

UNITED STATES



OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 90th CONGRESS
FIRST SESSION

VOLUME 113—PART 22

OCTOBER 18, 1967, TO OCTOBER 31, 1967

(PAGES 29209 TO 30688)

the window. No one can predict in these early months that the new Vietnamese constitution will enjoy a better fate. But the developments of the past two years in South Vietnam, and especially of the past two months, give some grounds for modest hope that South Vietnam may have a constitution that could last for a while and perhaps for a long while. The best symbol of this hope thus far has been the national election of Sept. 3, 1967.

To express some hope for the future is not to concede that numerous serious problems do not still confront the Republic of Vietnam. At least five major problems will severely test the new government in the days ahead:

The Progress of the War. When all is said and done, the overriding factor in the present situation is the war. Without some continued progress, and perhaps even dramatic progress, any government in Saigon is going to have a very difficult time.

Internal Unrest. To a considerable extent, the Saigon government has had to fight the war with one hand tied behind its back. That hand has, in effect, been tied by various divisive groups, chiefly led by the Tri Quang Buddhist faction. Exhilarated by their success against Diem in 1963, they have subsequently been a thorn in the flesh of all succeeding governments.

In July, 1967, the Thieu government made an agreement recognizing the more moderate faction of the Unified Buddhist Church, led by Tam Chau, as the official Buddhist church. Tri Quang, already at odds with Thieu, has never forgiven him for this step.

The professedly non-political Tri Quang has become the most vocal political leader in Saigon. Just how the new government will deal with him and his allies in the future remains a big question. Meanwhile, it could be assumed that Viet Cong infiltrators and agents are missing no opportunity to fish in these troubled political waters.

The Future Role of the Military. Since the fall of 1963, South Vietnam has been run by a military government. The generals have become accustomed to the exercise of power. Will they now adapt themselves to the exercise of much greater civilian power? If the National Assembly should somehow engage in major resistance to the leadership of Thieu and Ky, how will the military take it? If the Tri Quang group and other dissidents engage in massive defiance of the government, what will be the military response?

During the campaign, Thieu declared that at least 50 officers were under investigation on charges of corruption. How will the armed forces react to any sweeping house-cleaning of their ranks? There are ample reasons to believe that the military may prove thinned-skinned in many of these matters and in no mood to see their power base eliminated. Some also professed to see in the Military Council and in the National Security Council, both provided for in the constitution, possible new devices for military control of the civilian authority. Presidential control of these agencies might, however, minimize any military bid for dominance.

Ky Versus Thieu. One of the favorite items of speculation in Saigon this summer was how long Marshal Ky would work with Gen. Thieu in the post-election period. Their basic animosity and rivalry appeared to be taken for granted by many people. If Ky should somehow find his vice presidential role confining and degrading, it was assumed that he might be tempted to join with some like-minded military brethren to remove Thieu.

But some of this random speculation may be just that: random. Both men have had a vested interest in the success of the new constitution, developed during their time in office. They have also achieved a formal victory at the polls. Their main activities have come under an international microscope in recent months. There are thus many reasons why they may work together effectively to get the new government off the ground.

Legislative Responsibility? The new National Assembly of Vietnam will have the

greatest powers given to any legislative body in the history of Vietnam. It will also be a legislative body in which many will be gaining their first legislative experience. Just how the legislature and the legislators will respond to their newly gained status is one of the main unanswered questions. Not only will there be a need for the full utilization of constitutionally granted powers, but there will also be a need for responsible performance.

North Vietnam hardly has to worry about these matters. There are no real elections in the Communist-run state; no one would be so silly as to propose them. There are no political parties except the master one. Executive-legislative cooperation is mainly automatic. What South Vietnam is attempting would be inconceivable in North Vietnam.

For these reasons, Hanoi was openly anxious about the success of the electoral process in the south, and the Viet Cong did all they could to discredit the elections and the government. During election week, they killed 190 civilians, wounded 426, and kidnapped 237 persons. Despite their all-out campaign of terrorism against South Vietnamese voters, they failed: 83% of those registered actually voted Sept. 3. The North Vietnamese pattern hardly seemed to be what the people of South Vietnam wanted.

The new government of South Vietnam faces a need for fresh and vigorous leadership. Thieu and Ky must seek to form a broadly-based government, which provides the opposition with meaningful recognition. It must also provide leadership for a people that is war-weary and numb after years of conflict. The attitudes of Hanoi do not offer much hope for realistic negotiation, but Thieu is committed to a full exploration of all possibilities. His government must also work to build a stronger and more effective way. The pacification effort in the villages must be improved. The government must become more of a visible symbol of economic and social progress for all the people of Vietnam.

In two years the people and government of the Republic of Vietnam have made some impressive strides towards constitutional government. Can they now implement this initial success and bring about a better and enduring republic? The world is watching.

HOMEOWNERSHIP

Mr. MONDALE. Mr. President, George Sternlieb, author of a housing study in Newark, N.J., "The Tenement Landlord," has had an article on homeownership published in the October issue of *Transaction* magazine. His article, entitled "The Case for the Tenant as Owner," indicates that homeownership has advantages for the neighborhood. In his study of Newark, Sternlieb examined the conditions of housing in the city and found that maintenance quality had a direct relation with ownership. To quote his results.

Where you have an owner-resident in a tenement you will get good maintenance. Where you do not have an owner-resident in a tenement, you are not going to have good maintenance.

This is just one more piece of evidence on the need to broaden our housing policy to include a program of homeownership for lower income families. This seems to be the one "missing link" in our policy. Congresswoman SULLIVAN established the opening wedge last year with her program that created the 221(h) program. Now, we need to broaden the opportunities for homeownership.

Hopefully, we will pass legislation this session that will accomplish this. There are two approaches for us, both of which should be enacted into law. There is the FHA program, which will provide sales housing for the lower income family, and there is a program introduced by the distinguished junior Senator from Maryland [Mr. TYDINGS] which will make public housing units eligible for purchase.

Mr. President, the St. Paul Dispatch in an editorial indicates that this latter program has a great deal of merit and that it should be given full hearings this session. I, too, agree that this program has advantages, so that hearings for it should be held at the first feasible moment. If what Sternlieb says is true, the owner-resident concept should be instituted in public housing as soon as possible.

However, we must always keep in mind that homeownership programs, whether they concentrate on sales housing through the FHA, condominium ownership of existing units, or conversion of public housing projects, are not a panacea for the ills of the cities. The belief that homeownership will act as a magic wand, changing the dismal ghettos into suburban neighborhoods, is a false illusion. What homeownership programs will do, however, is to expand the opportunities available to the lower-income person as he seeks a safe and decent dwelling for his family.

Mr. President, I ask unanimous consent that the editorial entitled "Public Housing for Sale," published in the St. Paul Dispatch, and George Sternlieb's article, "The Case for the Tenant as Owner," be printed in the RECORD.

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

PUBLIC HOUSING FOR SALE

A number of bills are before Congress that would provide federal assistance for low income families to purchase their own homes.

One highly publicized proposal involves the merging of plans of Sen. Walter Mondale of Minnesota and Sen. Charles Percy of Illinois designed to make conventional home loans available to the poor through existing federal agencies. A special national home ownership foundation would be created to promote the program.

The theory is that home ownership helps build a sense of responsibility and pride and that slums can be rebuilt and communities revitalized through this approach.

Home ownership, of course, is not a panacea for the ills of the slums. But it should be part of an overall attack on the slums and the ghettos.

However there is another bill in Congress which has received less attention and could be just as far reaching in its impact as the Mondale-Percy measure. Sen. Mondale is a sponsor of this bill, too, along with Sen. Joseph Tydings of Maryland. It would allow poor people to purchase their public housing units (homes or apartments) when their incomes improve.

Co-sponsored by Rep. Henry Reuss of Wisconsin, the bill would allow the tenant to purchase the unit on extended terms—monthly payments not exceeding 20 per cent of the purchaser's income. For example, a family earning \$4,200 a year would not pay more than \$70 a month. Public housing projects, Sen. Tydings says, need no longer be considered as temporary dwellings or as a "shelter for failure." Allowing successful

families to remain would encourage others, he believes.

Coupled with this measure would be funds to rehabilitate and modernize the housing projects (an estimated \$5 million the first year) and proposals to promote resident organizations to foster self government within public housing units.

It is an idea that has a great deal of merit and should get a thorough airing in Congress this session.

THE CASE FOR THE TENANT AS OWNER

(By George Sternlieb, director, research center, Graduate School of Business Administration, Rutgers)

The element I would like to focus on is the alienation between owner and tenant. Tenants are typically living in multiple-family residences in the slum areas that I know of, and they typically do not own these parcels. Not only do they not own them, but the people who own them are strangers. They are not uncommonly strangers in color and in speech—and this holds true, by the way, whether these strangers are people from the public housing administration or the local slum landlords. Tenants feel no great desire or obligation to maintain these parcels.

Any effort at rehabilitation that does not involve the enthusiasm and the basic guts involvement and agreement of the tenants is just transitory. Such an effort appeases the middle-class conscience, but has no lasting effect.

The research that we have just recently completed—which I would guess is the occasion for my being called here—is in the study, *The Tenement Landlord*. Our goal was to define who owns the tenements and what makes them tick and, even more adequately, how can we make them tick in a fashion which is appropriate to the way society wants them to tick.

We analyzed condition of parcel, tax aspect, financing, ownership patterns. We took 566 tenements for the study in a random structured sample. We got depth interviews with approximately 70 percent of the owners of all the parcels. When we cross-tabulated the results of all we got, there was only one factor which makes for good maintenance—the owner-resident. Where you have an owner-resident in a tenement you will get good maintenance. Where you do not have an owner-resident in a tenement, you are not going to have good maintenance.

Newark, the area that we were working in, has the largest portion of nonwhite population of any major Northern city with the possible exception of Washington. There are a growing number of Negro landlords. (I would suggest, by the way, that cities like Newark and a couple of the other major Northern industrial towns are deserving of intensive study because they are front-runners. They are a vision of things to come. Their problems are the problems which the bulk of the other Northern cities will be experiencing over the next 10 or 15 years.) In Newark there are a growing number of Negro landlords. They are typically resident landlords whose size of family or income level has kept them out of public housing. Or they may be just people who want to buy a house because they want to own something, and the only house they can afford is a tenement house which will bring in some rent to hopefully cover the mortgage.

I would like to suggest that there is more hope for lasting rehabilitation, for providing model leadership to the community, for a genuine upgrading of the life styles of the urban poor in this and similar owner-resident patterns than there is in any externally imposed uplifting pattern. But how do we move toward new forms of ownership?

I think it has to be understood that most of the current attitudes toward the slums are reflective of past conditions rather than present facts. Basic among the facts of the case is the fact that the slum real estate

market is weakening radically. If this offends the concept of slumlords and the profitability of slums, I am afraid it will have to. What has happened is that there has been a tremendous outmigration, not merely of whites, but also of nonwhites as well. This is perhaps more true of a city like Newark, whose environs provide much more in the way of open housing, than may be the case in other major cities, but I would suggest that again Newark is a front-runner here.

In the course of a study which we recently completed, I had occasion to interview a whole series of churchmen, all of whom had congregations in the central city. When we interviewed the white churchmen, the pattern which we got was pretty much what we had anticipated—a substantial number [of the members] have basically switched their affiliation to suburban churches. . . .

On the other hand, when we interviewed Negro mainline ministers—and by "mainline ministers" I am referring to the African Methodist and Abyssinian Baptist groups—we got very much the same pattern. For these main-line ministers in the central city were discovering that their nonwhite congregations also were moving out, that not uncommonly as much as half of their congregations on a typical Sunday were no longer residents of the central city.

Now this has weakened the slum tenement market. When the market weakens, when the demand goes down, the owner has a variety of choices. What we would like him to do probably is cut rents and possibly improve his parcel so that he will be more competitive. But there is a third choice, and that is to cut your maintenance—assuming you have been doing any—to the bone, get what little is left out of the parcel, put in as little as you possibly can, and if you start getting too many violations, walk away.

It is this last pattern of behavior which we are getting. We are getting it in Newark, in New York City, and in many other major urban centers. The cry goes out for code enforcement, and code enforcement obviously is essential; but not uncommonly, when you put the screws on for code enforcement, what you get are one of three patterns of conduct. One pattern is the one that you would really like: People fix up the parcel. That is fine. Another pattern is that people avoid the code one way or another. The third pattern is that people abandon the parcel, and, in a weak market, there is a tendency toward abandonment. . . .

If you do get code enforcement, not infrequently you get it at the cost of raising rents and driving the poor out. So we have a very complicated picture before us. . . .

We have examined and interviewed in detail a number of these new [tenant-] owners. I would like to focus on these people, because I think they have great promise for the future and I think they need a lot of help.

How do these people buy a parcel? We examined the sales of parcels in terms of their assessments, in terms of their values, and what we see is the new owner not atypically paying anywhere from 150 to 200 percent of what the going market is for his tenement. Very frequently he does not even know how much he has paid for it. He buys it the way he buys a car. How much is the down payment? What are the monthly payments? The inflated price would not be so bad, except that it typically is covered by short-term mortgages, and these are purchase-money mortgages. There is no legitimate financing in the hard-core slum areas. Bankers and savings and loan presidents continually have meetings in which they pledge that they will be putting up funds in the future, that there is no such thing as a blacklist. The records call them liars.

There are only purchase-money mortgages. These purchase-money mortgages come either from the former slum landlord or from money sharks. In the several hundred mort-

gages that we examined, none of them are for periods of over 10 years. The amortization is murderous. There are at least a couple of landlords that we examined who were using the "yo-yo" principle, if you will forgive our inventing a phrase. The yo-yo principle is very simple. You take the 500 bucks that a Puerto Rican or Negro can scrape together. You put enough paper on his parcel so that it sinks in two or three years. You take back the parcel and you look around for another sucker. Not all of them are this way. There are some, however, who are.

The new landlord and his acquisition are further victimized by every fast-talking home improvement specialist in the country. One of my field people used the phrase "the storm-window syndrome," because we saw so many of them. You go through the slums and you have a whole bunch of houses that are pretty much stuck together with asphalt and prayer, and in the midst of these you find a house with new storm windows—those very fancy aluminum three-way combinations. Not infrequently it will have a new roof and a new everlasting siding job.

In the course of this tenement landlord study, I interviewed a big-time money lender specializing in first and second mortgages—not a bad guy. He said, "You know, every time I take one of those parcels back—and I don't want to take them back any more, I used to be in that business, but I am not in that business any more—I want to get out. Every time I take one of them back, the poor guy comes in here and he is carrying the books."

I asked him what he meant by "the books." He was referring to payment books; on all of these installment things you are given something that looks like a Christmas club book so you can keep tabs on your payments. This money lender pulled open his desk drawer, and it was filled with these books that had bounced back with the parcels that he had had to retake because he called his own major mortgages. These are a reflection of the pride that these new owners have in their parcels. These may be the first things of significance they have ever owned, and in their pride they are open for unscrupulous salesmanship.

The new owner needs guidance. I have suggested in the study, and I would suggest here, that there may be considerable mileage in the equivalent of what the U.S. government did for western lands under the Homestead Act. Basically what we did was turn to people who did not have very much money but had a fair degree of muscle, and say, "If you settle on a piece of government-owned land, you improve the land, and you live there over a period of years, we will provide you with inexpensive financing and, through the county agent system of the Agriculture Department, with guidance, and if you can stick it out, you can end up owning something." And it worked.

I think that what we need here in the central-core city is some means of providing a piece of the action—ownership for the poor. I think we are going to need more adequate financing than is presently available.

If for the moment, I can wax back into my collegiate role, there is a very basic theory which I do not think has ever been disproven. When you have a whole series of legislation on one point and the same point comes up year after year after year, it means that legislation is not working. So in the financing of rehabilitation, we have had enough FHA numbers to fill a small telephone book. I would suggest in their sheer redundancy, in the sheer number of them, we confess that we are not getting a heck of a lot of mileage out of it. . . .

We are going to need financing for rehabilitation, and it is going to have to be a lot more sensible than some of the FHA requirements for rehabilitation presently. . . .

We are going to need an advisory service,

and let me stress an advisory service, not a service telling people what to do, because . . . the time for telling people what to do in the central city is pretty much over. . . .

In closing, there is no one magic wand that is going to create a new life for the people in the city, and similarly there certainly is no magic wand which is going to recreate the city. I would suggest that the home ownership pattern may be a very small step but I think perhaps a very positive step in that direction. The urgency of this situation I do not think has been made clear. And I am not talking about people getting out in the streets and rioting, though that may well happen.

The urgency basically is the fact that as the market weakens in the city, as its functions are lost, you get into a degenerative spiral. A good deal of the business of the city is taking in each other's wash, so you have a dynamism here, and that dynamism is going down hill. . . .

THE YELLOW PERIL ISSUE

Mr. McGEE. Mr. President, it is useful for us to know the background of the recently used and much abused phrase "yellow peril." Some have laid at Secretary of State Dean Rusk's door the responsibility for having again raised the yellow peril issue, but the Secretary has done no such thing. In his remarks, Secretary Rusk made no racial references to Asian peoples, but to the numbers under the thumb of international communism and to the numbers of Asians threatened by this ideology.

Gould Lincoln, in the Washington Evening Star of Saturday, October 21, pointed out that the yellow peril issue was laid to rest long ago, in fact, shortly after it was raised in 1907. Secretary of State Rusk has not resurrected it. His critics, who have done so, have done a disservice, I believe. Mr. President, I ask unanimous consent that Mr. Lincoln's article be printed in the RECORD.

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

YELLOW PERIL LAID TO REST LONG AGO

(By Gould Lincoln)

Sixty years ago Rep. Richmond Pearson Hobson of Alabama, a Navy hero, day in and day out in Congress blasted the Japanese as a threat to the security of the United States. Out of Hobson's speeches and his writings grew the phrase "yellow peril."

Hobson's "yellow peril" of 1907 has nothing in common with Secretary of State Dean Rusk's warning of the threat of international communism to the security of the United States and the non-Communist countries of Southeast Asia and the Pacific nor with his defense of this country's war against the Communists in Vietnam, North and South. But for political reasons the cry of "yellow peril," with its implied racial overtones, has been tied to Rusk's statement by members of Congress—especially Senator Eugene McCarthy, D-Minn., and some columnists—all of whom should know better.

It is to be presumed that Senator McCarthy knew the facts about Hobson and his "yellow peril" speeches and warnings, even though McCarthy was not born until nine years after Hobson had been sounding off in the halls of Congress and elsewhere. There is no slightest doubt that Hobson was warning that the yellow races of Asia, led by the Japanese, constituted a real danger to the United States—that a racial conflict was involved. But McCarthy and the others now shouting "yellow peril" in their attacks on

Rusk must know that the secretary of State, was warning not against the yellow race but against international communism; that he was speaking in defense of a billion members of the yellow race against possible and probable aggression by the Communists if the United States should quit its defense of the anti-Communist people of South Vietnam.

Rusk was prompted in a denial that there was anything racial involved in his assertion that the safety of the United States and of the free nations of Asia is at stake. And properly so. The "yellow peril" criticisms, however, whether so designed or not, could only rouse resentment against the United States in the minds of Indians, Malaysians, Japanese, the people of Thailand, Burma, etc., unless the truth were brought out.

That, apparently, means nothing to the opponents of the war in Vietnam. The aim of many of them is not only to get us out of Vietnam—at any cost—but to get Lyndon Johnson out of the White House. First, to deny him renomination for President, and if that fails, to defeat him for reelection.

Japan, at the time of Hobson's "yellow peril" diatribes, had emerged as a strong military and naval power in the Far East. It had defeated China in the war in 1894-5. And ten years later, in 1904-5, it had defeated Russia, on sea and on land. It had, and was in the process of building, a navy rated only after the British and American navies. Hobson argued that Japan would win the backing of China in a war of "Asia for the Asians." There was one angle to Hobson's fears for the United States that was outside racial lines, however. He spoke out bitterly against the British who had entered into a military alliance with Japan—he called it "an unholy alliance," which might lead Britain to side with the Japanese if they undertook to run us out of the Pacific. At that time we held the Philippines and Hawaii, Hobson claimed the Japanese were in a position to take both in a sudden attack, and the United States would not have heard anything about it until word came by ship, some ten days later.

Theodore Roosevelt was President. He had announced his policy of "speaking softly and carrying a big stick"—although he did not always speak softly. At times, too, he waved "the big stick." Early in his administration, he forced Kaiser Wilhelm II and a Tory government in Britain to arbitrate claims they had against Venezuela. The Germans were threatening to send naval forces into Venezuela. Roosevelt gave the Kaiser ten days in which to withdraw the order, or he, Roosevelt, would send Admiral Dewey and his fleet to blow the Germans out of the water. Further, Roosevelt had used his influence, by then becoming worldwide, to bring Russia and Japan to a peace table at Portsmouth, and there he steered them to a peace treaty which neither of them liked. He received, not a military medal, but the Nobel "Peace Prize." Also, Roosevelt sent an American fleet around the world.

The consequence was the American people, with some exceptions, put their faith in "Teddy" Roosevelt, and paid little attention to Hobson's "yellow peril." Hobson, a graduate of the Naval Academy, with seven volunteers, took the collier Merrimack into Santiago Harbor during our war with Spain, and sank it. Later he received the Congressional Medal of Honor.

EFFECTIVENESS OF F-111 AIRCRAFT SYSTEM

Mr. TOWER. Mr. President, two very penetrating and objective articles have been published recently about the effectiveness of the F-111 aircraft system. Knowing of the interest of Senators in this matter, I ask unanimous consent

that the articles be printed in the RECORD. One is by Jim Lucas of Scripps-Howard, the other by Henry Keys, of the Pueblo, Colo., Chieftain.

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

[From the Washington Daily News, Oct. 20, 1967]

"THIS IS THE ONE WE'VE BEEN WAITING FOR": F-111 IS "ONE HELL OF AN AIRCRAFT"

(NOTE.—Much has been written about the controversial F-111, formerly the TFX, soon to be sent to Vietnam. But how do the men who will fly it feel about this plane which has created such a storm in Congress and the Pentagon? Jim G. Lucas, just back from Vietnam, spent three days this week looking at the plane and talking to the men who fly it. This is his report.)

(By Jim G. Lucas)

NELLIS AIR FORCE BASE, NEV., October 20.—The desert air was crisp and clear when Col. Ivan Dethman brought her gently down, too new even to have a tail number.

"This is the one we've been waiting for," said Air Force M/Sgt. Charles Hennessie, who heads a 35-man maintenance crew—"the one with all the bugs out."

This—at 1:32 on a Tuesday afternoon—was not just another landing. It was an historic event. This—the 31st F-111 built and flown—was the first production model off the General Dynamics assembly line at Ft. Worth. It could revolutionize flying. Or it could turn out to be a \$5 billion dud.

An Air Force F-111 crashed yesterday near Bowie in northeast Texas. The two crewmen—General Dynamics employes—ejected safely. But Air Force men concede such mishaps are inevitable, and this one is not likely to alter the basic confidence in the F-111 that I found among the men at Nellis.

"We make or break the F-111 right here," Maj. Al Sonnett said.

The controversial F-111 program was budgeted at the outset at \$5 billion; it will come to more than that. Each Air Force F-111A was ticketed at \$2.8 million. No. 31 cost \$5 million. The Navy F-111B, still a year and a half away, will cost \$8 million.

The F-111 contract award to General Dynamics was opposed by some who favored Boeing. It has been called the biggest blunder of Defense Secretary Robert S. McNamara, who has pushed it with singleminded intensity. The Navy has never been happy about being dragged into the program; a Chief of Naval Operations who told Congress so, was fired by the late President Kennedy. Sen. Karl Mundt (R., S.D.), wonders why the landing brakes don't work better than they do.

The Marines have backed off, claiming they don't need the F-111, but the British are in to the tune of \$786 million, and so are the Aussies.

"All that has been said about this aircraft before it arrived at Nellis is no concern of ours," says Brig. Gen. Ralph G. Taylor, head of the Air Force Tactical Weapons Center. "Our job is to prove or disapprove its capabilities."

Gen. Taylor has flown the plane, and he says:

"This is one hell of an aircraft we've got here. I tell my men—and they've read a lot and are confused—'Don't knock it until you've flown it.' After you've flown it, you're hooked.

"It gives us a capability we've always needed, but lacked, in the Tactical Air Force. The successes we're having with it are unprecedented."

With a note of realism, Gen. Taylor adds, "sooner or later, we'll lose one—that's inevitable—and because it will be an F-111, and because a lot of people are emotionally com-