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

Mr. FANNIN. Mr. President, as a member of the Republican calendar committee, I ask unanimous consent to have printed at this point in the RECORD a memorandum with respect to the pending bill.

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

MEMORANDUM WITH RESPECT TO H.R. 2762 (CALENDAR 365), FOR THE RELIEF OF CWO BERNHARD VOLLMER, U.S. NAVY (RETIRED)

The sponsor of this bill is Bob Wilson (Rep., Calif.).

This bill would waive applicable limitations to permit CWO Bernhard Vollmer, U.S. Navy (retired), to file a claim for retired pay allegedly erroneously withheld from him during his employment by the Fire Department of the government of the District of Columbia and to have that claim considered under applicable law.

Claimant was employed by the Fire Department of the government of the District of Columbia from November 1, 1946 to July 31, 1948. During this period, $4365.90 was withheld from his retired pay on the assumption that his employment was subject to the restrictions of the dual compensation provisions of section 212 of the Economy Act of 1932. However, subsequently, the Comptroller General held (in March 1958) that, in view of decisions by the Court of Claims, commissioned warrant officers would no longer be considered subject to the dual compensation limitations of the 1932 act. Based on this decision claimant would have been entitled to a refund of the entire pay withheld during his District of Columbia employment. However, the 10-year statute of limitations applied to any claim for the amounts withheld. Accordingly when claimant submitted his claim for retired pay on July 30, 1958 he was advised that no action could be taken on his claim.

The Department of the Navy, with Budget Bureau clearance, has no objection to relief.

Comment: The General Accounting Office has taken a consistent position through the years that the 10-year statute of limitations should be considered a complete bar to all claims. This is not only for the purpose of providing finality through the operation of a statute of limitations, but also because the provision of relief by way of a private bill for one claimant would be preferential and discriminatory as to all others similarly situated. The favorable report of the committee would indicate that the General Accounting Office has not been contacted with respect to the merits of this claim. This was confirmed by my contact with the General Accounting Office via telephone.

Moreover, to provide relief in this situation would constitute a windfall to claimant. It was not he who pressed his claim through the Court of Claims, but others who did not sleep on whatever rights they had but, instead, pressed their claims within the period of the statute of limitations until those rights were established. To follow the principle which this bill pursues could be quite costly to the Treasury, whether by other private bills or through general legislation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 379), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to waive applicable limitations to permit CWO Bernhard Vollmer, U.S. Navy (retired), to me a claim for retired pay allegedly erroneously withheld from him during his employment by the Fire Department of the government of the District of Columbia and to have that claim considered under applicable law. The bill further provides that the claim shall be filed within 1 year of the bill's enactment.

STATEMENT

The Department of the Navy, in its report to the committee on the bill, has indicated that it would have no objection to its enactment. The government of the District of Columbia in its report takes no position in connection with the bill because it does not directly relate to the District of Columbia.

Mr. Vollmer was employed by the Fire Department of the government of the District of Columbia from November 1, 1946, to July 31, 1948. During this period $4,365.90 was withheld from his retired pay on the assumption that his employment was subject to the restrictions of the dual compensation provisions of section 212 of the Economy Act of 1932 (5 U.S.C. 59a). However, subsequently, in a Comptroller General decision (37 Comp. Gen. 591 (March 1958)), it was held that in view of decisions by the Court of Claims, commissioned warrant officers would no longer be considered subject to the dual compensation limitation of the 1932 act. Based on this decision, Mr. Vollmer would have been entitled to a refund of the retired pay withheld during his District of Columbia employment. However, by the time the situation was clarified, the 10-year statute of limitations provided in section 71a of title 31 of the United States Code applied to any claim for the amounts withheld. The Navy in its report to the committee noted this fact and stated as follows:

"In view of the fact that the entitlement was not changed by the Comptroller General interpretation until after the 10-year period had expired, the Department of the Navy has no objection to the enactment of this bill."

The committee concurs in the action of the House of Representatives and recommends that the bill, H.R. 2762, be favorably considered.

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

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2762) was passed.

TRUTH-IN-LENDING ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 378, S. 5. I do this so that the bill will become the pending business.

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

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

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

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

That this Act may be cited as the "Truth in Lending Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress finds and declares that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the costs thereof by consumers. It is the purpose of this Act to assure a full disclosure of such costs with a view to promoting the informed use of consumer credit to the benefit of the national economy.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(a) "Board" means the Board of Governors of the Federal Reserve System.

(b) "Credit" means the right granted by a creditor to a person other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailment or lease except to the extent specifically included within the term "consumer credit sale".

(c) "Consumer Credit Sale" means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods or services involved, and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

(d) (1) "Finance charge" means the sum of all the charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, costs of any guarantee or insurance protecting the creditor against the obligor's default or other credit loss, and any amount payable under a point, discount, or other system of additional charges.

(2) If itemized and disclosed under section 4, the term does not include amounts collected by a creditor, or included in the credit, for (A) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to a credit transaction; (B) taxes; (C) charges or premiums for insurance against loss of or damage to property related to a credit transaction or against liability arising out of the ownership or use of such property; and (D) charges or premiums for credit life and accident and health insurance.

(3) Where credit is secured in whole or in part by an interest in real property, the term does not include, in addition to the duly itemized and disclosed costs referred to in clauses (A), (B), (C), and (D) of paragraph (2), the costs of (i) title examination, title insurance, or corresponding procedures; (ii) preparation of the deed, settlement statement, or other documents; (iii) escrows for future payments of taxes and insurance; (iv) notarizing the deed and other documents; (v) appraisal fees; and (vi) credit reports.

(e) "Creditor" means any individual, or

any partnership corporation, association, cooperative, or other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends credit for which the payment of a finance charge is required.

(f)(1) "Annual percentage rate" means, for the purposes of sections 4(b) and 4(c), the nominal annual rate determined by the actuarial method (United States rule). For purposes of this calculation it may be assumed that:

(A) The total time for repayment of the total amount to be financed is the time from the date of the transaction to the date of the final scheduled payment.

(B) All payments are equal if every scheduled payment in the series of payments is equal except one which may not be more than double any other scheduled payment in the series.

(C) All payments are scheduled at equal intervals, if all payments are so scheduled except the first payment which may be scheduled to be paid before, on, or after one period from the date of the transaction. A period of time equal to one-half or more of a payment period may be considered one full period.

(2) The Board may prescribe methods other than the actuarial method, if the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method.

(3) For the purposes of section 4(d), the term "equivalent annual percentage rate" means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

(4) Where a creditor imposes the same finance charge for all balances within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the median balance within the range for the purposes of sections 4(b), 4(c), and 4(d).

(g) "Open-end credit plan" means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

(h) "Installment open-end credit plan" means an open-end credit plan which has one or more of the following characteristics: (1) creates a security interest in, or provides for a lien on, or retention of title to, any property (whether real or personal, tangible or intangible), (2) provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within twelve months, or (3) provides that amounts in excess of required payments under the repayment schedule are applied to future payments in the order of their respective due dates.

(i) "First mortgage" means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located.

(j) "Organization" means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

DISCLOSURE OF FINANCE CHARGES

SEC. 4. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a finance charge is or may be imposed the information required by this section, in accordance with regulations prescribed by the Board.

(b) This subsection applies to consumer credit sales other than sales under an open-end credit plan. For each such sale the creditor shall disclose, to the extent applicable—

(1) the cash price of the property or service purchased;

(2) the sum of any amounts credited as downpayment (including any trade-in);

(3) the difference between the amounts set forth in paragraphs (1) and (2);

(4) all other charges individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

(7) the finance charge expressed as an annual percentage rate, if the amount of such charge is $10.00 or more;

(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

(9) the default, delinquency, or similar charges payable in the event of late payments.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due.

(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open-end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable—

(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

(3) the total amount to be financed (the sum of items (1) and (2) above);

(4) the amount of the finance charge;

(5) the finance charge expressed as an annual percentage rate, if the amount of such charge is $10.00 or more;

(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

(7) the default, delinquency or similar charges payable in the event of late payments.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, the disclosure shall be made on or before the date the first payment is due.

(d)(1) This subsection applies to open-end credit plans.

(2) Before opening any account under an open-end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended—

(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

(B) the method of determining the balance upon which a finance charge will be imposed;

(C) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the percentage rate per period of the finance charge to be imposed if any, and, in the case of an installment open-end credit plan, the equivalent annual percentage rate; and

(D) the conditions under which any other charges may be imposed, and the method by which they will be determined.

(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose to the extent applicable—

(A) the outstanding balance in the account at the beginning of the billing period;

(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

(C) the total amount credited to the account during the period;

(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

(E) the balance on which the finance charge was computed and a statement of how the balance was determined;

(F) the rate, if any, used in computing the finance charge and, in the case of an installment open-end credit plan, the equivalent annual percentage rate;

(G) the outstanding balance in the account at the end of the period; and

(H) the date by which, or the period (if any) within which, payment must be made to avoid additional finance charges.

(4) If a creditor adds to this billing under an open-end credit plan one or more installments of other indebtedness from the same obligor, the creditor is not required to disclose under this subsection any information which has been disclosed previously in compliance with subsection (b) or (c).

(e) Written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

(f) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this Act.

(g) If applicable State law requires disclosure of items of information substantially

similar to those required by this Act, then a creditor who complies with such State law may comply with this Act by disclosing only the additional items of information required by this Act.

(h) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

(i)(1) Subject to paragraph (2)—

(A) whenever an annual percentage rate is required to be disclosed by this section, such rate may be expressed either as a percentage rate per year, or as a dollars per hundred per year rate of the average unpaid balance; and

(B) whenever a rate other than an annual rate is used to compute a finance charge and is required to be disclosed under subsection (d), such rate may be expressed either as a percentage rate per period of the balance upon which the finance charge is computed, or as a dollars per hundred per period rate of such balance.

(2) On and after January 1, 1972, all rates required to be disclosed by this section shall be expressed as percentage rates.

REGULATIONS

SEC. 5. (a) The Board shall prescribe regulations to carry out this Act, including provisions—

(1) describing the methods which may be used in determining annual percentage rates under section 4, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount or other method of computing a finance charge;

(2) prescribing procedures to ensure that the information required to be disclosed under section 4 is set forth clearly and conspicuously; and

(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 4.

(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 3(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 3(f), shall be liable for criminal penalties under section 7(b) of this Act.

(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

(c) Any regulation prescribed hereunder may contain such classifications and differentiations and may provide for such adjustments and exceptions from this Act or the regulations thereunder for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this Act or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, this Act or any regulation issued hereunder. In prescribing exceptions, the Board may consider, among other things, whether any class of transactions is subject to any State law or regulation which requires disclosures substantially similar to those required by section 4.

(d) In the exercise of its powers under this Act, the Board may request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

(e) The Board shall establish an advisory committee, to advise and consult with it in the exercise of its powers under this Act. In appointing such members to such committee the Board shall seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. Such committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

EFFECT ON STATE LAWS

SEC. 6. (a) This Act shall not be construed to annul, alter or affect, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this Act, or regulations issued thereunder, and then only to the extent of the inconsistency. This Act shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this Act be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

(b) The Board shall by regulation exempt from the requirements of this Act any class of credit transactions which it determines are subject to any State law or regulation which requires disclosures substantially similar to those required by section 4, and contains adequate provisions for enforcement.

(c) Except as specified in section 7, nothing contained in this Act or any regulations issued thereunder shall affect the validity or enforcibility of any contract or obligation under State or Federal law.

CIVIL AND CRIMINAL PENALTIES

SEC. 7. (a)(1) Any creditor who, in connection with any credit transaction, knowingly fails in violation of this Act, or any regulation issued thereunder, to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $1,000 on any credit transaction.

(2) In any action brought under this subsection in which it is shown that the creditor disclosed a percentage rate or amount less than that required to be disclosed by section 4 or regulations prescribed by the Board (after taking into account permissible tolerances), or failed to disclose information so required, there shall be a rebuttable presumption that such violation was made knowingly. Such presumption shall be rebutted if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error: *Provided*, That a creditor shall have no liability under this subsection if within fifteen days after discovering the error, and prior to the institution of an action hereunder or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account as are necessary to insure that such person will not be required to pay a finance charge in excess of the amount or percentage rate so disclosed.

(3) Any action under this subsection may be brought in any court of competent jurisdiction within one year from the date of the occurrence of the violation. In any such action in which a person is entitled to recover a penalty as prescribed in paragraph (1), the defendant shall also be liable for reasonable attorneys' fees and court costs as determined by the court.

(4) As used in this subsection, the term "court of competent jurisdiction" means either any Federal court of competent jurisdiction regardless of the amount in controversy, or any State court of competent jurisdiction.

(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this Act or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this Act or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The responsibility for enforcing this subsection is hereby assigned to the Attorney General.

(c) No punishment or penalty provided by this Act shall apply to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

(d) No person shall be subject to punishment or penalty under this Act solely as the result of the disclosure of a finance charge or percentage which is greater than the amount of such charge or percentage required to be disclosed by such person under section 4, or regulations prescribed by the Board.

EXCEPTIONS

SEC. 8. The provisions of this Act shall not apply to—

(1) credit transactions involving extensions of credit for business or commercial purposes, or to governments or governmental agencies or instrumentalities, or to organizations; or

(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission;

(3) credit transactions, other than real property transactions, in which the total amount to be financed exceeds $25,000; or

(4) transactions involving extensions of credit secured by first mortgages on real estate.

REPORTS

SEC. 9. Not later than January 3 of each year commencing after the effective date of this Act, the Board of Governors of the Federal Reserve System and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this Act, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, reports of

the Board of Governors of the Federal Reserve System shall include the Board's assessment of the extent to which compliance with the provisions of this Act, and regulations prescribed thereunder, is being achieved.

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect upon July 1, 1969; except that section 5 shall take effect immediately upon enactment.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be no debate on this bill tonight, but it will be the pending business at the conclusion of the morning hour on tomorrow.

RIOT PREVENTION

Mr. JAVITS. Mr. President, I call to the attention of my colleagues, an advertisement by the National Association for the Advancement of Colored People, which was published in the Washington Post of this morning. The advertisement is entitled "Riot Prevention," and contains 15 specifications from this very reliable and prestigious organization in the civil rights and race relations field concerning what they consider to be the causes of the existing discontent in many cities. Unfortunately, this discontent has resulted in riots in many cities in this Nation, including, most recently, the city of Buffalo, N.Y.

I do not think anybody present, including myself, needs protest his fidelity to the concept of public order or his confidence in the ultimate justice which can be done under our Constitution and form of government. And while I join with all of my distinguished colleagues in vigorously asserting the fact that we will at no time be intimidated in what we do by public disorders, it is a fact that our job is to anticipate such disorders and do justice.

One of the objectives of citing these 15 specifications is to emphasize that riots of this kind must be anticipated and that there are measures which can be taken in the private and public sectors and at all levels of government which deal with the primary complaints of human beings which finally drive them into action against an orderly society.

It is a fact that deep frustration creates this difficulty at a time of the year when it is the most vivid in the minds of people who riot. And this frustration is aggravated by trade unions and business communities which fail to find or create job opportunities, by the action of the Federal Government in failing to pass and strictly enforce strong civil rights legislation, and by the local governments in not being alert to the needs of their own communities.

This advertisement makes very constructive reading. It is a very intelligent, well-done job.

We do not have to agree with every specification in order to respect the scholarship and the understanding which has gone into this message.

I advise every Senator to read it, and I especially advise officials of States, municipalities, and cities who are charged with the responsibility for public order to take heed of the fact that we must see these events coming months ahead, if we want a chance to head them off.

If we try to bring to bear the facilities of all agencies of government, the community relations councils, local, public and private agencies before the riots hit us, we may avert them. However, if we do not plan ahead and make an effort, for example, to get jobs for Negro teenagers, it will be too late to avert the riots which we fear and deplore. Society will then have suffered a very disastrous blow as a result of our failure to act.

Mr. President, I ask unanimous consent to have the advertisement to which I have referred printed at this point in the RECORD.

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

RIOT PREVENTION

Riots are bad business for all concerned—the rioters, the targets and an ordered society. Superficial studies always seek to find who fired what shot, who shouted thus and so, or who made a speech at what place. Hardly anyone gives a passing thought to the shavings and gasoline which have been piled up and scattered around for months and years, just waiting for an emotion-laden, overt act to ignite it. Some smoldering material, ready to burst into flame, has already been piled up on the civil rights issue.

1. The 1966 Civil Rights Bill was filibustered to death in the United States Senate last fall after passing the House. No part of the bill was allowed to reach the floor. Negative predictions on the fate of the 1967 Bill fill the political air.

2. Congressman Adam Clayton Powell was summarily deprived of his chairmanship of the House Education and Labor Committee on the day before the Congress opened last January and was refused his seat the next day. Although re-elected overwhelmingly by the voters in his district in a special election, he has not yet been seated in the 90th Congress.

3. The 1967 Civil Rights Bill, containing, among other titles, one calling for the Equal Opportunity Commission to have the authority to issue cease and desist orders, has been virtually buried. At present the EEOC can determine that a firm is discriminating and thus violating the Civil Rights Act of 1964, but it cannot order it to stop.

4. The Atomic Energy Commission awarded a multimillion-dollar atom smasher plant to Weston, Ill., even though Illinois had no state fair housing law, on the pledge of responsible Illinois officials that such a law would be enacted. But on June 16 and 27, 1967, the Illinois state Senate finished killing the last of eight fair housing bills previously passed by the House.

5. Nine-tenths of the Selective Service Boards in the nation contain no Negro member. Negro young men, drafted to serve in their country's armed services, see very few members of their race among the board members who order them off to war.

6. The guidelines laid down by the Office of Education of the Department of Health, Education and Welfare for speeding up the desegregation of the public schools in the South were blunted and trimmed by the 90th Congress in response to pressure from the Southern states. Thirteen years after the historic Brown decision of 1954, Dixie pressure has forced HEW to restrict its enforcement machinery to one locality in the Secretary's office. It also has forced the elimination of the Commissioner of the Office of Education from any enforcement duties in connection with school desegregation.

7. Rent supplements, on which poor Negro and white families depend for improvement of their housing, was killed by the House of the 90th Congress.

8. The appropriation for the model cities program affecting Negro citizens in the center cities was cut from a requested $662-million to $237-million by the House of the 90th Congress.

9. The Teachers Corps, which supplies teachers for school districts with a heavy enrollment of pupils from low-income families, has been placed completely under state control.

10. The income of Negro families has dropped to 53 percent of the income of white families, from a previous figure of 57 percent.

11. The national unemployment rate is at its lowest percentage—3.8, but the Negro unemployment rate is freely acknowledged to be twice to four times that. The Negro teen-age unemployment rate in the summer of 1966 was 33 per 100, whereas the white teen-age rate was 14 per 100.

12. In New Rochelle, N.Y., and in Cleveland, Ohio, craft unions in the building trades have been refusing employment to Negroes and refusing them entrance to apprentice training programs, even though the buildings projects are Federal ones, the contracts for which can be cancelled on revelation of discriminatory practices. This exclusion of Negroes from employment on tax-financed building projects is a widespread practice.

13. The Coleman Report of a Johns Hopkins University team has disclosed that the gap between Negro and white children in the public schools is widening, yet stubborn opposition persists to changes in crowded ghetto schools, to new teaching methods and to quality elementary and secondary education.

14. The walls around Negro center city ghettos remain unbreached except for an occasional crack. Whenever a Negro family escapes into a previously all-white area, the parents and children have to run the gauntlet of insults, rocks, bottles, telephone threats and other intimidations.

15. With unprecedented speed, the House has passed an "anti-riot" bill. This was cleared for the floor promptly by Rep. William M. Colmer of Mississippi, chairman of the House Rules Committee, thus confirming it as a punitive measure, rather than as a preventative. Already there exist ample legislation and more than ample policing forces to deal with anything short of a full-scale civil war.

The list can go on and on. Courts hand down decisions which are ignored. Laws are passed, but not observed. Congress enacts measures, but the funds to carry out the provisions are cut to the bone or denied completely by the appropriations committees. Anti-poverty projects are booted about. Funding is denied or delayed.

The upshot is that the majority of the Negro population, which believes in law and order, cannot bring itself to sweeping and unreserved condemnation of the ones among it who are impatient at the slamming doors, impolite to the slammers and insubordinate to the winking authority and to its minions who confront them with anti-riot formations and anti-Negro mentalities.

Nobody except troublemakers wants another upheaval, North or South, but if one should occur, remember the tinder that has been scattered, hither and yon, these many years.

Remember, too, that if the white population had been cooped up and shackled down in ghetto housing, slum schools and jim crow jobs the nation would be in the midst of a genuine revolution, not a series of riotous outbreaks by a riotous few.

Riot prevention begins with the Congress, with state legislatures and city councils, with boards of education (and the vast School