

The second answer to the criticism is that the existence of difficulties in making estimates is not unique to the projection of rates and traffic. Projections of the future level of production, income, employment, and population all involve difficulties, yet these projections must be made if the Nation is to maximize economic benefit from the development and allocation of its resources. Just as we predict future production, income, and so forth, to make rational decisions in the public interest, so too must we predict future rates and traffic to make rational decisions.

#### B. CAN RAILROADS DEFEAT WATERWAYS BY TEMPORARILY LOWERING RATES?

Another point made by the critics is that, by temporarily lowering its rates on the carriage of specific goods between specific points, a railroad faced with potential water competition for the carriage could reduce the corps' estimated benefits of the waterway, thus causing the water project to appear uneconomic. The railroad could then rescind its rate reduction after the waterway has been rejected. Here again, however, there are two answers to the critics. First, in projecting future rail rates between two given points, the corps no longer uses the current rail rates between those points. Thus, a reduction in current rail rates between the two points could have no effect on the corps' projections—indeed, it is only under the corps' previous procedures, advocated by congressional critics, that a reduction in current rail rates between the two points could diminish the projected benefits of a waterway. Second, the critics fail to recognize that railroads cannot raise and lower rates at will. For instance, if a railroad could demonstrate to the Interstate Commerce Commission that its costs have been sufficiently decreased to justify a reduction in rates, the road would be hard pressed to later demonstrate that rates must be increased.

#### C. WILL PROJECTS BE APPROVED?

A third congressional objection to the new procedures is reflected in the claim that no new projects have been approved since November 1964. This criticism is both untrue and irrelevant. Reapproval of the Kasaskia project in 1965 stands as evidence of its untruth. It is irrelevant for several reasons. First, to rest one's case on the proposition that a return to the old method is required because it places the seal of approval on more projects is to deny the wisdom which the Congress displayed some 30 years ago in requiring benefit-cost analysis on public works projects. Indeed, the very purpose of benefit-cost analysis is to eliminate those projects which imply a waste of the society's resources. To plead for a return to an erroneous measurement technique because it yields a greater public works program is, quite frankly, to plead for an increase in uneconomic and wasteful government expenditures. Another reason why the objection is irrelevant is that, to a substantial extent, the lack of other approvals is not due to the new method of computation, but to the fact that the projects currently under study are very large ones requiring lengthy analyses which have not yet been completed. These projects should not be submitted for approval until their analyses are finished. And it is worth noting that one project whose analysis recently was completed—the central Oklahoma project—did not even qualify under the old method of computation.

## D. WILL TRAFFIC EXCEED ESTIMATES?

A fourth congressional criticism is that in the past the amount of traffic carried via waterways has far exceeded the most liberal estimates. This criticism is again irrelevant. In the past the corps generally has used a short-term calculation of future traffic. It has used a long-term estimate only in doubtful cases where such an estimate was necessary to more adequately ascertain whether benefits would exceed costs. It is not surprising that in the vast majority of cases the long-term traffic, while it would not have exceeded a long-term estimate made under the old procedures, did exceed short-range estimates under those procedures. Now, however, the corps is using long-term estimates based on long-range projections of factors such as population, production, and income, so that it is very unlikely that actual traffic will consistently exceed estimates.

## E. WILL ECONOMIC DEVELOPMENT BE STIFLED?

The final congressional criticism is that the corps' policies are generally shortsighted and that this is yet another instance of such myopia. The development of waterways, so goes this argument, will increase the development of industry and agriculture and will thereby increase the business accruing to alternative means of transportation, including the railroads. Again, this criticism is an erroneous one. First, it is the unusual situation in which industry and agriculture will not develop in the absence of a waterway. Second, and more importantly, it is not only the interests of the region which are at stake here, but rather the interests of the Nation. To the extent that a waterway development stimulates economic activity in one area when such activity would otherwise have developed in another area, the increased activity in the region is not a national benefit. Growth has simply been diverted to the region with the waterway from somewhere else in the country. When one region gains \$1 million at the expense of another, the Nation experiences no net gain. Third, the question is not whether one mode of transport will make more money, the question is how to carry traffic at the cheapest cost of social resources. Finally, to the extent that, by generating industry and agriculture, the waterway will carry traffic which would not otherwise develop, this is reflected in the benefit estimate.

## SUMMARY

Mr. President, I believe the foregoing amply demonstrates that the corps' new procedures are much better ones, since they are better ways of determining whether society will obtain the maximum in goods and services at the lowest possible cost. This is not to say that the new procedures are perfect. On the contrary, as I previously indicated, the best method for estimating benefits would not be the use of rate comparisons, but the use of direct comparisons between the real costs of water transportation and the real costs required by alternative modes of transport. And I might mention along this line that the corps, in conjunction with the Bureau of the Budget and scholars at Northwestern University, is currently attempting to develop adequate methods of making direct cost comparisons. But though the corps' present procedures are not perfect, it is a mistake to criticize the corps for abandoning former procedures that were clearly erroneous. Rather, the corps should be congratulated for implementing new procedures for the approval of proposed waterway projects which should save the taxpayers billions of dollars. We should be thankful—especially at a time when the Vietnam war is placing great pressures on certain sectors of our economy—for administrative decisions, such as this one, which cut down on pork barrel public works expenditures.

Mr. PROXMIRE. Mr. President, the old method codified in the language I have read cannot do anything but guarantee an inaccurate picture, for this reason. The proposed method of evaluating the alternative to a proposed waterway would ignore this fact that after the waterway is built, in almost all cases, freight rates would go down because competitive rates would tend to bring them down. And lower rates would increase the traffic on the alternative to the waterway.

Secondly, because of the future development of technological advances and therefore more efficiency, on the alternative method of transportation costs would be reduced, and therefore freight rates would go down.

An inaccurate estimate is certain because the bill requires the corps to freeze freight rate estimates "at the time of the study" for the alternative means.

For these reasons it would seem to me to be far better to adopt the new system of the Corps of Engineers, which provided for an estimate of the future rates for alternative means as well as an estimate of the future rates for the proposed waterway.

However, the bill would require the estimated benefits of the proposed pork barrel to be put on a different and more favorable basis than the alternative means of movement.

Mr. JACKSON. May I respond by making a couple of observations? One rule we tried to adhere to in the committee deliberations on this bill was to avoid making any changes in the substantive laws of transportation, because we are not a substantive committee. The functions of substantive legislation belong in the Public Works Committee and the—

Mr. PROXMIRE. That is my point. That is why I was shocked to see this obvious substantive change in the bill.

Mr. JACKSON. I said earlier, when perhaps the Senator from Wisconsin was absent, in response to questions raised by the Senators from Vermont and Florida, that we were simply maintaining the status quo. We were not changing in this bill the existing criteria that the Corps is following.

I might mention to the Senator that I received a copy of a letter that was sent to Representative KIRWAN, of Ohio, from the Bureau of the Budget, dated August 24, which reads as follows, and goes to this very point:

Mr. Schultze's letter to you of May 4, 1966, stated that the Chief of Engineers were expected to issue new instructions to implement a cost basis of evaluating waterway benefits. Since then, further consideration has been given to the matter and it is apparent that additional study will be required before a new procedure that will insure an improved evaluation of costs can be instituted. Efforts in that connection will continue.

Pending development of such a new procedure, the Chief of Engineers will submit to the Congress reports on navigation projects as developed on the basis of instructions in effect prior to November 20, 1964. The interim procedure promulgated by the Chief of Engineers on November 20, 1964, will be discontinued.

I am sending an identical letter to the other signers of the February 18 letter to the President.

I think that answers the Senator's question.

Mr. PROXMIRE. May I say to the Senator from Washington, that what the Bureau of the Budget letter did, as the Senator from Washington expressed it, was to inform Representative KIRWAN of the discontinuance of the new method adopted by the Corps of Engineers; and the bill seems to be giving a new statutory rigidity to that position.

My only question is why it is necessary to bring this matter up at all in the bill. Why is not the bill silent on it, since it is a substantive matter, as the Senator says, that has nothing to do with the Department?

Mr. JACKSON. The reason, I think, is obvious: The administration sent up section 7, which proposed to change drastically the substantive law.

I do not think we should, in a bill to establish a proposed Transportation Department, attempt to change the substantive law. The committee decided, therefore, after hearing considerable testimony on the subject, that we ought to simply state legislatively what the law is at the present time.

That is all we have done. The letter I have just quoted corroborates my position, because the administration has withdrawn its 1964 directive.

Mr. PROXMIRE. I say to the Senator from Washington with all respect—and I have great respect for him—that this seems to me to be an Alice-in-wonderland argument—"The question is not what a word means. It is who is to be master that counts." The manager of the bill says that this substantive change is not a change.

I say that it is a change because, obviously, if the bill were to be neutral on a substantive change, it should be silent. It should not have anything in it on the subject. It ought to be omitted; we ought to strike the language from lines 7 to 20; is that not correct?

Mr. JACKSON. I think there is enough legislative confusion on this point, not only growing out of the hearings, but because of the directive of 1964, that the action we took, as embodied in section 7, was definitely warranted. This is my own opinion.

We have not changed substantive law or practice. We have simply codified it and made it clear.

Mr. PROXMIRE. And of course it is the codification itself that changes substances by freezing the Corps of Engineers into an unequal and unfair evaluation method. I ask the Senator from Washington, would it be possible, in his judgment, for the Corps of Engineers to maintain their new system of evaluating projects after this bill passes?

Apparently they feel at the present time that they were able, under the old law, to shift to the new method of evaluating projects, which in my opinion has eliminated a lot of unwarranted pork-barreling.

Mr. JACKSON. They are following the old system. They have the whole matter under review, and will submit it to Congress.

Mr. PROXMIRE. I say to the Senator from Washington, I shall not continue



the discussion on this matter, because I understand his viewpoint. We have a unanimous-consent order, unfortunately, on the bill. I did not know about this feature, or I would not have given my consent; and I shall not do so for the remainder of the session on major bills, because of just such developments as this.

I have some comments on other features of the bill; would the Senator rather I wait until he has finished his presentation?

Mr. JACKSON. I would rather the Senator would wait. I am about to run out of time.

Mr. HOLLAND. Mr. President, will the Senator yield briefly for one question?

Mr. JACKSON. I yield.

Mr. HOLLAND. I think the Senator has stated that the committee has not wanted to change existing substantive law. I assume that statement applies to the Bureau of Public Roads, as well as other agencies?

Mr. JACKSON. The Senator is correct.

Mr. HOLLAND. Does that mean that the present law, leaving much of the initiative on the building of Federal aid highways in the States and the State highway departments, remains unaffected by the bill?

Mr. JACKSON. The Senator is correct. We did not make any changes in the grant-in-aid highway program.

Mr. HOLLAND. I thank the Senator.

Mr. JACKSON. Mr. President, at this time I yield the floor, and reserve the remainder of my time.

Mr. MUNDT. Mr. President, before getting into the phase of the bill which has been the subject of most of the discussion today—section 7—may I say that this was not an easy piece of legislation to come by with a unanimous vote of our committee. When it was first presented, a considerable number of questions were raised about it, and arguments presented against it. But, by the slow and laborious process of legislative evolution, and by give and take across the table from one side of the aisle to the other—and, may I add, by the very competent conciliatory leadership of our friend who has just released the floor, the Senator from Washington [Mr. JACKSON], who was placed by the chairman as sort of the member in charge for the Democratic side of the aisle in trying to work up these various viewpoints—we finally ground out a piece of legislation which has been unanimously approved by the committee.

It does not look very much like the original bill which came over from the House, nor does it resemble too closely the original suggestions sent down from the other end of the Avenue. But I think all hands are agreed that it is a vast improvement over either of those legislative proposals.

Now, I should like to refer for a while to the question raised by the Senator from Wisconsin as to why we have written in section 7, as it appears in the bill, at all. He seemed to feel that it would be preferable just to overlook this mat-

ter, which has been the subject of so much discussion today.

Let me go back into the history of that just a little bit, Mr. President, because in my opinion one of the most important changes which we made in the legislation was to write in section 7 precisely as it is. I can assure the Senate that had that not been done, the reported bill, had it come out at all, would have come out with something very different from the unanimous support which it received from the members of the committee.

We were compelled to consider this matter of navigation most carefully, since the House of Representatives had, by amendment offered from the floor, stricken the entire section from the bill. That action left the establishment of the criteria for navigation projects entirely in the hands of the new Secretary of the Department of Transportation.

Since the House did not approve of what they first saw, they simply struck it out, and that would have placed the whole decision in the hands of the Secretary of Transportation, and could very well have meant the death knell for such modes as water transportation; because, since the repeal by Executive order of the criteria established prior to November 1964, as has been said on the floor today, not one navigation project has been authorized.

With that history, and with that manner of administrative approach, which had already stopped all new navigation projects, had we acquiesced in the House position, and said nothing, we would have been inviting disaster as far as any future water navigation projects are concerned. Because we believe that water navigation projects, along with all transportation projects, are part of a great and growing America, and should be considered on their merits on the basis of the evidence available, instead of on conjectural situations and circumstances which may in fact never develop, in my opinion the committee very properly and wisely insisted, by its unanimous vote, in writing in the language, the stipulations, and the criteria found in section 7.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. MUNDT. I yield.

Mr. PROXMIRE. Would not the Senator agree that you have to make a conjecture when you are estimating, and that you are estimating what the rates and the volume of traffic will be on the waterway, as compared with the rates and the volume under the alternative method? If you require the corps to use the present rates on the alternative means, say the railroad, then it seems to me you are almost sure to be wrong, because it is clear, on the basis of all of our experience, that the alternative means of movement will certainly adapt to competition with waterways, and it will reduce its rates.

We know that the alternative method will, in the future, obtain additional traffic. We also know that it will take advantage of technological improvements.

Mr. MUNDT. Mr. President, let me start to answer the questions of the Senator before there are too many of them.

Of course, there is conjecture in all kinds of economic planning and developing. Conjecture is involved when we build a highway, a dam, or an irrigation project. Conjecture is involved when we engage in some kind of city improvement program in the city of Milwaukee. Nobody can be sure.

We eliminate, by what we have done here, a situation which permits the railroads to veto entirely a waterway project by conjecturalizing on the fact that if this project were built at that time and under those circumstances, we would reduce the rates. If they can do that, why did they not do it yesterday, last year, or last month?

Why should we give them the right to say: "We will look at the facts and figures and provide such a low rate that obviously you cannot have a cost ratio on such a project."

Mr. PROXMIRE. We would be telling the experts in the Corps of Engineers that they have the freedom to make their own estimates on the basis of their own impartial and expert judgment on what is likely to be an alternative cost.

It seems to me that they are deprived of that freedom when we freeze them into a situation in which they have to take the present cost and the present rate, and base estimates on those factors. That is sure to be wrong. The future is certain to change. So this is sure to load the dice, on the building of the waterway, in favor of pork barrel. I can understand why some Members of Congress want more pork.

But estimates should be built on the basis of the freedom or competent experts to select realistic standards.

Mr. MUNDT. That is what is provided by the committee. We have the experts to do this.

Mr. PROXMIRE. The bill would do it on the basis of using experts, but the experts would not be free to use their best judgment.

Mr. MUNDT. They would take the economic status of the area into consideration.

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

Mr. MUNDT. I yield.

Mr. AIKEN. Mr. President, it is perfectly sound to take the existing rail rates in estimating whether a waterway is feasible. I think we can be sure that no railroad is going to reduce voluntarily its present rates unless forced to do so by competition or law.

Mr. MUNDT. It should be done before the fact and not after. If they are charging too much for hauling the products of the farmers, they should reduce the rates at that time and not wait for the waterway to become competitive and then favor a lower rate.

Mr. AIKEN. They do not operate that way.

Mr. PROXMIRE. Mr. President, do I understand the Senator from South Dakota to say that the House has stricken that provision?

Mr. MUNDT. The House struck out section 7 altogether, to meet the situation which arose because of a controversial amendment from the floor.

Mr. PROXMIRE. Is the Senator arguing against the House bill and saying the bill should take a substantive position on the evaluation methods rather than confine itself to the organization of the department?

Mr. MUNDT. I think there is a problem involved when we transfer to the Secretary of Transportation the man-made problems and the executive decisions which, I am sure as a great advocate of congressional participation, the Senator would not approve.

Mr. PROXMIRE. Would the Senator from South Dakota agree that when we write in the criteria and say that it must be done on a specific basis because the Corps of Engineers might do something that the Senator thinks they should not do, that that is providing a substantive change? The only way we can avoid that is by saying nothing at all.

Mr. MUNDT. There are substantive changes involved some place because we are shifting to a Secretary of the new Department of Transportation powers which he did not possess before.

Mr. PROXMIRE. We can specify the powers, but this goes much further than that.

Mr. MUNDT. We would have some guidelines and criteria to help him determine his judgment.

Mr. PROXMIRE. Exactly, and the guidelines provided here would be changed. Otherwise it would be unnecessary to have the language incorporated.

Mr. MUNDT. We have no language to cover that. We just said: "Mr. Secretary, go to it." We do not believe that this is a guideline.

Mr. PROXMIRE. This does not merely lift it out of the old law and incorporate it in the new law. This provides that the Corps of Engineers cannot do in the future what they did in the past to provide a better and more equitable method, a method that would eliminate billions of dollars of pork.

Mr. MUNDT. This provides exactly the same guidelines which had existed from time immemorial until November of 1964, when the Johnson administration directed that changes be made. There was such an uproar from all over the country and from Members of Congress that they very recently rescinded the changes. Therefore, if we give the Secretary of Transportation this power in view of the previous performance of the administration in changing and backing out and changing again and having the right of changing again, we thought it was important that Congress ought to express its opinion that it should not turn the transportation problems over to a man yet to be named and say, "You make the decision."

Congress ought to have some intelligence to bring to bear on this matter.

Mr. PROXMIRE. Rightly or wrongly, Congress is making a change by codifying the system of determining benefits and determining costs, riveting into law the method by which to determine the comparison and the way to determine the benefit-cost ratio.

Mr. MUNDT. That is precisely the pattern that was used throughout history up until November of 1964. We belong to a body in which precedent is very important.

Mr. PROXMIRE. The Senator has taken that decision away from the President.

Mr. MUNDT. Exactly. The Senator is in favor of taking away from the President or the governmental agencies a lot of the powers which they exercise, because Congress ought to have something to say about the manner in which the country is run.

Mr. PROXMIRE. I agree wholeheartedly with that statement, but there certainly are powers that can achieve greater economy. One would be a cutting down on what I think is one of the greatest problems of the country—pork barrel spending. That is the kind of thing that is very hard to deal with because of the way in which we operate in Congress. We want to help each other. However, the old system gave much more discretion to the President to accomplish this on a fairer basis, and a more economical basis.

Mr. MUNDT. We do not achieve much economy when we take the control of pork barrel expenditures and give it to the White House.

Mr. LAUSCHE. Mr. President, is that the key to the whole argument—who is going to have control of the pork barrel?

Mr. MUNDT. The Senator from Wisconsin seems to think it is involved. I do not think it is. I think that Congress can pass on the benefit-and-cost ratios and can scrutinize, on the committee on which sits the Senator from Wisconsin, the manner in which this is handled. This would give him a chance to argue for something that is justified—to see that the situation remains in the hands of Congress where it should be.

I set in my office in Washington, in the Senate Office Building, a series of conferences to try to find out what would be involved.

One of the witnesses we had at that time was former Senator Chan Gurney, a very distinguished former member of the Senate Committee on Appropriations. He came to speak for the Missouri Valley Association.

Mike Cassidy sat in and spoke for the Missouri Valley Association.

Ken Bousquet sat in at my request. He is a clerk of the Public Works Subcommittee of the Senate Appropriations Committee. He has had long experience in this field.

Others came to discuss ways and means by which we might amend this legislation so that navigation projects could move forward when the cost-benefit ratios indicate that they should.

I took the matter up with the chairman of our committee, the Senator from Arkansas [Mr. McCLELLAN].

I found in him a most sympathetic compatriot because he also was interested in the potentialities of water navigation.

I asked him to reopen the hearings so that we could bring in some special witnesses to discuss this particular problem.

We did this and they did discuss the matter. We listened to them.

Out of that action came the development of what we now see in section 7. Thus, when it came time to mark up the bill, we were not operating in a vacuum. We had testimony on this particular problem. It had been studied formally and informally. It had been studied in committee and by groups within the committee.

We knew that it was our responsibility to establish some kind of criteria to be used by the Secretary of Transportation as he assumes the great new powers which are delegated to him and disposed of in his office as a result of this proposed legislation.

Navigation is a major function of any total concept of water resource development and therefore, other phases of water resource development should not be influenced by standards and criteria established for application to problems related solely to transportation.

Mr. President, the committee, recognizing these needs for orderly procedure in development of water resource projects, took a sound and proper initial step and acted wisely and prudently, in my opinion, in exempting navigation criteria from this Department of Transportation. This action, Mr. President, maintains the effectiveness of the Corps of Engineers in the planning and development of multipurpose water resource projects.

South Dakota, more than any other State, because of its peculiar geographic location, has been the host to these great multipurpose project dams. We have more of them impounding more water in the Great Missouri Basin than anywhere else in the world, making of the great lakes of South Dakota—man made under the Corps of Engineers—a body of connected water which in depth and in length and in circumference is exceeded only by the natural Great Lakes extending from Chicago to Buffalo. If these were normal times, when Representatives and Senators had a recess or a vacation, I would invite them all to South Dakota, to enjoy the aquatic benefits of this new man made oasis.

We went further than that, Mr. President. Out of an abundance of caution, the action of this committee also maintains the integrity of the Water Resources Council, which Congress established through enactment of Public Law 89-80. Here we were not cutting new ground. Here we were reaffirming and reestablishing and reemphasizing existing and continuing policy.

Section 7 as we have written it into the bill also spells out specific criteria for determining navigation benefits which evaluate the difference between prevailing freight rates at the time of the study and those which would be charged by the proposed waterway.

In planning for full useage of water in a country like ours with a rapidly expanding population it is wise in my opinion that the committee of the Senate on Government Operations has inserted section 7 into the Senate bill to protect our water projects and river navigation for planning under the Water Resources

Council. I urge the Senate to keep the section in this bill and the conferees to stand firm during their conference deliberations because without it I am afraid that the development of this transportation act, in the long run, in this department, may serve America poorly, instead of serving America well.

In my own work on the committee, Mr. President, I concentrated my efforts, during the many weeks and months that we had the matter before us, first as I have just related, in connection with the criteria for the consideration of waterway projects, and second in the area of the human factor, the safety features involved.

In the early days of the discussion before us, representatives of almost all the different modes of transportation came in, greatly concerned about whether or not safety features and investigative features would continue as well as they now operate, whether there might be some chance for improvement, or whether some changes in the bills were necessary.

We listened to two volumes of testimony on that particular point.

I was especially interested in one of those points, because the big channels of transportation in my home State of South Dakota are the airways. I was especially interested that nothing be done to hurt the safety features and the investigative functions of the Civil Aeronautics Board and the groups presently in charge of and patrolling the use of the airways.

I wish to express my appreciation to Senator JACKSON for the constructive work he has done in this particular phase, which I discussed with him many times and in connection with which I offered changes and recommendations. I commend him for having come up with final language which I believe is not only satisfactory to the Air Transport Association and those who are intimately involved, but also will tend to protect the traveling public.

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

Mr. MUNDT. I yield.

Mr. JACKSON. Mr. President, I wish particularly to commend the able senior Senator from South Dakota for his outstanding leadership in connection with this difficult piece of legislation. I must say that his efforts in no small measure are responsible for the fact that we were able to report this bill unanimously; and I cannot commend him too highly for his constructive amendments, his comments, and his suggestions which made this possible.

Mr. MUNDT. I thank the Senator deeply.

May I say, while we are on this subject, Mr. President, that I send to the desk an amendment which I have discussed with Senator JACKSON. It does exactly what we have been attempting to do throughout this matter: to be sure that nothing interferes with the activities of the Civil Aeronautics Board in its new home.

After the clerk has read the amendment, I believe that the Senator from Washington will concur that we have had

a previous conference, and that he will agree that the amendment will be clarifying and helpful. I think that the amendment can be adopted by unanimous consent.

The assistant legislative clerk read the amendment, as follows:

On page 49, line 9, after the word "appellate", insert the words "nor determination of probable cause".

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

Mr. MUNDT. I yield.

Mr. JACKSON. Mr. President, this is a clarifying amendment. I think it is a helpful amendment, and I am very pleased to accept this amendment offered by the Senator from South Dakota.

The PRESIDING OFFICER. Do the Senators desire to yield back the remainder of their time on the amendment?

Mr. JACKSON. I yield back the remainder of my time.

Mr. MUNDT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, I now send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with at this time.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows: On page 68, line 3, strike out the period, insert a semicolon and the following: "or (6) grants-in-aid programs authorized by law."

Mr. RANDOLPH. Mr. President, for myself and the diligent junior Senator from Oklahoma [Mr. HARRIS], who now occupies the Chair, I present this amendment. I believe that coherence and effectiveness in the development of the transportation policy for the United States is achieved in S. 3010, but I feel there is an ambiguity remaining in the legislation as reflected in section VII of the bill.

I wish to state for the RECORD that Senator McCLELLAN, as chairman of the committee and as the manager of the bill, and Senator JACKSON, who is ably assisting in the handling of the measure on the floor, have been consulted on this amendment and have agreed to accept the amendment that I have offered.

Mr. President, I commend the able and knowledgeable chairman of the Committee on Government Operations [Mr. McCLELLAN], the distinguished Senator from Washington [Mr. JACKSON], and all the other distinguished members of that committee for their work in bringing forth S. 3010, the measure which would establish a Department of Transportation. They labored long and carefully, and the results of their labor will

bring a new concept to the administration of our vital transportation industry.

There is, however, an element of ambiguity, I repeat: section 7 of the bill, which authorizes the Secretary to develop standards and criteria for the investment of Federal funds in transportation facilities or equipment. I refer to the absence of language which would specifically exclude the highway trust fund from this authority. This matter, as I have said, has been discussed with the distinguished manager of the bill [Mr. McCLELLAN], and it is my understanding the amendment which I propose is acceptable.

During the hearings on S. 3010, as is noted in volume 1, page 135, the chairman of the Committee on Government Operations, in an interchange with one of the witnesses during the hearings, Mr. Charles E. Shumate, president of AASHO, expressed his concern for protecting the highway trust fund in the following words:

I think we have a marvelous highway system, and we support it, and I don't want to see that disrupted and that money taken and used for various other purposes. The financing of other programs should come from some other source—perhaps from general revenue. But I don't want to see this system jeopardized or impaired by diversion of its funds.

The amendment which I propose, Mr. President, would provide the assurance which the distinguished senior Senator from Arkansas [Mr. McCLELLAN] considered desirable, by adding on page 68 of the bill, at the end of line 3, after "(5) water resources projects" a new category "(6) grant-in-aid programs authorized by law."

This amendment is consistent with the declared aims of the executive branch as evidenced by exhibit 2 of volume 1 of the hearings, an analysis of section 7 submitted by the administration. In this analysis, on page 147 of this volume of the hearings, the administration states:

2. Nothing in section 7 adds or detracts from the existing statutes applying to the various transportation activities of the Federal Government. For example, neither the general nature nor the scope of the Interstate Highway System could be altered by the Secretary. The Secretary could not change programs already authorized by the Congress.

Further in the same analysis, it is stated on page 149:

The established methods of financing existing transportation programs; for example, the Highway Trust Fund, will not be changed.

Mr. President, the proposed amendment simply provides statutory language to embody the expressed intent of the Chairman of the Committee on Government Operations and the declared aims of the executive branch. In so doing, it specifically retains in the Congress the traditional authority of the legislative branch to determine the scope and magnitude of the investment of Federal funds in the construction of highways.

For the purposes of establishing the legislative history in this regard, I note also that the proposed amendment would

apply to the implementation of the study of future highway needs which the Congress authorized last year in Senate Joint Resolution 81 which was enacted as Public Law 89-139.

Is it my understanding that the managers will accept the amendment?

Mr. JACKSON. Mr. President, as I understand the language proposed in the amendment by the distinguished Senator from West Virginia [Mr. RANDOLPH], it is similar to the language in the bill as approved by the House committee.

Mr. RANDOLPH. It does what is done in the House version.

Mr. MUNDT. Does it deal with section 7?

Mr. JACKSON. Yes, it deals with section 7. It relates to the highway trust fund.

Mr. MUNDT. Mr. President, I would like to know what it does.

Mr. JACKSON. This would add a further exemption to section 7.

Mr. MUNDT. This has nothing to do with criteria; it deals only with the trust fund?

Mr. JACKSON. The Senator is correct.

Mr. RANDOLPH. The able Senator from South Dakota is correct in his understanding.

Mr. JACKSON. The proposed amendment is acceptable to the Senator from Washington.

Mr. RANDOLPH. This subject matter has been developed in hearings, and as I have said, I believe it was an oversight; that it was not included, and I have offered the amendment to clarify and make clear the situation as it affects the trust fund for our highway program.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. RANDOLPH].

The amendment was agreed to.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield to me for 10 minutes?

Mr. JACKSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Washington has 11 minutes remaining under his control.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield to me on the bill?

Mr. JACKSON. I have 11 minutes on the bill. I would be happy to yield one-half of that time to the Senator from Massachusetts, that is, 5 minutes. I think the Senator from South Dakota [Mr. MUNDT] will yield a like amount of time.

Mr. KENNEDY of Massachusetts. Mr. President, I ask unanimous consent to proceed for 10 minutes with the time not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. MUNDT. Mr. President, I did not understand the request.

The PRESIDING OFFICER. The request was that the Senator may proceed for 10 minutes, not to be charged to either side.

Mr. JACKSON. Would the Senator from South Dakota yield 5 minutes out of his time?

Mr. MUNDT. Mr. President, I would be glad to yield 5 minutes from our time, and I understand the Senator from Washington [Mr. JACKSON] yields 5 minutes of his time.

Mr. JACKSON. I join in that request, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. KENNEDY] is recognized for 10 minutes, to be charged equally to each side.

Mr. KENNEDY of Massachusetts. Mr. President, I am pleased to speak in support of S. 3010 which would establish a Cabinet-level Department of Transportation.

Throughout our history, our Government has responded to the emergence of significant social and economic developments by changes in our governmental structure to accommodate them. The most recent example, of course, was the creation in the last session of Congress of the Department of Housing and Urban Development, in recognition of the increasingly urban character of our Nation and the magnitude of our urban problems.

The creation of a Department of Transportation, at this point in our Nation's development, is no less timely or necessary.

Transportation is today a great social force. It affects the life of every citizen. It accounts for \$1 out of every \$6 in our economy; it employs over 2½ million people; it is "the web of union."

But vital as this transportation system is to our Nation, it is not performing adequately. Largely as a result of unplanned growth which has not matched the growth in demand for transportation services, our transportation system is snarled by inefficiencies and waste and congestion and delays. It has grown without adequate coordination of planning between the various modes of transportation and without adequate programs and incentives for initiative and innovation and research and development.

When we consider that our Nation's demands for transportation services will more than double in the next 20 years, it is obvious that we can no longer continue as we have.

Our goal must be—

As President Johnson has stated it—a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

But we will never achieve this objective so long as transportation policy is made and administered as it is now—by a great number of Government departments and agencies, without any real opportunity for coordinated, centralized policy planning.

The bill before us will bring together most of the widely dispersed transportation programs of the Federal Government under a Cabinet Secretary of Transportation, who will have authority to coordinate and relate these programs to the total transportation needs of the country.

This is an historic step. It will provide for the first time an environment for the development of a coherent and coordinated transportation policy, which relates the various modes of transportation to each other and encourages cooperation among the various transportation groups in the country.

The new Department will be responsible for speeding the introduction of advanced technology in this field by promoting research and development with the cooperation of private industry; providing general leadership in the identification and solution of our transportation problems; conducting systems analysis and master planning to determine how we should allocate our resources in the creation of an integrated efficient system of transportation; and recommending policies and programs to Congress and the President to accomplish these objectives.

The broad powers given the new Secretary in section 4 of this bill provide a bold opportunity for this country to build a transportation system equal to the demands of the future.

I think the potential benefits of a Department of Transportation are apparent; I would like to address the remainder of my remarks to one specific area of transportation—domestic civil aviation.

#### AN AVIATION REVOLUTION

Our present national aviation policy is inadequate to meet the rapid evolution of the new aviation age. Growth in domestic aviation has overtaken even our most farsighted projections. Because we have not had a policy to keep up with this change, we face an air transportation crisis of substantial proportions.

Over the past 15 years, we have witnessed a revolution in aviation, a revolution in technology, and also in demand. The growth in air travel since 1950 has been tremendous and in the past few years can only be described as phenomenal. Aviation is one of the truly great growth industries of the country; its average annual rate of growth during the last 15 years—14 percent—has been almost four times the national average. Airlines have taken over as the most heavily used form of transportation; they claimed 59 percent of all intercity travel on common carriers last year, outstripping both buses and railways combined. In 1955, U.S. scheduled airlines flew 19.8 billion revenue passenger-miles; 10 years later the figure was two and a half times as great. If rates of growth continue to follow the accelerated pattern of this year, with passenger-miles up almost 25 percent, then by 1970 the figure could be an astronomical 100 billion revenue passenger-miles.

On the basis of this year's figures, American Aviation magazine estimates passenger traffic will double by late 1968

or early 1969. And even more conservative estimates by the Federal Aviation Agency indicates that for every 1,000 passengers now using U.S. airports, there will be from 1,700 to 2,000 passengers using them in 1971; and that for every 1,000 aircraft operations in U.S. airports today, there will be at least 1,600 by 1971 and more than 2,000 by 1975.

This incredible growth is not limited to scheduled passenger traffic. Scheduled air freight traffic last year was a third greater than the year before. General aviation traffic will be up almost two-thirds in the next 5 years, and airline traffic is expected to double in the same period.

The frightening thing about these projected aviation growth rates is that in the past, projected rates have always underestimated actual growth rates. And, considering that the boom in private and business flying and in air cargo has barely begun, and that the introduction of supersonic air transport and jumbo transport has yet to come, our estimates of growth are probably too low.

The extraordinary increase in activity which we know will be forthcoming in the next few years would strain our Nation's airport facilities even if at present they had substantial unused capacity. But in fact many airports are already strained beyond their peak capacity. Many of them, indeed, are strangling on traffic undreamed of only a few years ago.

#### THE PRESSURES OF OVERCROWDING

Recent newspaper reports on traffic and passenger congestion at Chicago's O'Hare Field and the New York airports, as well as reports sent to me by officials of Boston, New York, and Washington National airports, all indicate that congestion and delays are already a most intolerable. Delays have become so commonplace that one out of every three flights out of Kennedy and two out of every three out of Newark are delayed. The FAA estimates that the cost of such delays to commercial airlines last year was some \$63 million. And the cost of these delays to the air traveler is impossible to compute. But we are all aware that it means lost business opportunities, missed connections, abbreviated holidays, and, as all of us who travel by air know from personal experience, serious frustration and irritation.

Nor is this only a problem of flight delays. The expansion of aviation activities is causing severe congestion at air terminals all over the country—congestion reflected in the long lines at the ticket counter, at the baggage claim area, in the lobbies, and on the access roads leading to the terminals. It is reflected, too, in the shortage of parking at the airport, which often makes it more time consuming to find a parking place than to fly between New York and Washington.

These are the problems and strains that we are experiencing now. What are these problems and strains likely to be 5 years from now, when already overcrowded facilities are asked to accommodate twice the traffic we have now? Or perhaps, to ask a more practical question, what are we doing now in the way

of conscious policy planning to anticipate and alleviate these strains?

Unfortunately, the answer is: pitifully little. Indeed, too few public officials are sufficiently aware or concerned to be giving this problem the attention it deserves.

Here in the Senate, the distinguished Senator from Oklahoma [Senator MONRONEY], and his Subcommittee on Aviation, are making a valiant effort to focus public concern in this area. But the urgent need for action seems still to be overlooked.

#### INADEQUATE POLICY

The only national airport policy we have now is reflected in the Federal Airport Act of 1946, and that program is extremely limited. It embodies outdated, static, and incomplete concepts no longer adequate to cope with the explosive growth in demand and technological advance of our new aviation age.

Under the Federal Airport Act, Federal funds are made available to airports on a matching basis to assist in the construction of runways. For the most part, Federal assistance under this program has always been too little and too late. Some administrations have supported the program, with limited appropriations, as necessary to the development of a national aviation system and to the economic growth of our communities and the Nation. Others have sought to have the program ended. An examination of the 20-year history of the program indicates a total lack of consistency in Federal appropriations from year to year, with never more than \$75 million appropriated in any given year and with no funds provided at all in 1958.

And yet it is clear that Federal assistance is needed. This year, for example, O'Hare Airport in Chicago could not expand its facilities because it lacked the resources to match Federal funds. Yet O'Hare is in a far better financial situation than most of the small- and medium-size airports around the country.

As a result of this shortsightedness, local sponsors have never been able to count on planned and timely Federal assistance to meet pressing needs for airport improvements. Moreover, the present program, as now constituted and if continued at current levels, will still be inadequate in at least five major respects.

First, the program offers financial assistance only for necessary runway improvements. It excludes from eligibility the construction and expansion of passenger terminal facilities, which is where one of the greatest needs for assistance will be in the next decade.

Second, the level of assistance is hopelessly inadequate. The appropriation this year is some \$71 million, or about the equivalent of what it would take to build 50 miles of Federal highways. Yet eligible project requests for the past 5 years have been more than double the funds appropriated, and requests now submitted to the FAA for fiscal year 1967 total \$275 million, or almost four times the appropriation.

Third, these requests do not include costs of passenger terminals, parking facilities, access roads and other facilities, so the costs of total needed development are much higher. Between 1960

and 1965, the amount of Federal aid was only 24 percent of total costs and at the larger airports the Federal participation was as low as 10 percent.

Fourth, the act does not reflect any national policy on the important questions of noise abatement and aviation research and development. Nor does it address itself sufficiently to the urgent need for Federal aid to general aviation airports at small communities to support the economic growth and development of these cities.

Fifth, and in my judgment of greatest importance and crucial to all the issue I have just raised, the act does not provide for any comprehensive future planning of our total aviation needs—planning which reflects the needs and the potential of all our transportation systems.

This comprehensive planning, I believe, is the key to the future of domestic aviation.

#### BLUEPRINT FOR THE FUTURE

The idea of a master plan is not new. The original Federal Airport Act of 1946 specifically sought to provide for the development of a comprehensive system of planning for airports. Since that time, however, this planning concept has evolved into a series of annual reports prepared by the FAA, which serve only to explain the runway additions which will be required to bring about satisfactory safety standards.

This is not the kind of comprehensive planning we need. We need instead a total systems blueprint for the future, which will permit all the key operators of the system—the aircraft manufacturers, the commercial operators, the airway system planners, and the airport operator owners—to look ahead to the demands each is expected to meet, to determine when these needs must be met, and to work constructively toward meeting them in a timely and orderly fashion.

Such a blueprint must be based on sound forecasting of our future aviation requirements. It must reflect a sound forecast of the aviation art, and it must be tempered with an understanding of the state of art for all other modes of transportation, and the relationship among the various modes.

This kind of planning is essential if we are to avoid the extraordinary obsolescence which could result as one or another mode of transportation proves itself most advantageous for a particular portion of our transportation system.

For example, if short take off or landing aircraft—STOL—or vertical take off or landing aircraft—VSTOL—currently under military development, should prove feasible as a 100 passenger—400 m.p.h. commercial transport mode between the centers of nearby major cities, we must know what effect the introduction of such equipment would have on the existing outlying airports of such cities, and the number and location of new "VSTOL ports" which will be required, and the future equipment inventory of their serving air carriers.

Or, to look at the problem from another direction, we must know what the impact will be on our airport requirements and air carrier system of building



a rapid transit ground system to service our Northeast transportation corridor with 200 m.p.h. trains.

Until now the absence of a single authority embracing all of the major forms of transportation has precluded the development of a transportation system which provides the traveler with the maximum advantages of each form.

In the aviation field, this failure is reflected in the fact that it often takes longer to get from the airport to downtown than to fly from city to city, because the location of airports and the development of ground transportation from the airport have been related neither to each other nor to any kind of comprehensive urban planning.

#### THE IMPACT OF NEW EQUIPMENT

To consider another example of the need for planning: Boeing has introduced a new 747 with seating for 500. Lockheed has a design for a plane seating 800. This means that airports will have to face a number of new problems, such as fast deplaning and emplaning for large numbers of people, and changes in runway weight capacities. There is already evidence before the FAA that the Boeing 727 is causing severe damage to runways—runways which were not designed for these jets and which are not prepared to withstand the impact and stress of jet landings and takeoffs.

Yet under the present circumstances, there is no reason to expect that airports will act to keep pace with changing equipment. After all, there exists no mechanism to coordinate changes in equipment introduced by airlines with changes needed in airport facilities.

#### THE INDIVIDUAL AIRPORT

There are still other reasons for developing such a plan. For example, the disadvantages of the present system of fragmented individual airport planning is obvious. Except for Dulles International and National Airports in Washington, the public airports of the country are generally under the private control of the municipal area in which they operate. There are 665 such airports in the United States. Therefore there are 665 separate programs of airport development. The only standard development programs that exist nationally for all airports apply to the safety instruments required by the FAA, as well as certain requirements that must be met under CAB regulations.

Because there is no master planning of the entire aviation system, it is impossible for any individual airport to gage its future and to anticipate its most effective program of development. And as a result many airports have not kept pace with the jet age. My distinguished colleague from West Virginia (Senator RANDOLPH), has recently pointed out that more than half of this country's 220 trunkline airports cannot accommodate commercial jets, and they face possible obsolescence unless action is taken both to upgrade their facilities and to develop jet equipment to serve intermediate and small community airports. Coordinated master planning in this area would save money and time—and it would allow airports to allocate their

scarce resources in the most productive way.

Master planning would also help alleviate the problems that individual airports experience in making major improvements. An improvement such as a new runway at a metropolitan airport will require anywhere from 4 to 10 years from conception to completion. But unless airport operators have reliable data on their future needs, it is unlikely that they can make provision for adequate lead time to construct needed improvement or expansion. A master plan, based on forecasts of their future plans by the major airlines, would prove invaluable to programming of airport facility improvements.

Moreover, a master plan could help solve the problem of increased congestion at all the major terminals by determining which general aviation has to be siphoned off to general aviation airports, and how much of it. It would also provide advice on scientific advancements which would be particularly helpful in increasing airport capacity. Existing airport capacity can be greatly expanded with the help of new developments such as instrumentation of airports for all weather operations, installation of improved airport lighting, widespread use of standard instrument departures, introduction of mosaic radar, and replacement of the present system of manually controlled separation of aircraft landing and takeoff by automated sequencing systems. The improvement of aviation techniques has historically provided a continuing increase in airport capacity beyond forecast predictions. Master planning would help to increase this capacity, and thereby decrease congestion.

#### A PLANNING AGENCY

For all these reasons, we must have a mechanism for long-range systems planning of our domestic aviation program. The logical place to rest responsibility for the formulation of such a systems blueprint would seem to be in the Federal Aviation Agency. The FAA already has responsibility for four on-going programs directly related to such a master plan—aircraft certification, operation and control of our Nation's airspace, the terminal-aid establishment program and the Federal-aid to airports program. In each of these areas, the existence of a blueprint along the lines I have mentioned could provide the guidelines for program policy planning.

Before today, the FAA had never been given the statutory mandate to develop such a plan. And since the FAA is a separate agency, set apart from other governmental transportation functions, and lacking a Cabinet voice, there is some doubt that it could adequately have performed this function.

But with the creation of this Department, containing the FAA as one of its most influential components, the time seems right to establish such a mechanism for planning.

The statutory mandate has been given the Secretary of Transportation in section 4(a) of the bill to "exercise leadership—in transportation matters"; to "develop national transportation policies

and programs" and to "promote and undertake the development, collection and dissemination of technological, statistical, economic, and other information relevant to transportation." Certainly this mandate seems broad enough to justify the Secretary directing the FAA to construct the kind of systems blueprint I have outlined. And there is no question, as former FAA Administrator Najeeb Halaby concluded, that the FAA could get better solutions to problems which also involve other forms of transportation if it were a part of a Department of Transportation.

Section 4(a) of the bill also gives the Secretary and therefore the FAA the authority to "consult with the heads of other Federal departments and agencies—

To encourage them to establish and observe policies consistent with the maintenance of a coordinated transportation system operated by private enterprise.

In addition, the bill in section 4(g) provides for the coordination and cooperation with the Department of Housing and Urban Development necessary to insure that transportation policy is developed in concert with other modes of transportation as a part of an overall program of urban planning.

#### AVIATION MASTER PLAN

Therefore, I strongly recommend that the President and the new Secretary seize upon the opportunity presented by enactment of this bill to direct the FAA to assume responsibility for formulating a master plan for the national air transportation system.

I am not suggesting by this proposal that the Federal Government take over control of domestic civil aviation. At the present time, for example, Federal authority to require an air carrier to operate equipment compatible with existing or planned airports does not exist. And I am not arguing that it should exist. But neither do I believe that manufacturers, airline and airport operators and Government officials should any longer be forced to operate in the dark, often making decisions involving billions of dollars without the benefit of the leadership, coordination and common direction that a long-range systems blueprint could provide.

I have spoken or corresponded with a great number of the parties whose participation and cooperation in the development of such a plan would be essential. I believe there is a strong consensus in its favor, and a broad willingness to cooperate. Generally speaking, there seems to be a recognition that a crisis is upon us and that cooperative, long-range system planning is in the best interests of all.

#### MORE FUNDS FOR AVIATION

The establishment of this new Department of Transportation should also contribute to aviation receiving a larger share of Federal financial resources. Aviation along with every other method of transportation will be supported and regulated by a member of the Cabinet. If we bring together under one head all the principal transportation forms and build a systems blueprint, we should

be able to allocate resources to transportation in a less haphazard manner, focusing on priorities, and cost benefits, and relating our Federal transportation investments to the future needs of the Nation.

The legislation before us specifically provides for the formulation of transportation investment standards, and I hope that when the Secretary of Transportation presents to the Congress a balanced program for Federal assistance to transportation his requests will include imaginative and realistic financing proposals to meet our growing aviation needs.

I have already touched upon the inadequacies of our present Federal direct grant assistance program—both as to scope and level of funding. As the Commerce Committee made clear in its report No. 1282, on the bill extending the Federal Airport Act for the next 3 years, the committee recognized the need for greater fundings. But in the face of the inflationary pressures and other high priority Federal commitments it could not see its way clear to authorizing more than the administration asked for.

Without getting into the merits of that judgment, I think it is fair to point out that unless we find ways to allocate more resources to meet our growing aviation needs—and find them soon—the results in 5 years may well be chaos. And the impact will be felt not only by the aviation industry. It will be felt throughout the economy, for aviation has become an indispensable part of our national transportation system and is vital to the well being of every citizen. I tend to agree with Mr. Halaby's conclusion that, had aviation been represented by a Department of Transportation, the level of funding for this year's Federal Airport Act might well have been higher.

#### FEDERAL AIRPORT LOANS

But, in any case, I urge that as one of its first tasks, the new Department review this problem of financing, and in particular consider the feasibility of establishing a Federal airport loan assistance program to supplement the existing program of direct assistance.

A joint study by the Airport Operators Council, the American Association of Airport Executives and the National Association of State Aviation Officials forecasts that airport development needs for the last half of this decade—almost 2 billion—will exceed expenditures made in the first half of the decade by more than 50 percent; at the present level of Federal assistance, more than 85 percent of this greatly increased expenditure must be provided by local and state sources.

According to a recent FAA survey, over the next 5 years approximately 250 communities currently served by scheduled air carriers and forecast to receive jet service will have to finance substantial additional airport development. The survey estimated total costs at \$261 million. This does not include the cost of passenger terminal facilities, most of which would be required at small and nonhub airports and small hub airports serving metropolitan areas of 100,000 to 500,000 in population. And up to 20

major hub airports will have to engage in substantial terminal area development in order to accommodate the increased capacity aircraft of the future. These growing airport development needs far exceed the financial ability of local governments to meet them.

A 1965 report of the Airport Operators Council International indicates that 73 percent of past financing for local and State projects came from revenue bonds. Yet the report also points out that the ability to float bond issues which pledge future airport revenues to their retirement is almost exclusively limited to a relatively few of the Nation's major airports; and that general obligation bond issues, although generally possible at large and medium hub airports, are rarely possible at small and nonhub airports.

More assistance for airport capital financing is therefore critically needed. It seems wise to make such assistance available through a system of Federal loans to local and State governments, as an adjunct to direct Federal aid, in order to enable capital development to proceed which would otherwise be delayed or cancelled because of the inability of the operating authority to otherwise arrange for the required financing.

The time for beginning such a loan program is now. The jumbo aircraft will be introduced in quantity into the aviation system during the 1970-75 period and jets are being introduced into the local service system now. The leadtime necessary for a terminal to accomplish needed changes while at the same time remaining operational ranges from a minimum of 3 years upward to 7 years. Thus airports must begin now if facilities are to be available to accommodate the volume and type of aircraft operating in the system. Although the loans would still require the State and local governments to spend a great deal of money, the improvements resulting from the loans are directly related to increased airport revenues and the airports ability to repay. Likewise, it would aid local governments to match Federal aid to the same degree that they could seek and obtain funding from other sources for the purpose, and do so at lesser cost.

#### LOANS FOR GENERAL AVIATION AIRPORTS

I also call upon the new Department to consider the desirability of instituting a Federal loan program to private general aviation airports and to State and local governments which wish to develop general aviation airports.

As CAB Secretary Richard Sanderson points out:

The greatest percentage increase in air traffic activity over the past ten years has occurred in the field of general aviation. This increased activity has diminished the ability of large hub airports to accept additional air carrier traffic. It is most important, therefore, that greater emphasis be placed on the development of additional airports to be used by general aviation.

The FAA forecasts that by 1971 general aviation will represent 77 percent of total aircraft operation, and will account for nearly 23 million operations just at the Nation's airports with con-

trol towers—300—more than double the number for public airline movement. This general aviation traffic is important; it serves the needs of business flying, air taxi service, aerial applicators, mail carriage, forest fire protection, and many others. Yet the intermingling of scheduled air carriers, general aviation and military aircraft within the same airport and operating from the same airport has serious shortcomings as traffic grows. It adds to congestion, delays and inefficiencies. It increases the danger of air travel. And these problems will worsen as traffic increases.

#### SATELLITE AIRPORTS

I believe one solution to this problem is to encourage the building and expansion of general aviation airports, as satellite airports on the perimeter of large cities, to siphon off general aviation aircraft from the large passenger terminals. The outstanding example of how effectively this method can work is the example of the Minneapolis-St. Paul metropolitan airport system. Their plan went into effect 20 years ago. Their efforts to separate the different kinds of flying have been highly successful.

The airport network owned and operated by the commission of Minneapolis-St. Paul now consists of six fields—Wold Chamberlain, which accommodates seven scheduled air carriers; and five smaller airports located around the metropolitan area. The benefits of operating this coordinated complex have been reflected in safety, economics, and greater capacity. During a period of extreme aviation growth the operations at Wold Chamberlain Field have decreased to 222,000 in 1965.

The system of Minneapolis-St. Paul effectively separates general aviation aircraft, mainly small planes, from the larger, high performance planes used by the scheduled airlines. By providing attractive, conveniently located, and less costly facilities for general aviation at the five secondary airports, Minneapolis-St. Paul has succeeded in drawing the general aviation aircraft to those fields.

The ability to preserve and protect the entire metropolitan area airspace is thus a fundamental result of this coordinated system. And it has been done without moving airports too far from the population centers.

The Minneapolis-St. Paul is a successful, long-range plan for orderly separation of air traffic. It guarantees substantial capacity for fast growing general aviation. It assures the scheduled carriers of facilities at the major airports to accommodate the larger number of passengers which they have forecast. And it provides safety, efficiency, and economy, both on the airport and in surrounding airspace.

Other metropolitan areas have exhibited the same farsighted air planning in the public interest. While the Twin Cities of Minneapolis-St. Paul have distributed 73 percent of their total aviation movements to five smaller airports, Los Angeles distributes 81 percent of its total air traffic to its six smaller airports, and Pittsburgh distributes 54 percent of its total aircraft movement to its one smaller airport.

The Port Authority of New York has not developed a plan for general aviation airports in the New York area. By 1965, small plane movements at three major airports rose to fully 27 percent of their total airport operations. By 1980, they are predicted to represent one-third of total airport traffic at the air carrier airports in New York.

In my own State of Massachusetts a large percentage of Boston-bound general aviation aircraft land at Logan International Airport. Much of this general aviation is concerned with the transportation of industrial materials. Boston industrialists, and industrialists throughout the country, have increasingly found it an advantage to own and operate their own planes for the transportation of their employees, and critical raw materials and finished goods.

Today there are approximately 40,000 of these private industry-used airplanes, which is more than 20 times the number of commercial airline aircraft. These general aviation planes fly five times as many hours as all the commercial carriers combined. In dollars they represent a great contribution to the national economy. In the past year the sale of planes to industry for general aviation use is double the sales of planes of the previous 2 years.

But in Boston the cargoes brought into Logan must be placed on buses and trains and transported through the city to the great industrial complexes around Boston, for example, route 128. This additional transport cost is an added expense for producers.

If there were general aviation airports on the periphery of the Boston area, industry-owned planes could fly directly to the airports closest to the area of the industries concerned. The electrical industry, which likes to transport its products by air, would particularly benefit from having its products shipped in and out of an airport closely adjacent to its factories. With the use of general aviation airports, the added expense of transporting goods through Boston would be eliminated and congestion at the Boston airline airport would be eased.

Two-thirds of all the airports in the United States are privately owned. But many of them are going out of existence because of the profit incentive to sell to real estate developers and the fact that they do not have the financial capability to develop their airports. In the absence of Federal guaranteed loan assistance, many more will probably disappear and certainly fewer cities will be willing to acquire and develop the system of small airports needed in their area. Many small cities that have heretofore been served by a private airport will be without any airport at all.

Providing loan assistance to general aviation airports is not unprecedented. Federal moneys can be spent under EDA and Appalachia for the development of general aviation airports. The problem is that under the present administration's policy applied to the Federal programs, aid to general aviation airports is a very low priority.

Federal loan programs for the expansion and development of terminal facil-

ities and general aviation airports would not only increase the capacity of existing airports and ease the burden of meeting future needs that will have to be shouldered by local and State governments. It would also help to ease airport congestion on the ground and in the air.

#### AIRCRAFT NOISE ABATEMENT

The new Department must also take decisive action to deal with aircraft noise, which has become an increasingly serious social problem. With the growth of air travel and the introduction on a large scale of jet aircraft, more and more people are suffering annoyance and irritation from the noise of aircraft taking off and landing or flying overhead.

At the present time, this problem is most acute in the immediate residential areas surrounding our largest airports. But as jet service becomes more widespread, and still larger jet craft are introduced into service, there can be no question that the problem will become still more critical.

The President's Office of Science and Technology released several months ago an excellent study on jet aircraft noise. Its principal conclusion was that the Federal Government was the proper party to supply the initial impetus for the research and development necessary to deal with this problem.

I concur in this conclusion and I am therefore pleased to note that section 4(a) of the bill before us specifically authorizes the Secretary of Transportation to promote and undertake research and development relating to noise abatement, with particular attention to aircraft noise.

I interpret this language as a mandate for action, and I call upon the new Department to assign an urgent priority to this task.

The FAA has already begun a noise abatement program and established a noise abatement staff to undertake a concerted effort to alleviate the problems of airport noise.

As a part of the new Department, this work of the FAA must be continued and expanded. At a minimum a sample study, using systems analysis techniques, should be made of a representative number of airports, and completed within a year. As a result of this study, it should be possible to formulate a comprehensive program which sets airport noise measurement standards and develops new landing approach procedures, and new methods for reducing engine noise.

The Federal Government has the responsibility for research and development in this area. I believe eventually it will also have to find means for developing and assisting in financing a comprehensive program which places responsibility on local communities for the reduction of community airport noise problems through compatible land use programs in the vicinity of airports. This would involve land acquisition and redevelopment to uses to which the noise is not a problem.

I have touched on only some aspects of the new opportunities which creation of this Department presents to the aviation field. Similar opportunities are pro-

vided for the other modes of transportation as well. If we are to capitalize on these opportunities, we must act now to pass this legislation establishing this new Department.

I am confident that the matters I have discussed will receive the careful attention they deserve in the new Department and that new legislative proposals to meet our pressing aviation needs will be presented to the President and the Congress at the earliest possible opportunity.

I want to thank the Senator from Washington and the Senator from South Dakota for yielding to me.

Mr. JACKSON. I wish to compliment the able Senator from Massachusetts for his helpful remarks on the bill concerning transportation policy.

Mr. BREWSTER. Mr. President, for myself and the distinguished Senator from Louisiana [Mr. LONG] I send to the desk 10 amendments to the pending bill and ask that they be stated en bloc.

The PRESIDING OFFICER. Is there objection to the reporting of the amendments en bloc?

Mr. MUNDT. Mr. President, may I ask the Senator from Maryland, Do they all pertain to the same subject matter, or are they scattered throughout the bill?

Mr. BREWSTER. They are all on the same subject matter but they are scattered throughout the bill. I intend to explain them.

Mr. MUNDT. But they all deal with the same general subject?

Mr. BREWSTER. They all deal with the Maritime Administrator.

Mr. MUNDT. I have no objection, Mr. President.

The PRESIDING OFFICER. The amendments will be stated en bloc by the clerk.

Mr. BREWSTER. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendments will be printed in the Record at this point.

The amendments submitted by Mr. BREWSTER are as follows:

1. Page 36, line 25, Subparagraph 1 of subsection (e) of Section 3: Strike the words "The Secretary shall establish \* \* \*" and insert in lieu thereof the following: "There is hereby established \* \* \*".
2. Page 37, line 24 through page 38, lines 1 through 3, Subparagraph 3 of Subsection (e) of Section 3: Strike the language to be found in Subparagraph 3 appearing on page 37, lines 24 and 25, through to page 38, lines 1 through 3, inclusive, and insert in lieu thereof the following: "The Administrators and the Commandant of the Coast Guard shall carry out such functions, powers, and duties as are specified in this Act and such additional duties as the Secretary may prescribe."
3. Page 41, line 21, Subsection (c) of Section 4: Strike the term "Orders" and insert in lieu thereof the following: "Except as otherwise provided in this Act, orders \* \* \*".
4. Page 42, line 7, Subsection (d) of Section 4: Strike the term "In" and insert in lieu thereof the following: "Except as provided in this Act, in \* \* \*".
5. Page 50, line 2, Subsection (a) of Section 6: Strike the term "There" and insert in lieu thereof the following: "Except as limited and restricted herein, there \* \* \*".

6. Page 54, line 9, Subparagraph (B) of Paragraph (5) of Subsection (a) of Section 6: Add to the end of Subparagraph (B) the following: "Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in Subparagraph (A) of Paragraph (5) of this Subsection, but not including the functions hereafter transferred to the Maritime Board in Subparagraphs (C) and (D) of this Subsection, shall be administratively final, and appeals as authorized by law, including this Act, shall be taken directly to the Courts. In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department."

7. Page 54, line 19, strike the terms "The administration of \* \* \*" and insert in lieu thereof the following: "All functions relating to findings and determinations with respect to loan and mortgage insurance under \* \* \*".

8. Page 66, line 22, Subsection (h) of Section 6: Strike the terms "Notwithstanding any other provision \* \* \*" and insert in lieu thereof the following: "The provisions of the Administrative Procedure Act (60 Stat. 237; 5 U.S.C. 1001 et seq.) shall be applicable to proceedings by the Department and any of the Administrations or Boards within the Department established by this Act except that notwithstanding this or any other provision \* \* \*".

9. Page 67, line 16, Subsection (a) of Section 7: Insert the following immediately after the term "Secretary": "\* \* \*", subject to the provisions of Section 4 of this Act, \* \* \*".

10. Page 75, lines 14 through 17, Paragraph (1) of Subsection (f) of Section 9: Strike the language to be found on lines 14 through 17, inclusive, and insert in lieu thereof the following: "Except where this Act vests in any Administration, Agency or Board, specific functions, powers, and duties, the Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or vested in the Secretary in this Act, delegate any of his residual functions, powers and \* \* \*".

Mr. BREWSTER. Mr. President, I will explain the amendments.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. BREWSTER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Maryland will state it.

Mr. BREWSTER. What is the unanimous-consent agreement?

The PRESIDING OFFICER. Fifteen minutes to each side on each amendment.

Mr. BREWSTER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 10 minutes.

Mr. BREWSTER. Mr. President, before explaining the amendments, I should first like to congratulate the Senator from Washington on his very able presentation of the entire bill. I should also like to comment on the bill generally.

Mr. President, the pending bill, S. 3010, if enacted, would have a tremendous and incalculable impact upon our economy. It contemplates gathering into one department most of the agencies which are concerned with our national transportation system. It is conceivable that this consolidation of transportation agencies could have a healthy and far-reaching

effect, and result in a coordinated transportation system. For this reason, there are few who disagree with the announced objective of this legislation. No sane person could oppose a carefully, wisely, and scientifically coordinated transportation system which would enable the components of our economy to transport people and goods to all parts of our land, and to all parts of the globe.

However, the actual bill before us, S. 3010, shows on its face that it is the product of undue haste and great confusion. Many of its provisions are contradictory. Many of them have not been properly integrated into the bill itself, or coordinated with the requirements of the legislative objective.

Let me point out a few examples:

Section 4(b)(2) of the bill provides:

Nothing in this Act shall be construed to authorize without appropriate action by Congress, the adoption, revision, or implementation of any transportation policy, or investment standards or criteria contrary to or inconsistent with any Act of Congress.

The last clause which I have emphasized says, if language has meaning, that the proposed Secretary of Transportation cannot change Government investment standards or criteria contrary to existing law without appropriate action by Congress. But section 7(a) provides:

The Secretary shall develop and from time to time in the light of experience revise standards and criteria consistent with national transportation policies, for the formulation and economic evaluation of all proposals for the investment of Federal funds in transportation facilities or equipment . . .

If language has any meaning, the provision I have just quoted means that the Secretary, based on his own experience, without resort to Congress, can adopt and implement investment standards contrary to existing law without appropriate action by Congress. If these two provisions are not in direct and irreconcilable conflict, then light is dark, and sweet is sour.

Section 3(e)(1) provides that the Secretary shall establish within the proposed Department a Highway Administration; a Railroad Administration; a Maritime Administration; and an Aviation Administration.

Section 3(e)(3) provides that the Administrators, and so forth, shall carry out such functions, powers, and duties as the Secretary may prescribe, and such additional functions, powers, and duties as specified in this act.

If language has meaning, this subsection means that the Secretary will be the head of the Department, that the Administrators will be his subordinates, and that they shall perform as he directs them.

Section 6(c) provides that:

Decisions of the Federal Aviation Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in this subsection . . . shall be administratively final, . . .

If language has meaning, this provision would create an Aviation Administrator who was administratively independent of the Secretary.

Such examples could be multiplied indefinitely.

But, in my opinion, the most serious defect of the legislation is that the Maritime Administration—as distinguished from the Maritime Board, which has subsidy functions—would be buried in the proposed new Department without independence, without power, without the means of formulating policy, devising programs, or facing up to the tragic demise of the American-flag merchant marine which, and I do not exaggerate, is now in its last throes.

With respect to the Maritime Administration, the pending bill is confusing beyond description. For example, section 6(a) in the prefatory language would transfer all functions, powers, and duties with respect to existing maritime law, listed in section 6(a)(5)(A), to the Secretary of Transportation.

Section 6(a)(B) transfers the same functions, powers, and duties to the Federal Maritime Administrator. To transfer power by statute to two separate officers is to fall between two stools.

If this legislation is enacted, who will formulate maritime policy, who will administer it, who will save the American merchant marine? I challenge the authors to answer these questions.

Under this legislation the Maritime Administrator would be what he is now, a mere office boy, carrying messages to and from the Secretary. He would have no independent power of decision. Every action of his would be appealable to the Secretary of Transportation who has manifold other duties to perform and will therefore be unable to dedicate himself to the revival of the American merchant marine.

Certainly, it is unnecessary for me to recite the facts and figures which prove that the American merchant marine is now near demise. Our ships carry less than 10 percent of our foreign commerce. Our tramp ships carry about 5 percent of our international bulk cargoes, which constitute by far the biggest percentage of our foreign trade. Our tankers, many of them new and efficient because they were built to meet the Suez crisis, carry about 3 percent of our oil imports. These bulk cargoes constitute the sinews of war. It is therefore no exaggeration to say that our national defense depends upon foreign-flag ships. The availability of foreign-flag ships to us in time of crisis is a myth and a delusion, and this fact has been proved by every crisis in our history, including the confrontation with Russia in Cuba and the Vietnam war. The ships of many of our allies are now carrying indispensable cargoes to North Vietnam. The ships of our allies have refused, in several instances, to carry our military cargo to South Vietnam. To depend upon foreign-flag ships in the event of war emergency is like asking the enemy for aid and assistance.

I have therefore prepared a series of amendments which would constitute a Maritime Administration, within the Department of Transportation, which would be independent, which would be invested with decisional finality, and which would be capable of meeting the maritime emergency which threatens us.

Section 3(e)(1) provides that the various administrations, which I have enu-

merated, would be established by the Secretary. This means, of course, that he could delay such establishment or, presumably, having established an administration, could disestablish it. My first amendment would establish the administrations by statute.

Section 3(e)(3) provides that the Administrators, and so forth, shall carry out such duties as are prescribed for them by the Secretary, and such other duties as are specified by the act. This wording, in my judgment, undermines the independence of all the Administrators. My second amendment, therefore, would provide that the Administrators and the Commandant of the Coast Guard shall carry out such functions, powers and duties as are specified in this bill and such additional duties as the Secretary may prescribe. The purpose of the amendment is to vest, by statute, the primary functions, powers, and duties in the appropriate Administrators and the Commandant, and then authorize the Secretary to prescribe additional duties.

Section 4(c) provides that orders and actions of the Secretary or the National Transportation Safety Board shall be subject to judicial review to the same extent that the agencies now performing these functions are subject to such review. This is in conflict with other sections of the bill which give greater administrative and decisional independence than the agencies now performing these functions have. My amendment would attempt to reconcile this conflict by providing that no existing law granting judicial review shall be in conflict with the provisions of this bill.

Section 4(d) provides that the actions of the Secretary, the Administrators, and the Safety Board shall have the same authority as is now vested in the agency performing the functions transferred to the proposed new Department. In the case of the Maritime Administration, as now constituted, the actions and the decisions of the Administrator have no finality, but are all appealable to the Secretary, who frequently overrules them. There will be no improvement in the functional efficiency of the Maritime Administration if this appeal to the Secretary is left intact. My fourth amendment would therefore provide that the independence invested in the Maritime Administration, as in all other administrations, would not be eroded or destroyed by the lingering of old and futile appeals.

As I have previously stated, the prefatory language in section 6(a) transfers and vests in the Secretary all functions, powers, and duties of the Secretary of Commerce, including the maritime functions. In order to reconcile this prefatory language with an independent maritime agency, my fifth amendment would therefore insert at the beginning of section 6(a) the language "except as limited and restricted herein," so that the independence of the Administrations would be clear and unambiguous.

Section 6(a)(5)(B) of the bill would transfer to the Federal Maritime Administrator the functions, powers, and duties of the Secretary of Transportation

under section 6(a), but there is no definition or explanation of the extent of the powers or the degree of independence of the Federal Maritime Administrator. My sixth amendment would therefore provide that decisions of the Administrator would be administratively final, and that such appeals as are authorized by law, including this bill, would be taken directly to the courts. This would eliminate the unnecessary and frustrating right of appeal from the Administrator to the Secretary. In drafting this amendment I have used the language of the bill as applied to the Federal Aviation Agency, the National Transportation Safety Board, and the other Administrations. The amendment would also expressly invest the Maritime Administrator with independence of the Secretary and all other officers of the new Department in the exercise of his functions, powers, and duties.

My seventh amendment relates to the powers of the proposed Federal Maritime Board, which would be charged with the duties of administering the construction and operating differential subsidies of the 1936 act, as well as title XI of the same act which provides for mortgage insurance. The amendment refers only to the language of the bill relating to title XI, and would invest the Maritime Board with the functions of findings and determinations with respect to loan and mortgage insurance, rather than administration.

My eighth amendment is a perfecting amendment to section 6(h) of the bill, and would simply provide that the Administrative Procedure Act shall be applicable to proceedings by the Department and all of the components.

My ninth amendment is designed to reconcile the conflict I previously pointed out between section 4(b)(2) and section 7(a) with respect to investment standards. It would insert after the word "Secretary" the language "subject to the provisions of section 4 of this act."

My 10th amendment is designed to clear up another confusion in the existing bill. While the bill, as we have seen, purports to transfer, not only to the Secretary, but to the Maritime Administrator, certain specific functions, powers, and duties, section 9(f)(1) purports to authorize the Secretary to delegate and redelegate all authority covered by the act at his discretion. My amendment would provide that, where specific functions, powers, and duties are transferred by the statute to specific administrators, the Secretary would have no authority to disregard the statute and engage in discretionary delegations and redelegations.

Mr. President, Senators will remember that the House of Representatives passed a bill which established an entirely separate maritime agency. My amendments would do this also. We would continue under the overall authority of a Secretary of Transportation with the four basic Administrations of trucking, planes, rails, and ships. But in the case of shipping, we would put it on an equal basis with the authority which the other three Administrations have. Most of the amendments I have pertained solely to the authority of the Maritime Admin-

istrator to determine what degree of independence, if any, he is to have.

The amendment that sets this out is amendment No. 6 on page 1 of the amendments which I have sent to the desk. In brief, this amendment states:

Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated . . . shall be administratively final and appeals as authorized by law, including this Act, shall be taken directly to the Courts. In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department.

Mr. President, I think these amendments establish a reasonable compromise between the position of the administration and the House bill. I believe that the amendments, if accepted by the Senate and by the Senator from Washington, will, of course, be acceptable to the House of Representatives.

Thus, we will have an overall transportation bill with a new Cabinet officer—a new Secretary—but we would also have an effective way to deal with our merchant marine policy.

Mr. BARTLETT. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I am happy to yield to the Senator from Alaska.

Mr. BARTLETT. I desire to congratulate—and heartily—the Senator from Maryland for offering the amendments which, in my judgment, are absolutely necessary in order that the maritime industry may have proper representation within the new Department, and that the Administrator may have authority, as has been pointed out, on a parity with those responsible for other modes of transportation.

As the Senator has pointed out, he has not even sought to do that which the House did by its vote; namely, to divorce the Maritime Administration from the new Department of Transportation entirely. He has taken another course, a course which, I trust, will be acceptable to the committee. It would be my hope that the Senator in charge of the bill will be willing to accept the modified amendments and, if this is done, I am confident that the maritime industry and its whole structure will have an opportunity not only to survive but also to grow and to expand—which is so essential to the best interests of this Nation—in a manner that otherwise would not be possible.

I believe it would not be possible under the present language.

Once more, I think the maritime industry owes a debt of gratitude to the Senator from Maryland for saying what he has said now and for offering the amendments.

Mr. BREWSTER. I thank the distinguished Senator, chairman of the Merchant Marine and Fisheries Subcommittee of the Commerce Committee, for his comments.

I wish to ask the manager of the bill, the Senator from Washington [Mr. JACKSON], if these amendments would be acceptable.

Mr. JACKSON. Mr. President, first of all, I want to associate myself with the



remarks of the able Senator from Alaska regarding the interest and leadership of the Senator from Maryland [Mr. BREWSTER] in the whole maritime field. I know of his long and continuing concern with this problem. I do not know of any area of transportation where there is a greater need to resolve a more troublesome situation than in the maritime field.

I regret I cannot accept the amendments presented en bloc in their present form. To accept the amendments now before the Senate would establish a situation in which we would be putting the Federal Maritime Administrator in a special category. He would be completely isolated from the Secretary of Transportation. He would have authority that would go far beyond the authority of the other modal Administrators.

I would accept an amendment to his amendment, which he could offer as a separate amendment, if he wished, to give to Maritime Administrators decisions of administrative finality where he is engaged in those functions which call for notice and hearing.

This is the whole philosophy we have tried to adhere to in this bill. In other words, where there is a quasi-judicial proceeding, the modal Administrator's decision would be final, and the appeal would be directly to the court. That makes sense. This is what we have provided as to the other modes. I do not think an appeal should be routed first to the Secretary and then to the court.

As to quasi-judicial matters, this is a field in which the Administrator should have authority. We have given such authority to the other modal Administrators. I cannot, in my mind, justify an exception.

However, I would be willing to accept the amendments that are in the nature of technical amendments which the Senator from Maryland has presented. I will take them to conference. I have not had an opportunity to go into the technical amendments. I received them about noon today. They require careful review.

Mr. BREWSTER. I thank the Senator from Washington. Of course, I would prefer to have my amendments accepted as originally presented. I believe the Maritime Administrator should have independence of action, which he would have under my amendment. It is my understanding the amendments are not acceptable, but that if I modify one of them, they would be acceptable. I believe I have a right to modify my own amendment.

Therefore, I ask the clerk to strike out in its entirety amendment No. 5, and to rewrite amendment No. 6, as follows:

Page 54, line 9, Subparagraph (B) of Paragraph 5 of Subsection (a) of Section 6: Add to the end of Subparagraph (B) the following: "Decisions of the Federal Maritime Administrator made pursuant to the exercise of the functions, powers, and duties enumerated in Subparagraph (A) of Paragraph (5) of this Subsection, which involve notice and hearings, but not including the functions hereafter transferred to the Maritime Board in Subparagraphs (C) and (D) of this Subsection, shall be administratively final, and appeals as authorized by

law, including this Act, shall be taken directly to the Courts.

What I have done here is to cover situations which only involve notice and hearing and stricken out the words that were obnoxious to the Senator from Washington, namely:

In the exercise of his functions, powers, and duties, the Maritime Administrator shall be independent of the Secretary and all other officers of the Department.

The PRESIDING OFFICER. The amendment No. 6 of the Senator from Maryland is so modified.

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

Mr. BREWSTER. I yield.

Mr. JACKSON. I appreciate the modification of the amendment which he has just made. I understand the Senator agreed to strike out amendment No. 5, which is on page 50, line 2; is that correct?

Mr. BREWSTER. That is correct.

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

Mr. BREWSTER. I yield.

Mr. MUNDT. While there has been a series of 10 amendments offered, of which 1 has now been eliminated and 1 has been changed, is there anything in the 8 remaining amendments in the package of amendments offered which is inconsistent with the provisions at the desk?

Mr. BREWSTER. I am glad the Senator has asked that question. No; they are entirely consistent.

Mr. JACKSON. Mr. President, that is my understanding.

I want to make it clear to the Senator from Maryland that I am willing to take to conference the technical amendments, which have been included, with the understanding that in the meantime we will look into them to make certain that they are of a technical nature, and not of a substantive nature.

The Senator from Washington believes that there is merit in the amendment the Senator offers; namely, that, in those matters in which the Maritime Administrator is required to give notice and hearing, his decisions are to be administratively final and appeal is directly to the court, which, in accordance with the Administrative Procedure Act, would be to the circuit court of appeals. That particular amendment is in keeping with what we have offered in this bill, and will be taken to conference.

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

Mr. BREWSTER. I yield.

Mr. LAUSCHE. It seems that the Senator from Washington is contemplating accepting the amendments. Before he does so, I should like to ask him a few questions. The first question is, Is it the purpose of the bill to place the transportation services of the Federal Government under one executive head who shall coordinate the activities?

Mr. JACKSON. The Senator is correct, in general.

Mr. LAUSCHE. And it has been the purpose of the bill, as presented by the committee, to treat the different transportation services identically?

Mr. JACKSON. In general, the Senator is correct. Obviously, this is not literally possible because of the historic differences that exist among the modes of transportation.

Mr. LAUSCHE. Primarily, the modes of transportation embraced are, generally, highway truck transportation, waterway transportation, railroads, airlines, and, in a measure, pipelines.

Mr. JACKSON. The Senator is correct. The Interstate Commerce Commission has certain functions in that regard.

Mr. LAUSCHE. Yes. The acceptance of the proposed amendment of the Senator from Maryland will not place the water carriers in a preferential position over that accorded to other modes of transportation, will it?

Mr. JACKSON. The Senator is correct. Because the distinguished Senator from Maryland has offered a number of what he describes as technical amendments, the Senator from Washington does not have the time to review carefully and in depth, the impact of all of the technical amendments. I want to make certain that they are technical amendments, but I assure the Senator from Ohio that the differences as he has stated regarding the policy we are following, briefly, are these:

We divided the functions into two categories. The Secretary of the proposed Department is to be responsible for any administrative matters. In quasi-judicial and quasi-legislative matters, the decisions of the modal Administrators would have administrative finality. Appeals from decisions of the modal Administrators would go directly to the courts. We strongly believed that there was no sense in requiring that appeals go first to the Secretary. This is the philosophy we have endeavored to follow, and I would insist that it be followed with respect to the maritime program as it is with respect to the other modes of transportation.

Mr. LAUSCHE. My final question is this: Can the Senator from Ohio be assured that by the acceptance of these amendments there is no purpose to give specific preference, concerning what the new Department will do, to the water carriers over that given to the railroads, the truckers, and other methods of transportation?

Mr. JACKSON. The Senator is correct.

Mr. LAUSCHE. I thank the Senator. Mr. BREWSTER. Mr. President, do I still have the floor?

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. BREWSTER. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Maryland has 1 minute remaining.

Mr. BREWSTER. In conclusion, Mr. President, I would say the amendments I have offered, which seem to be acceptable, merely place the maritime industry on the same footing with other modes of transportation. It is not our intention to give them any preferential treatment whatsoever. This has nothing to do with the substantive matter whatever;

it merely gives the Maritime Administrator some ability to revise our maritime policy and rebuild our maritime fleet.

I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I wish to say that I am very pleased to take this entire matter to conference, and I hope that in conference we can reach an equitable resolution of this very difficult problem that exists in the maritime field.

On that basis, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to amendments, as modified, of the Senator from Maryland.

The amendments, as modified, were agreed to en bloc.

Mr. MUNDT. It has been called to my attention that on page 43 of the bill, where we include wildlife and waterfowl refuges with public parks, recreation areas, and historic sites in protecting them from anything that might be in the nature of a detraction from their natural beauty and purpose, we did not include, on line 21, the same language with reference to wildlife and waterfowl refuges which was included elsewhere.

Therefore, I propose an amendment, on line 21 of page 43, after the words "recreational area," to add the words "wildlife and waterfowl refuge." That would bring that subsection into harmony with the remainder of the bill. I say to the distinguished Senator from Washington, the acting floor manager of the bill, that I am referring to the matter which we have discussed heretofore, and I believe we are all in agreement.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. On page 43, at the end of line 21, to add the words "wildlife and waterfowl refuge."

Mr. JACKSON. Mr. President, I understand the matter now before the Senate is the clarifying amendment proposed by the Senator from South Dakota. I think the amendment is helpful, and I am pleased to accept it.

I yield back the remainder of my time.

Mr. MUNDT. I yield back all the remainder of my time except the 10 minutes I promised the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President—

Mr. CLARK. Mr. President, will the Senator yield 30 seconds to me before he does that?

Mr. JACKSON. Mr. President, I had promised to yield to the Senator from Pennsylvania.

Mr. MUNDT. Mr. President, before we proceed, could we have a vote on my amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. CLARK. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. BYRD of West Virginia. What about the 10 minutes the Senator from South Dakota yielded to me?

The PRESIDING OFFICER. The Chair will state that we are confronted here with a rather strange parliamentary creature. The Senator from West Virginia has the floor, except that he yielded 2 minutes to the Senator from South Dakota. The 10 minutes yielded to the Senator from West Virginia are still very much in effect.

Mr. MUNDT. Mr. President, to clarify the situation, I yield 10½ minutes to the Senator from West Virginia, 30 seconds of which may go to the Senator from Pennsylvania.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming yield me 5 minutes?

Mr. SIMPSON. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, the Department of Transportation bill we are considering today is very important to Members of Congress from the Midwest because the proposed Department will have a substantial impact on the way in which the St. Lawrence Seaway is developed.

I am very pleased with the action taken by the Senate Government Operations Committee to give the Seaway Development Corporation an independent status within the proposed agency. On the other hand, I am apprehensive over the treatment the seaway may receive from the Secretary of this new Department.

All those who have fought for the seaway over the years were shocked by the Under Secretary of Commerce for Transportation's support for a 10-percent increase in seaway tolls at a time when American-flag shipping on the seaway has fallen from 29 ships last year to 12 ships so far this year. Under Secretary Boyd's remarks, when testifying on the Mondale bill to recapitalize the seaway, raised the prospect of serious underutilization of the seaway with resulting lower income despite higher tolls.

I am particularly concerned about the fact that there will be an adverse effect on ports throughout the Great Lakes if this procedure is followed. I include some eight ports in the State of Wisconsin.

A Secretary of Transportation who is fully sympathetic to the problems and potentialities of this "fourth seacoast" can do tremendous good for the economy of the Midwest and the Nation as a whole. On the other hand, a Secretary who merely considers the seaway as a moneymaking proposition, and nothing else, could do unmitigated damage to midwestern economic interests.

Mr. President, I point out that the amount involved from the standpoint of the Treasury is very little, probably \$600,000 a year. However, the impact on the seaway could be devastating for transportation on this great body of water.

The Department of Defense has recently initiated a system of competitive bidding for ocean shipment of military cargo. This type of competition would greatly aid flag shipping on the lakes. The lakes had been virtually eliminated

from the previous negotiated-bid system by East Coast Shipping Conference tactics.

A sympathetic Secretary of Transportation could improve conditions for shipping military cargo through the seaway through his consultations with the Department of Defense as well as with the other concerns and agencies involved.

Mr. President, I ask the distinguished Senator from Washington, the manager of the bill—who, I think, has done a highly competent job as he always does on Senate legislation—if he would agree that the Department of Transportation is being set up in this bill to provide fair treatment for all modes of transportation in all areas of the country where transportation is competitive.

Mr. JACKSON. As the Senator from Wisconsin is probably aware, I voted for and supported the legislation setting up the St. Lawrence Seaway project.

I think that it is a very important undertaking. I believe it is, indeed, a part of our national transportation program.

I can only express the very strong hope that the new Secretary of Transportation, provided for in the pending bill, will see to it that there is no discrimination between modes of transportation.

The new Secretary should look very carefully into the problem posed by the distinguished Senator from Wisconsin, concerning the proposed increase of tolls. If this is to affect the proposed overall policy that Congress laid down in the treaty that was approved in connection with the St. Lawrence Seaway project, I would be greatly disappointed.

I think it is important that the new Secretary of Transportation treat the various modes of transportation fairly and equitably in the national interest.

I do not think that one mode should be singled out over another. The overriding consideration should be the national interest of this country and what is best in the public interest.

Mr. PROXMIRE. I thank the distinguished Senator from Washington very much.

The St. Lawrence Seaway is the only waterway in the country, to my knowledge, which is required to pay a toll and required to pay back every penny that the Federal Government invests.

The other waterways get an outright subsidy. We feel that the tolls should be kept at their present level and that a very modest stretchout in repayment should be provided.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming yield me 3 additional minutes?

Mr. SIMPSON. Mr. President, I yield the Senator from Wisconsin 3 additional minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 additional minutes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following excellent articles on the seaway problem, written by Alan Emory, an extraordinarily able reporter of the Watertown Times, be printed at this point in

the RECORD: "Seaway Senators Arming To Battle Military Cargo Cut"; "United States To Back Seaway Hike Conditionally"; "L.B.J. Held Only Block to Seaway Toll Hike"; and "Time Is Running Out in Seaway Toll Battle."

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

**SEAWAY SENATORS ARMING TO BATTLE  
MILITARY CARGO CUT**

(By Alan Emory, Times Washington correspondent)

WASHINGTON.—Seaway area senators are lining up to fight a bill that threatens the future expansion of military cargo shipments from the Great Lakes and St. Lawrence river ports.

The bill has already been cleared by the senate commerce committee. It would require the defense department to scrap its new policy of competitive bidding to carry military cargo on American flag vessels and return to a long standing policy of negotiated contracts.

Sen. WILLIAM E. PROXMIRE, D., Wis., has already told Senate Majority Leader MIKE MANSFIELD, D., Mont., that he is ready to talk at length against the measure.

Sen. PHILIP A. HART, D., Mich., commented that, despite sweeteners in the bill for seaway area lawmakers, "I am reluctant to deny to the secretary of defense the opportunity to test the application of the basic proposition that competitive bidding is the soundest business method."

The Pentagon, Federal Maritime Commission, Maritime administration and General Accounting office have opposed the bill.

The bill was pushed by Atlantic, Gulf Coast and west coast shipping combines.

The committee majority called the competitive bidding practice "a new and highly hazardous method" that would "fly in the face of history" and lead to "destructive competition, the bankruptcy of transportation firms, the reduction or elimination of service and illegal preferences which favor the large shipper over the small."

The majority argued that competitive bidding for liner cargo "inevitably drives rates below costs." It claimed the bill did not change the requirement that military cargo be shipped in American flag vessels manned by American seamen and meeting American safety standards.

Furthermore, the majority claimed, the bill would require equal consideration for the seaway area in allocating military overseas cargoes, rather than basing awards on past history, since the Great Lakes area has not had regularly scheduled sailings.

The prize is a potentially rich one.

The seaway area has seen its share of defense cargoes gradually decline as the total increased.

Defense cargoes are now transported at a cost of about \$400,000,000 a year. Arrangements are made by the Military Sea Transport service.

On April 4 the defense department said it would start competitive bidding for overseas military shipments to lower transportation posts.

The committee majority, sparked by Senate Commerce Committee Chairman WARREN G. MAGNUSON, D., Wash., and Sen. DANIEL BREWSTER, D., Md., argued that the defense department movement of air cargo under competitive bidding has produced a "chaotic" situation and six years ago it got together with the Civil Aeronautics board to develop a "stable rate system."

The committee said Great Lakes ports had suffered in obtaining military cargo because they were not considered as a separate seacoast. The bill provides such consideration to "encourage the use of Great Lakes ports

along with those on the other coasts for the loading of military cargo," the report says.

The language, however, has not convinced the Great Lakes senators.

Sen. FRANK J. LAUSCHE, D., Ohio, said the shipping combines supporting the bill wanted to protect a monopoly situation.

Past cargo policies, he commented, had strangled competition and proved "a very expensive way to destroy the American merchant marine."

**UNITED STATES TO BACK SEAWAY HIKE  
CONDITIONALLY**

(By Alan Emory)

WASHINGTON.—The Johnson administration is preparing for negotiations with Canada in which the United States will conditionally approve a ten per cent increase in St. Lawrence seaway toll rates.

However, the U.S. is prepared to do some hard bargaining on the Canadian proposal to levy lockage fees at the Welland canal, and the guessing is that negotiations will balance the toll increase and the agreement to give Canada an extra penny out of every revenue dollar from the seaway against the lockage fee.

If Canada receives 72 per cent of the seaway revenue starting next year, instead of the 71 per cent that country has been receiving, the increased take could come to about \$150,000 a year immediately and rise in future years.

The administration is getting ready to shift future seaway toll talks to the diplomatic level, informed sources here said today.

Although the policy basis for the U.S. position is expected to include the higher toll structure, as demanded by Canada, the commerce department and American seaway officials are under heavy pressure to withhold approval for another year.

The administration's bowing reluctantly to the toll increase will bring an angry reaction in the midwest and some areas of Canada. Only six of 61 witnesses at public hearings in Chicago in June favored higher tolls, and only two of 48 witnesses in Ottawa.

All through two days of hearings before a senate public works sub-committee, which ended Wednesday, lawmakers, governors, port experts and businessmen called for a complete new evaluation of the Seaway-Great Lakes policy and future by the United States and Canada.

Sen. DANIEL K. INOUE, D., Hawaii, who presided at Wednesday's session, said the committee would call on the state department to initiate talks with Canada on the whole problem.

Although the hearings centered on legislation designed to freeze toll rates at the Jan. 1 level, refinancing the seaway through the issuance of capital stock, in place of the present revenue bonds, and make the government investment permanent, instead of requiring the project to pay out after 50 years, many seaway backers agreed that the importance of the sessions was their focusing a bright spotlight on the seaway's problems and their need for a cure. Most of these problems are financial caused by a pile-up of bond interest that prevents the seaway from operating in the black.

Gov. George Romney of Michigan sent a letter to the committee supporting the bill as a means of "holding the line" on tolls, but urging the abolition of all tolls in the future.

**L.B.J. HELD ONLY BLOCK TO SEAWAY TOLL  
HIKE**

(NOTE.—This is the first of two articles on the controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent in 1967. Only a stop order by President Johnson can prevent United States from agreeing to the proposal, according to present thinking in Washington.)

(By Alan Emory, Times Washington correspondent)

WASHINGTON.—Only a stop order from President Johnson can prevent the United States from agreeing with a hotly controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent, starting with the 1967 shipping season.

Working echelon administration officials are preparing the ground for negotiations with Canada that would confirm the increase. Alan S. Boyd, under secretary of commerce for transportation, who will probably head the new department of transportation, is on record favoring the increase.

United States and Canadian seaway agencies have reports showing the increase will not scare off increasing cargo and revenues and will enable the project to meet the legal requirement that it pay for itself within 50 years.

However, congressmen and senators from the seaway section are fighting a desperate rear guard action to delay the increase. They claim it would wreck the seaway just as it begins to compile an impressive record of steadily increasing traffic and revenues from ship tolls.

They propose to knock out the 50-year pay-out requirement and refinance the project by substituting capital stock for the outstanding bonds and unpaid interest totaling \$18,800,000.

It is the ever-increasing interest backlog that has prevented the seaway operation from moving into the black ink side of the ledger.

Canada has suggested a three-point program comprising higher tolls, a greater share of the seaway revenue and an escalating program of lockage fees on the all-Canadian Welland canal.

President Johnson's advisers are ready to recommend the U.S. go along with the higher tolls and the extra revenue for Canada—72 per cent in place of the 71 she has been receiving—if the Canadians will severely modify or eliminate the Welland fees.

There are no charges on the Welland now, but Canada has embarked on a modernization program that will cost half a billion dollars.

The seaway fight, however, has gone beyond the mere question of higher tolls, although that is the more emotional and dramatic issue. It has spilled over to the new transportation department, military cargo policy and the question of a new bilateral policy covering the whole Great Lakes-St. Lawrence area.

The president has given his support to a plan that would provide new prestige for the American seaway agency within the new transportation department. Seaway section lawmakers have threatened to filibuster the department bill unless that is approved.

They have also raised storm signals about the nomination of Mr. Boyd to head the department, with indications that if he does not change his tune about seaway tolls he may run into some strong opposition when the senate is asked to confirm him.

Another filibuster has been threatened against a measure approved by the senate commerce committee that would reverse a new Pentagon policy calling for competitive bidding for carrying military cargo by water.

Midwest lawmakers claim the competitive bidding could save the United States \$40,000,000 to \$50,000,000 a year, but port and ship combines from the east, west and Gulf coasts want to go back to negotiated bids to freeze out the seaway.

Sen. PHILIP A. HART, D., Mich., has successfully sponsored a move for an army engineer study of the possibility of enlarging or twinning U.S. seaway facilities and has suggested the U.S. look into sharing the Canadian burden of improved works at the Welland canal.

All of this will cost money at a time when the Johnson administration is trying to tighten up its budgets for the future.

A senate public works subcommittee completed two days of hearings on seaway problems last week.

Among the major questions not asked at the hearings were these:

Had the White House been informed in advance that Mr. Boyd supported the toll increase and was this approved or cleared?

Would the commerce department approve lifting the 50-year payout requirement, assuming no other change were made in the financing?

Just what do the expert predictions show a ten-percent toll increase would achieve in revenues and cargo?

#### TIME IS RUNNING OUT IN SEAWAY TOLL BATTLE

(NOTE.—This is the second of two articles on the controversial Canadian proposal to increase St. Lawrence seaway tolls ten per cent in 1967. Only a stop order by President Johnson can prevent United States from agreeing to the proposal, according to present thinking in Washington.)

(By Alan Emory)

WASHINGTON.—Time is running out for opponents of a toll increase on the St. Lawrence seaway.

The issue will soon be handed to the state department to negotiate on behalf of the Johnson administration, but the White House has kept silent on the president's position.

The only hint has been open support for the toll hike by Alan S. Boyd, under secretary of commerce for transportation, who is the effective policy boss of the seaway operation.

Mr. Boyd is considered a key man in the whole picture. It is widely believed that if congress approves a new cabinet-level department of transportation Mr. Boyd will be named to head it.

This could create some problems.

The American St. Lawrence Seaway administrator, Joseph H. McCann, has his reservations about the idea of boosting seaway tolls, but Mr. Boyd is for the boost.

Mr. McCann has declared publicly he would be "delighted" to see the seaway financing plan overhauled, with capital stock replacing revenue bonds and interest. Mr. Boyd has opposed legislation to accomplish the refinancing.

Mr. McCann signed a report to the commerce department including some of these positions, and Rep. HENRY S. REUSS, D., Wis., has charged the department with "suppressing" it and rewriting it. Mr. Boyd has denied the existence of the report, known within the seaway agency and the department as the "blue report."

The commerce department has, incorrectly, accused the St. Lawrence Seaway Development corporation of "leaking" the "blue report" to this reporter. The corporation told the department, accurately, it had not.

Administrator McCann, because of his subordinate position, has been unwilling to contradict commerce department officials in public or even to express his own views candidly. His half-hearted attempt to joke away his one public expression for the refinancing plan brought an immediate rebuke at last week's seaway hearing.

There has been confusion on both sides.

Mr. Boyd, trying to make a gesture of concession, has suggested the treasury pay for repairs to the Eisenhower lock on the seaway, which may reach a total of \$700,000 over the years. The work has to be done annually, and the costs have come out of ship tolls.

Unless the army engineers decide to sue the lock contractor and get the money back to the seaway corporation that way, the

only reimbursement to the agency would have to come from an army engineer appropriation. Appropriations are provided by congress, but Mr. Boyd declared no legislation would be necessary.

One of the seaway's senators' proposals is to subsidize part of the waterway operation by having taxpayer funds pay for maintenance—though not operation. Maintenance costs this past year came to about \$712,000.

Even some seaway backers have strong reservations about the wisdom of attempting such a subsidy.

Mr. Boyd said including the stock dividend interest in seaway tolls in the proposed plan would saddle the project with too much of a financial burden in the future, but all sides agree it would be nearly impossible to place a greater burden on the project than the current bond interest problem constitutes now.

Anti-seaway interests, except for the Association of American Railroads, have been willing to sit out this latest round and let the Johnson administration carry the ball for them.

They have concentrated, instead, on moves like trying to overturn the competitive bidding policy of the Pentagon on military cargo shipments.

All sides agree that there is not a chance in the world of congress' reaching a show-down on seaway refinancing this year. Even in the future it has to overcome such hurdles as the fact that the house public works committee chairman, Rep. GEORGE H. FALLON, D., Md., has been a long and bitter foe of the seaway.

The object of the refinancing bill is to hold seaway tolls down to their 1966 levels, but U.S. and Canada must soon reach an agreement on whether the tolls should be raised for the 1967 shipping season.

President Johnson has indicated sympathy with the seaway area governors and lawmakers but the time for sympathy has given way to the time for decision and policy-making.

The seaway's future is now the president's baby.

Mr. PROXMIER. Mr. President, I must say with great regret that I am going to have to vote against the bill in spite of the fact that I recognize that there is a great deal of merit in it.

The bill would relieve some of the terrific burdens the President of the United States has in dealing with the large number of agencies which report to him.

The bill would consolidate these agencies. The bill would coordinate transportation, and provide the benefits of coordination. It would provide some benefits, I hope, for the St. Lawrence Seaway.

I shall vote against the bill because the pig jumped out of the barrel when I was discussing the bill with the Senator from South Dakota. It was revealed that section 7 would freeze into the law a provision which would make it much easier for uneconomic and wasteful waterway projects to be developed over the years at a cost of many billions of dollars to the American taxpayers.

Consequently, I must vote "no" on final passage.

I hope that the seaway will be given the attention and assistance by the new Secretary of Transportation that it so seriously needs. This would in no way be inconsistent with his mission to promote effective and efficient transportation in the United States. In fact, such an approach to the seaway should be a vital part of this mission.

Mr. MONRONEY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to state the amendment.

Mr. MONRONEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 74, line 3, strike out all of the language down to the end of the sentence on line 7.

On page 86, line 9, strike out "(46) Assistant Secretaries of Transportation (4)."

On page 86, after line 16, insert the following: "Section 5315 is amended by inserting below '(23) Assistant Secretaries of the Treasury (4),' the following: '(24) Assistant Secretaries of Transportation (4),' and renumbering consecutively the remaining positions in said section."

On page 87, line 1, strike out "(81) Assistant Secretary for Administration, Department of Transportation." and insert in lieu thereof, "(5) Section 5315 is amended by inserting below '(28) Assistant Secretary of the Treasury for Administration,' the following: '(29) Assistant Secretary of Transportation for Administration,' and renumbering consecutively the remaining positions in said section."

Mr. MONRONEY. Mr. President, I compliment the distinguished senior Senator from Arkansas, the junior Senator from Washington, the junior Senator from Oklahoma, and the other members of the Government Operations Committee on the bill the committee reported to establish a Department of Transportation. The committee has done an excellent job of resolving the many complex and technical issues raised which have a vital bearing on the transportation policy of our Government and on the administrative structure created to promote, coordinate, and regulate the vast and varied U.S. transportation system. The committee bill is a marked improvement over the proposal originally submitted by the President, as well as the bill passed by the House of Representatives.

When the Senate Committee held hearings on the President's proposal, I testified in support of a Transportation Department. I pointed out, however, some features of the proposal, which I felt would have harmful effects on aviation safety and on the continued development of needed water resource projects through the United States. I proposed three amendments to the committee with regard to the serious deficiencies in the President's proposal.

I am gratified that the committee saw fit to include in its bill the substance of the amendments I proposed. My amendments were opposed by the administration. But in the modified form reported by the committee, I believe they improve the bill and do not hamper the authority of the Secretary to promote, coordinate, and improve our national transportation system.

That was the primary purpose for establishing a Department in the first place.

My first amendment would give to the new Federal Aviation Administrator the statutory authority and responsibility for the air safety functions now performed by the existing Federal Aviation Agency. These functions include the establishment and enforcement of air safety regulations, the operation of the air traffic control system, the allocation and control of airspace, and the licensing of aircraft and airmen.

These are functions which relate entirely to air safety. Placing the sole responsibility and authority for making decisions affecting air safety in the hands of the Federal Aviation Administrator, who is required by law to have an aviation background and aviation experience, will in no way impinge upon the primary responsibilities of the Secretary. The Secretary will have complete flexibility and authority to promote, coordinate, and supervise the many aviation activities of the Federal Aviation Agency and other Government agencies not related to air safety.

One of the main purposes for the Federal Aviation Act of 1958 was to place responsibility for air safety in the hands of one Federal agency, so that decisions could be arrived at promptly by persons skilled in aviation safety without the jurisdictional conflicts and jurisdictional voids which contributed so greatly to the unsafe condition of our airways prior to 1958. The committee bill also retains the present Government organizational structure, which was arrived at after a great deal of study and thought in 1958. This structure cannot be changed except pursuant to reorganization plan or statute. During the formative years of the Department, it is essential to keep the tried and proved aviation organization we now have.

The Federal Government is not involved in any other mode of transportation to the same extent or so directly as it is in the field of aviation. A new aircraft cannot be put into operation until it has been certified and declared safe by the Federal Government. A pilot, either commercial or general aviation, is not permitted to take the controls of an aircraft until he has completed the pilot-training requirements fixed by the FAA and passed the stringent FAA licensing test. A mechanic cannot work on an airplane without a license from the Federal Aviation Agency, which attests to his skill and ability to perform the intricate repairs required on today's generation of complicated aircraft.

An airplane cannot take off until it has received clearance from a Federal employee in an airport control tower. It cannot pass from one region of the country to another, thousands of feet above the ground, without the approval of the air traffic controller who has tracked its course across the country. It cannot land without permission from an FAA man in the airport tower.

This type of day-to-day, minute-to-minute involvement of the Federal Government in the operation of our national air transportation system distinguishes

aviation from the other modes of transportation. It is reason enough for the carefully considered and meritorious amendments made by the Government Operations Committee.

In another important area affecting air safety, the committee amended the President's proposal to place all the Civil Aeronautics Board's air safety functions in the new National Transportation Safety Board, which will be independent of the Secretary. At the present time the CAB, in addition to passing on appeals from licensing and certification decisions made by the FAA, has the statutory responsibility to investigate aircraft accidents and to determine their probable cause.

The administration proposed to separate aircraft accident investigation from the determination of probable cause. This would have been contrary to the purpose of the Federal Aviation Act. That act placed full responsibility for these matters in a board completely independent of the agency responsible for the operation of the airways, the allocation of airspace, safety regulations, and the licensing of aircraft and airmen.

In some instances the probable cause of an aircraft accident is attributed to the FAA. The Congress in 1958 decided that this Agency, which was responsible for the operation of the national aviation system, should not be placed in the position of investigating itself.

The committee amendment would maintain the same relationship between the Safety Board and the Secretary as now exists between the CAB and the FAA. The CAB Bureau of Safety would be transferred to the Safety Board, and the Safety Board would investigate aircraft accidents, as well as determine probable cause.

I consider the committee amendments on aviation highly important. As I indicated to the committee when I testified in May, I would find it extremely difficult to support the bill without their inclusion. I hope they will receive the approval of the Senate. I urge the Senate conferees to oppose any effort to eliminate them in conference.

The committee bill also contains an amendment to section 7 relating to transportation investment standards, which would exempt water resource projects from the standards and criteria to be developed by the Secretary for the investment of Federal funds in transportation facilities and equipment. The committee bill provides that the Water Resources Council will develop standards and criteria for economic evaluation of water resources projects. It writes into law the "current freight rate" formula which existed prior to November 1964, in determining the primary direct navigation benefits of a water resources project.

Since this formula was abandoned, there has not been a single water resources project approved. The new formula imposed by the Bureau of the Budget has resulted in a complete stoppage of any new water resources development in the United States. I applaud the senior Senator from Arkansas and my colleague, the junior Senator from Okla-

homa, who were so instrumental in getting this important amendment into the committee bill. I am sure that they will advocate it in conference and persuade the House conferees that it is necessary, if we are to develop and improve the navigable waterways of our Nation.

The able chairman of the Senate Government Operations Committee has been so cooperative and understanding about the amendments I proposed that I hesitate to raise another point about his committee's bill. I am compelled to do so, because of a longstanding policy of the Senate Post Office and Civil Service Committee with respect to the creation of additional grades 16, 17, and 18—the so-called supergrades—in bills authorizing new Government programs or the expansion of existing programs.

The committee bill would authorize the creation of 45 additional supergrades to be allocated by the Civil Service Commission to the new Department of Transportation. This is a matter which comes under the jurisdiction of the Senate Post Office and Civil Service Committee. The committee has made a practice of objecting to such provisions in general authorization bills, as the committee has primary responsibility for maintaining control over the total number of supergrade positions.

Just this month an additional 300 supergrade positions were approved by the Congress. This legislation went through the Senate Post Office and Civil Service Committee.

I am aware that additional supergrades may be needed next year to staff the different programs and activities approved by the 89th Congress. The Senate Post Office and Civil Service Committee will consider legislation to increase the number of supergrades to be made available for all Government departments and agencies, including the new Department of Transportation, the first part of next year.

In view of this and the committee's policy of maintaining control over the total number of supergrades, I must object to the provision in the committee bill with respect to supergrades.

I would also like to point out that the bill as reported places the four Assistant Secretaries for the Department of Transportation in level III and the Assistant Secretary for Administration in level IV of the Federal Executive Salary Act of 1964, as amended. This is not in accord with the alinement of assistant secretaries and assistant secretaries for administration in all other departments of the Government.

In 1964, the Committee on Post Office and Civil Service gave very careful consideration to the ranking of positions in the five levels of the executive salary schedule. To achieve a proper balance and maintain appropriate salary alinement with agencies and departments, it was decided to place the chairmen of major agencies in level II and assistant secretaries of all departments in level IV. The position of assistant secretary for administration in all departments was placed in level V. I think the internal alinement of the Executive Salary Act should be preserved. I think also



that it would create many problems in the executive branch to give preferential treatment to the Assistant Secretaries of this one Department.

With these thoughts in mind, I send to the desk an amendment to strike the provision authorizing the creation of additional supergrades, to place the four assistant secretaries in level IV, and the Assistant Secretary for Administration in level V of the executive salary schedule. I earnestly hope that the senior Senator from Arkansas will understand my position and accept the amendment.

Mr. JACKSON. Mr. President, may I respond on my own time?

Mr. President, as I understand the Senator's amendment, first, it would strike the additional 45 supergrades provided for in the bill.

Mr. MONRONEY. The Senator is correct.

Mr. JACKSON. Second, it would change the pay from level III to level IV of the four assistant secretaries, and would change from level IV to level V the pay of the Assistant Secretary for Administration.

Mr. MONRONEY. The Senator is correct. It would bring it into conformity with these levels for the assistant secretary in all other departments of the Government, with the exception of the Assistant Secretaries of Defense and the Assistant Secretary for Administration.

Mr. JACKSON. And, as I understand, it also would conform to the bill as passed by the House.

Mr. MONRONEY. The Senator is correct.

Mr. JACKSON. Mr. President, I understand that there may be some necessary technical changes in these amendments, and that matter is now being worked out. With that observation, I am pleased to accept the amendments offered by the senior Senator from Oklahoma.

Mr. MONRONEY. I thank my distinguished colleague for his consideration.

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

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from New Hampshire.

Mr. COTTON. Mr. President, I wish to commend the distinguished Senator and to associate myself with him, particularly in that portion of his presentation which has to do with safety in the air and with the necessity of maintaining the independent investigation of accidents in the preservation of safety.

The Senator and I have served together for years on the Subcommittee on Aviation of the Committee on Commerce. I think that this matter is so vital that it must be in the bill, must stay in the bill, and must remain through the conference stage.

I commend the Senator for his amendments, and the Senators from Arkansas and Washington for agreeing to take them to conference.

Mr. MONRONEY. I deeply appreciate the great help I have had in the Subcommittee on Aviation of the Committee on Commerce by the distinguished Sen-

ator from New Hampshire. I also appreciate his insistence that in this bill, combining the FAA with the new Department of Transportation, the safety features now granted independent action by the FAA Administrator will not be impinged upon.

I yield back the remainder of my time. Mr. JACKSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MONROE in the chair). All time having been yielded back, the question is on agreeing to the amendments offered by the Senator from Oklahoma [Mr. MONRONEY].

The amendments were agreed to. Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SIMPSON. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I wish to make an observation or two in connection with the bill. I had planned to offer an amendment to the bill to establish an Office of Noise Abatement under the new Department. I favor the bill. I am a member of the Committee on Government Operations which reported the bill, and I shall vote for it.

I offered the amendment in committee, where it failed because of the deep-seated feeling that we should not saddle the new Department immediately with bureaus of an administrative character until the best form for its progress was ascertained. I settled for a provision in the bill which is found at page 40, lines 11-13, which gives as one of the authorities of the Secretary to: "Promote and undertake research and development with respect to noise abatement, with particular attention to aircraft noise."

Mr. President, I now rise to emphasize the serious nature of the commitment by the new Department, and my determination to pursue this matter to see that the Department really implements the authority that is given to it in the bill.

I wish to point out that in connection with the 1965 Housing and Urban Development Act, I succeeded in introducing an amendment calling for a study to determine feasible methods to reduce economic loss and hardship suffered by homeowners as a result of the construction of airports in the vicinity of homes. I have had a great deal of difficulty in getting that study made. It took a year longer than we had planned. I understand that it was only in June of 1966 that the study was begun. That would cover only one aspect of the matter, which is installation of the home. It does not cover creation of the noise, the kind of engines, approaches to airports, runways, and so forth, and the technical practices followed by pilots and operators of aircraft.

All of these things will be in the hands of this new Department. It is one of the most vexing problems affecting big cities with dense populations. This problem has more effect on the health and property values than any other problem. Mr. President, I shall do my utmost to see that the provision contained in the bill which I have read to the Senate is effectively implemented. I shall follow the

matter to assure that the study which we were promised in 1965 is produced, and that action is taken on it.

Mr. President, the other matter to which I wish to call the attention of the Senate is a problem we ran into for Appalachia, where the building of highways and access roads is an important aspect of the Appalachian program.

The original intent of Congress was to give an approval for the Department of Commerce, the Bureau of Public Roads, on the recommendation of the Appalachian Commission, with respect to highways and access roads.

Now, Mr. President, since that time, the Economic Development Administration was established to deal with technologically backward areas. It was felt that it should have a hand in this decision.

When the Department of Transportation was set up in this bill, I fought against two approvals for the highway and access road program. I recommended that it come under the Department of Transportation, because experience has shown, in the introduction of the EDA program, in the same department, where public roads were located, to wit, the Department of Commerce, approval was delayed in connection with highway and access roads in Appalachia.

Again, the committee could not accept my amendment, but they did give me a provision in the report on page 16, in which it pinpointed that the situation demanded prompt action from both Secretaries, and expressed the desire that they expected a designated official to be held responsible.

Mr. President, I wish to reaffirm the fact that I will do my utmost to see that this kind of responsibility is carried out. I think this is a serious matter in respect of this bill, which should have attention.

Finally, I call attention to the fact that mass transit is not being transferred from the Department of Housing and Urban Development at this time to the Secretary of Transportation, and that is covered at page 43 of the bill. A 1-year trial period is used, again a compromise, rather than to transfer the urban mass transit bill implementation to the new Department.

Again, Mr. President, I shall watch this matter closely and follow it up. This matter is urgent, as far as we are concerned in metropolitan areas such as New York. It is important now with respect to the New York, New Haven & Hartford Railroad. What is done under the Mass Transit Act will be important. I shall do my best to make the compromise work, but if it does not, I shall fight hard to have the mass transit situation placed under the newly created Department of Transportation.

I hope that the cooperation envisaged between HUD and the Department of Transportation in this bill will work. I urge them to make it work. I would like to see it work, to go along with the Senator from Washington [Mr. JACKSON]. Mr. President, I shall follow the matter, and if it does not work, I shall fight to have it transferred.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

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

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

Mr. JACKSON. Mr. President, I yield 5 minutes out of my time to the distinguished Senator from Oklahoma [Mr. HARRIS].

Mr. HARRIS. Mr. President, I thank the Senator from Washington.

Mr. President, I rise to support the bill, and to express my commendations to the distinguished Senator from Arkansas [Mr. McCLELLAN], the Senator from Washington [Mr. JACKSON], and the Senator from South Dakota [Mr. MUNDT] for their leadership in committee and on the floor of the Senate today in connection with the transportation bill.

The bill is a much improved version and answers the objections I raised last spring when the bill was introduced. In a speech on the Senate floor last April, I expressed "serious questions" concerning the bill which would create a new Cabinet-level department. I ask unanimous consent that the text of those remarks be printed at this point in the RECORD.

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

#### STATEMENT BY SENATOR HARRIS

The Committee on Government Operations, of which I am a Member, has recently held two days of hearings on S. 3010, a bill to create a new Department of Transportation. It was during the course of these hearings that I became fully aware of the complexity of this proposed legislation, and I am glad that the distinguished chairman of the Committee [Mr. McCLELLAN] has scheduled additional hearings on the bill for May 3 and 4. I commend him for his careful handling of this matter.

There are several proposals contained in the bill which I feel warrant additional investigation and attention. For instance, I have serious questions in my mind concerning the proposals in Section Seven, which would, in effect, transfer to the new Secretary many of the functions now exercised by the U.S. Corps of Engineers with regard to our water transportation systems. At the present time, practically all of our inland navigation systems, which the Corps of Engineers has been responsible for designing, justifying, and constructing, have been authorized under the "multiple purpose" concept. This includes navigation, recreation, flood control, water supply, and conservation. I, therefore, question the advisability of separating from the feasibility study of these projects the contribution which navigation and transportation will have on their justification, without relation to the other purposes of the projects.

Secondly, I have reservations about the proposal in the bill to transfer all of the powers and functions of the Federal Aviation Agency to the Secretary of the new de-

partment. Aviation continues to be one of the fastest growing and expanding industries in our economy, and it is contributing more to our overall economic development. With this rapidly expanding use of air transportation, I question the advisability of abolishing F.A.A., which through the years has demonstrated exceptional ability to coordinate and direct the efforts of aviation in America.

Thirdly, I am concerned over the proposed transfer of the functions and powers of the Bureau of Public Roads to the new Secretary of Transportation. Under existing conditions, the Bureau of Public Roads has done an enviable job of directing our programs of interstate and federal aid primary and secondary highway programs. There has been excellent federal-state cooperation. I feel the proposed reorganization plan could curtail our progress in this area considerably, and, therefore, feel that further consideration should be given to the possibility of transferring, if at all, the powers and functions of the Bureau of Public Roads to the new department as it is now structured, and as a legal entity.

I have mentioned only a few of the more prominent questions which have come to mind in regard to S. 3010. I feel these questions point out the great responsibility of the Congress to be very cautious before approving this recommendation to create a new Department of Transportation.

Mr. HARRIS. Mr. President, my most serious objection to the bill was that it would have transferred to the new Secretary certain powers to determine the feasibility of navigation projects now passed upon by the Corps of Engineers and the Water Resources Council. This objection has been more than cured by the adoption in committee of an amendment cosponsored by the distinguished Senator from Arkansas [Mr. McCLELLAN] and myself, which leaves such feasibility decisions in the Corps of Engineers and the Water Resources Council and, most importantly, as I stated earlier today, writes into the law itself the former "current rate" criteria for new navigation projects.

My second objection, which was to the Federal Aviation Agency losing its identity in the new Department, was taken care of by the adoption of amendments which I cosponsored with my distinguished senior colleague from Oklahoma [Mr. MONROE], who is chairman of the Subcommittee on Aviation. I certainly commend him for his untiring leadership and efforts in regard to these amendments and to aviation generally.

My third objection, voiced on the floor of the Senate last April, was to the Bureau of Public Roads losing its identity in the new Department and the possibility that highway funds might be diverted for nonhighway programs. This objection, too, has been taken care of in the bill reported by our committee, with one exception. That exception was taken care of by the amendment authored by the distinguished Senator from West Virginia [Mr. RANDOLPH] and myself and adopted earlier today.

I support the bill. It is now a much better bill for America and for my home State of Oklahoma than it was when it was introduced. I trust that it will be passed and that the Senate conferees will insist on the Senate amendments, with special reference to title VII, to which I referred earlier today.

Mr. RIBICOFF. Mr. President, I support S. 3010, a bill to establish a Department of Transportation.

The bill speaks to one of the most serious gaps in our national life—an agency to coordinate the work that has been parcelled out over the years to no less than 35 Federal agencies.

Transportation is a \$125-billion a year business in the United States. It affects almost every aspect of human and business endeavor.

This is a good bill. It is a sound and workable bill that accommodates both the public and private interests in the best traditions of our country.

President Johnson has said that transportation is the web that binds the Nation, and the statistics bear him out. Today, there are 90 million motor vehicles in the United States, moving on 1.5 million miles of paved streets and highways. There are 97,000 private and commercial aircraft flying more than a billion miles each year. Transportation accounts for one-sixth of our gross national products. Among its employees are 737,000 in the railroads, 270,000 local and interurban workers, 230,000 in air transport, and almost 1 million in motor transport and warehousing. If we include pipeline and water transportation personnel, there are over 2.5 million employees moving people and goods.

The United States has a vital stake in this vast entity. Consider that our population for 1966 is estimated at 195.8 million. By 2000, we will be well over 360 million, one-third of whom will be residents of the eastern seaboard. By 2000, 85 out of every 100 Americans will be city dwellers. They and their goods must move and be moved. How can this conceivably take place without sound, rational planning by an organization with both responsibility and authority? The answer is simple. It will not. But our lives and our every endeavor will have become too complicated and too interrelated to permit such a breakdown. Let us recognize that the Federal Government is already involved. It has invested many billions in the growth and development of transportation. For fiscal 1967 alone, the Government will spend some \$5 billion on highways, \$879 million on aviation, and \$740 million for the merchant marine and Coast Guard. Further evidence of the impact of transportation may be found in its total cost. The Nation's total transportation bill, public and private, is \$125 billion and increasing yearly. Total intercity passenger miles are 900 billion annually and will double in 20 years. Freight ton-miles, now 1.6 trillion, will also double during that period.

We are here today, Mr. President, in a long overdue effort—

To bring a coordinated rationale to the Federal role in transportation;

To provide a framework for effective and efficient leadership and management;

To end the disparity and diffusion of effort which occurs among the myriad of Federal transportation agencies;

To meet the burgeoning demands of population and industrial growth in an economy which may, in the not too dis-

tant future, see our first \$1 trillion a year in gross national product;

And, most importantly, to assure the optimum degree of safety for life, limb, and property in all modes of transportation.

In addition, we must assure ourselves of the right to look forward to the development of sound, technologically advanced passenger and freight transportation systems and facilities. Such imaginative concepts as the high-speed railroad, surface effect ships, vertical takeoff aircraft, and others are close to realization. Our efforts must not slacken.

All of this will be accomplished in close liaison with all those who can contribute to the successful attainment of national policies—the Congress, the States, local and urban government, private enterprise, labor, and others. This truly meaningful cooperation in transportation has been lacking in our federal system, and it has been costly. At long last, Mr. President, we will be able to realize the most from our human and economic resources and from the transportation dollar. Stated more explicitly, I believe that this vital organizational reform will give shape to what has been, at best, a vague and nebulous public interest. Hopefully, we will be afforded an entity which will devote its full efforts to ending the drift from transportation problem to transportation problem; problems which our constituents constantly call to our attention. You know these problems as well as I:

The slaughter on our highways;

Institutionalized regulatory limitations on the flexibility of carrier capital and operations;

Congestion in urban transportation and on movements to and from airports;

Pollution of the air;

The effect of subsidies on managerial incentive;

Recurrent carrier equipment shortages and plant obsolescence;

Exhausting delays in the decisionmaking process;

The scarring of our landscape;

The lack of clear and imaginative thinking and policies as we approach the demands and burdens of the 21st century;

Emergencies have become the norm in much of transportation labor-management relations;

The lack of coordinated transportation policy within the Federal Government, between the Federal Government and the States and local government, between the Federal Government and industry, or even within the industry itself.

These are but a few of the many problems which plague us as our society becomes more urbanized, and the free and unhampered movement of people and goods becomes more and more an absolute necessity. The time has arrived to resolve these problems by an organization designed to develop truly national transportation policies and to implement them with congressional approval or to implement such policies as do exist. Do not believe that these problems can be put off for another day.

We have before us today a bill which is basically sound. It is most certainly a best effort by the committee to bring meaning out of the large body of testimony of the many and varied interests testifying before us. It is a bill which fully recognizes the constitutional prerogatives of all branches of Government, while at the same time permitting the Secretary to present his documented views to the Congress and the regulatory agencies.

Undoubtedly, the bill is susceptible to improvement, particularly in its somewhat loose organizational framework. This framework in no way prevents the Secretary from exercising full and complete power. It is our intention that the Secretary be accorded both responsibility and authority to get the job done expeditiously and completely. The evolutionary process which took place at the Department of Defense is not contemplated here. Nor is the weak arrangement which characterized the early Department of Health, Education, and Welfare our choice. Such frameworks could well be more harmful than the existing excessive conglomeration of separate agencies. Overall, this bill plainly recognizes that strong administration is basic to sound management. I am particularly pleased that the Department will contain a single agency to administer our traffic and highway safety laws. I have long believed in the necessity for such an office. During my inquiry into the Federal role in traffic safety in March 1965, I learned that there were 16 separate governmental units involved in this matter, but one literally did not know what the others were doing. There was a complete lack of coordination. I trust this will be remedied by the establishment of the new Bureau in the Department.

This year we enacted the substantive legislation which should go a long way toward reducing the toll of death, injury, and property damage on our highways. But for a truly effective program, the law must be carried out efficiently. Now we know this will be done.

This bill, Mr. President, offers a path to the future. If we accept its direction, we will at last enable enlightened government to serve—and rightly so—as a full partner with private enterprise and other appropriate interests in meeting America's urgent need for mobility. If we fail to recognize our proper course, we will simply invite more confusion. If we fail to promote and develop an advanced national transportation system, we will encourage economic and human stagnation. We can no longer afford the luxury of inactivity in Federal transportation organization. We recently took welcome substantive steps forward in our highway safety legislation. I now urge the passage of this bill. It is not a cure-all, but it will provide a greatly needed, coherent instrument of Government which will emphasize the importance of transportation in the Nation's economy and the well being of its people. This surely is our duty. Let us accept it without delay.

Mr. SPARKMAN. Mr. President, although I support the establishment of

a Department of Transportation, as proposed in H.R. 13200 and S. 3010, I have serious doubts whether the framework and enabling statutory authority would actually achieve the basic objectives which are envisaged. Insofar as the maritime industry is concerned, I have grave apprehensions that the inclusion of the promotional functions relating to the maritime industry within the proposed new Department of Transportation would obscure and hinder the maritime programs rather than advance them.

There is no question but that the merchant marine does not get the attention necessary to advance it under the Department of Commerce, an agency with so many broad and varied projects, of such massive size or purpose as to leave less time for the promotion and development of a merchant marine.

Since the U.S. Maritime Commission was abolished in 1950 by Reorganization Plan No. 21, and the former Federal Maritime Board-Maritime Administration was established under the control of the Department of Commerce, the American merchant marine and the American shipbuilding industry have experienced the most drastic decline in our history. The participation of U.S.-flag ships in our waterborne foreign commerce had increased from 26.5 percent in 1937 to 42.9 percent in 1951 when Reorganization Plan No. 21 went into effect. By 1961, when Reorganization Plan No. 7 went into effect, the U.S. flag participation had declined to 8.8 percent. One of the primary reasons for plan No. 7 was to give the Secretary of Commerce additional powers which he said were necessary to halt the decline and to start rebuilding its participation in our foreign commerce. Since that time the participation has declined to approximately 8 percent. Although I do not lay all of our problems at the doorsteps of the Department of Commerce or claim that the lack of independence in the administration of the maritime programs has been the sole cause of the troubles which beset the American maritime industry, I believe that this framework of governmental organization has been largely responsible for the trouble. An effective, enlightened, and progressive program for promoting and maintaining the American merchant marine cannot be carried out unless the persons entrusted with the administration of that program have sufficient knowledge, confidence and independence of judgment to carry out the programs which our basic shipping legislation have promulgated. This type of enlightened and independent judgment has not been possible in the maritime industry since 1950, and I am fearful that the inclusion of the maritime's promotional programs under a Department of Transportation would merely solidify and perpetuate conditions which now exist.

There was more than one reason for the passage of the 1936 Merchant Marine Act. First of all, our merchant marine had declined to where it was not adequate "to carry the greater portion of its (our) commerce and serve as a naval or military auxiliary in time of war or national emergency."

The indirect subsidies provided in the 1928 act had not done the job intended and their administration had been administered with many abuses and malpractices.

In his message to Congress in 1936 on a merchant marine, President Roosevelt put it as follows:

I present to the Congress the question of whether or not the United States should have an adequate merchant marine.

To me there are three reasons for answering this question in the affirmative. The first is that in time of peace, subsidies granted by other nations, shipping combines, and other restrictive or rebating methods may well be used to the detriment of American shippers. The maintenance of fair competition alone calls for American flag ships of sufficient tonnage to carry a reasonable portion of our foreign commerce.

Second, in the event of a major war in which the United States is not involved, our commerce, in the absence of an adequate American merchant marine, might find itself seriously crippled because of its inability to secure bottoms for neutral peaceful foreign trade.

Third, in the event of a war in which the United States itself might be engaged, American flagships are obviously needed not only for naval auxiliaries but also for the maintenance of reasonable and necessary commercial intercourse with other nations. We should remember lessons learned in the last war.

Mr. President, these reasons for a merchant marine are as sound today as they were 30 years ago. The only difference between now and then is that our merchant marine is in worse condition now than it was in 1936 and getting worse.

The 1936 act states that we shall have a merchant marine and then it provides means such as operating and construction subsidies and cargo preferences for U.S.-flag ships to make the declared policy a reality. The value of the subsidy provided in the 1936 act is amply demonstrated by the fact that in the trade in which they participate, the subsidized lines carry over 30 percent of the trade. This is contrasted with the overall participation of less than 10 percent.

Over the years it has been necessary for Congress to enact further legislation such as cargo preference which provides principally a routing preference to protect American shipping from discriminatory practices abroad.

Before the subsidies, as outlined in the 1936 act, are extended to aid in the promotion of our commerce and U.S.-flag shipping, first of all certain determinations such as necessary to meet foreign-flag competition, necessary to promote our foreign commerce, and so forth, have to be made, and then the U.S.-flag companies are required to meet certain criteria such as operationally competitive and financially responsible, and so forth.

Such criteria or determination clearly fall within the category of quasi-judicial functions and must be administered as such. This gives credence to the proposition that the agency or the governmental body responsible for such action should be clothed with a high degree of independent authority. The establishment of a bipartisan adjudication body to pass upon the quasi-judicial determination for subsidy under the act would lift the status of such important func-

tions beyond any suspicion of political influence.

From 1936 through early 1950, the U.S. Maritime Commission was in charge of maritime responsibilities including quasi-judicial, regulatory, promotional, and administrative functions. It was a separate and independent agency reporting to Congress.

From 1950 to 1961, the Federal Maritime Board handled regulatory and quasi-judicial functions. When it came to adjudicating between competing lines for subsidy on essential trade routes and the letting of subsidy contracts, it was independent of the Department of Commerce although lodged therein. This was under Reorganization Plan No. 21 which circumscribed the authority of the Secretary of Commerce, limiting it principally to policy guidance alone in certain areas. However, as time progressed, it became evident that a completely independent Board was far preferable.

In considering the establishment of a Department of Transportation, the fact should be recognized that there are definite distinctions between all of the other agencies which would be included in that Department and the Maritime Administration.

The following characteristics of the maritime industry which make it unlike any other mode of transportation, I submit, should be borne in mind:

First. The oceans are free to the vessels of any nation and ocean commerce is not confined, as is airline commerce, to the vessels of the nations involved pursuant to bilateral and multilateral treaties;

Second. Because the oceans are free to the vessels of any nations, tax-free registries have developed in countries such as Liberia, Panama, and Honduras, which have built up fictitious national-flag merchant marines capable of operating at extremely low costs; and

Third. No other American industry competes so directly with foreign-flag competitors as the maritime industry.

I have been referring primarily to the deep-sea merchant marine. There is, however, another segment that needs consideration—the domestic.

The domestic common carrier maritime industry has been instrumental in the development and defense of our country for the past 150 years. Before other modes of transportation were developed, in particular the railroads, the water carriers provided the needed economic means of transportation. After the development of the other modes of transportation, the water carriers continued to provide the most economic means of transportation. Over the years the domestic merchant marine's growth was commensurate with the development of our economy of which they played a major role. The domestic shipping industry's contribution to our peacetime economy, even though unmeasurable, has been surpassed by their contribution to our national defense. At the beginning of World War II, more than half of the merchant ships that were put into service came from the domestic fleet. It is indeed ironic that the domestic fleet did not survive the period in which it made its major contribution.

The decline and disappearance of the domestic shipping industry dates back to World War II and the Transportation Act of 1940, when the water carriers were placed under the Interstate Commerce Commission. Prior to 1940, the domestic water carriers were regulated by the Maritime Commission who also were under the mandate of the Merchant Marine Act of 1936.

The Transportation Act of 1940 took the domestic merchant marine out from under the agency—Maritime Commission—responsible for their promotion and regulation and placed them under an agency—the Interstate Commerce Commission.

There were contributing factors resulting from the war such as the demand for speed because of the consumer goods shortage, the depletion of some of the ships because of war use and the entrenchment of the railroads in carrying the cargo that was once carried by the water carriers. None of these were, however, as disastrous as the placing of the industry under the jurisdiction of the ICC, which had, prior to the act, actively aided the railroads in obtaining increased freight tonnage.

Mr. President, I submit that the foregoing reasons are most important, and I urge Senators to pay close attention to them.

The bureaucratic and administrative roads and byways created by this legislation are far-reaching in scope. If we are to have an effective transportation program, one capable of resolving the complex problems of this dynamic age, then we must also have certain rules of the road as in any mode of transportation. I have tried to outline a most important rule or signpost today. In creating an independent autonomous Maritime Administration, we would be paying heed to these rules of the road.

We would be following established concepts of good government.

And, Mr. President, more importantly, we would be doing the right thing.

The PRESIDING OFFICER. All time for debate has expired.

Mr. JACKSON. Mr. President, I move that the Senate proceed to the consideration of H.R. 15963, Calendar No. 1628.

The PRESIDING OFFICER (Mr. MONTROYA in the Chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 15963) to establish a Department of Transportation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, I move to strike out all after the enacting clause of H.R. 15963 and to insert in lieu thereof the text of S. 3010, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

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

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

Mr. JACKSON. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is: Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. MAGNUSON], the Senator from Maine [Mr. MUSKIE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from New Hampshire [Mr. McINTYRE], the Senator from Montana [Mr. METCALF], the Senator from Minnesota [Mr. MONDALE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. MAGNUSON], the Senator from Maine [Mr. MUSKIE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Ohio [Mr. YOUNG], the Senator from Montana [Mr. METCALF], and the Senator from Minnesota [Mr. MONDALE] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Michigan [Mr. GRIFFIN], the Senator from Idaho [Mr. JORDAN], the Senator from Iowa [Mr. MILLER], the Senator from California [Mr. MURPHY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Hawaii [Mr. FONG], the Senator from California [Mr. KUCHEL], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], the Senator from Hawaii [Mr. FONG], the Senator from Michigan [Mr. GRIFFIN], the Senator from Idaho [Mr. JORDAN], the Senators from California [Mr. KUCHEL and Mr. MURPHY], the Senator from Iowa [Mr. MILLER], and the Senator from Wash-

ington [Mr. JACKSON] would each vote "yea."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 64, nays 2, as follows:

[No. 272 Leg.]  
YEAS—64

Aiken	Harris	Mundt
Allott	Hartke	Nelson
Bartlett	Hickenlooper	Neuberger
Bayh	Hill	Pastore
Bible	Holland	Pell
Boggs	Inouye	Proity
Brewster	Jackson	Randolph
Burdick	Javits	Ribicoff
Case	Kennedy, Mass.	Russell, S.C.
Clark	Kennedy, N.Y.	Russell, Ga.
Cotton	Lausche	Saltanstill
Dirksen	Long, Mo.	Simpson
Dodd	Long, La.	Smathers
Dominick	Mansfield	Smith
Douglas	McCarthy	Sparkman
Ellender	McClellan	Symington
Ervin	McGee	Talmadge
Fannin	McGovern	Tydings
Gore	Monroney	Williams, N.J.
	Montoya	Williams, Del.
	Morse	
	Moss	

NAYS—2

Young, N. Dak.

NOT VOTING—34

Anderson	Hart	Murphy
Bass	Hayden	Muskie
Bennett	Hruska	Pearson
Carlson	Jordan, N.C.	Robertson
Church	Jordan, Idaho	Scott
Cooper	Kuchel	Stennis
Curtis	Magnuson	Thurmond
Eastland	McIntyre	Tower
Fong	Metcalfe	Yarborough
Fulbright	Miller	Young, Ohio
Griffin	Mondale	
Gruening	Morton	

So the bill (H.R. 15963) was passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I ask unanimous consent that S. 3010, Calendar No. 1627, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical changes in the engrossment of the bill just passed.

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

Mr. MANSFIELD. Mr. President, the senior Senator from Arkansas [Mr. McCLELLAN] is to be highly commended for adding another outstanding achievement to his already abundant record of accomplishments. This revolutionary measure which creates a Cabinet-level Department for our Nation's vast transportation network surely could not have won such overwhelming Senate approval without the able and capable talent of the distinguished chairman of the Committee on Government Operations.

Sharing equal credit for this great success is the junior Senator from Wash-

ington [Mr. JACKSON] whose efforts to combine our major transportation administrations into a single department were exemplary. As he indicated so well in his remarks, our purpose is to assure the most efficient and constructive handling of the problems—existing and anticipated—of all carriers; motor, air, rail, and water. We thank Senator Jackson for the competent manner in which he joined to steer the measure to a decisive Senate endorsement.

The ranking committee member on the other side similarly deserves high praise for the abundant talent and tireless effort he applied to assuring this great success. I, of course, refer to the senior Senator from South Dakota [Mr. MUNDT]. His strong support and outstanding cooperation served immensely to bring swift, orderly, and overwhelming Senate acceptance.

To many other Senators go our thanks for expressing articulate and persuasive views on this measure. The senior Senator from Vermont [Mr. AIKEN], the senior and junior Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY], and the junior Senator from Oklahoma [Mr. HARRIS] are to be commended for rising to urge their clear and convincing positions on this proposal. Equally laudable were the efforts of the senior Senators from Alaska [Mr. BARTLETT] and New York [Mr. JAVITS] and particularly the outstanding cooperative efforts of the senior Senator from Maryland [Mr. BREWSTER].

To the entire Senate, finally, goes another outstanding tribute. Again we have obtained an achievement worthy of this body. Again we have accomplished it with reasonable dispatch, with splendid cooperation and with consideration for the views of all.

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1967—CONFERENCE REPORT

Mr. RUSSELL of Georgia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15941) making appropriations for the Department of Defense for the fiscal year ending June 30, 1967, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 24, 1966, CONGRESSIONAL RECORD, pp. 20365, 20366.)

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

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

The PRESIDING OFFICER. The question is on adoption of the conference report.

Mr. RUSSELL of Georgia. Mr. President, I ask that the Senate disagree to the conference report.