strong objections, and many introduced remedial legislation. As a result, the Revenue Service withdrew its proposed regulations on October 1, 1966, and issued a revised proposal. The revised proposal, at first glance, appeared to provide some relief, but after careful study, it is obvious it contains numerous serious discrepancies which would, in effect, discriminate against members of the teaching profession, and other taxpayers who pursue additional education in connection with their employment or profession.

Today I have written a letter to Mr. Sheldon S. Cohen, Commissioner of Internal Revenue, Department of the Treasury, expressing my views. I urge my colleagues to do the same prior to November 15, the deadline for receipt of comments prior to issuing final regulations.

The text of my letter is as follows:

Reference: CC:LR:T; Comments Proposed Regulations; 26 CFR Part I; Proposed Rule Making, Published October 1, 1966, Federal Register at page 12843.

DEAR COMMISSIONER COHEN: I understand that the new proposed IRS regulations concerning the deduction of educational expenses as printed in the Federal Register for October 1, 1966, are the latest effort of IRS to meet the conditions which have caused considerable confusion, especially to members of the teaching profession.

The October 1 proposed regulations are far superior, of course, to those proposed in the July 7, 1966, Federal Register. However, I wish to urge further consideration for inclusion of additional features in these latest proposals as follows:

1. Elimination of such language as permits subjective judgements on the part of IRS agents in dealing with individual taxpayers. The regulations should be phrased in such language that the taxpayer cannot be subjected to whimsical interpretations based on the attitude of the IRS agent who may review his returns.

2. The discrimination against a teacher who, while presently employed as a teacher, has not yet earned the Bachelor's Degree should be eliminated. The authority to decide who is or who is not qualified for employment as a teacher is clearly not a matter for decision at the federal level, certainly not by IRS officials. The determination of the right to teach is made by the State or institution of higher education in which the teacher is employed, not the federal government. The regulation as written is a matter, intentional or not, of an invasion of the State's right to control education.

3. The new regulations are indefinite as to the types of educational expenses which are deductible. It seems reasonable that these should be specifically enumerated to include tuition, books, fees, supplies, materials, and traveling expenses. Such specific provision again would assist the taxpayer in knowing clearly just what items are deductible. As presently written, the regulations seem to leave this matter to the discretion of the IRS agent.

4. The right to deduct expenses incurred for education which may qualify a teacher to move into a principalship should be retained by the teacher. Principals are considered part of the instructional faculty in most schools. Also, while a teacher may take courses leading to qualification as a principal, these same courses may well be those which improve the taxpayer's competence as a teacher. The practice of IRS agents of analyzing college transcripts and deciding which courses are deductible and which are not is the basis of much of the understandable discontent of teachers with the present procedure.

I hope, before final regulations are adopted, that the improvements herein suggested may be included.

PERSONAL ANNOUNCEMENT REGARDING ROLLCALLS

Mr. DUNCAN of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CHAMBERLAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I am not recorded on several rollcalls and wish to announce my positions with respect to each vote so that my record in the 89th Congress will be complete:

Rollcall No. 244 I would have voted "yea."

Rollcall No. 245 I would have voted "nay."

Rollcall No. 274 I would have voted "yea."

Rollcall No. 722 I would have voted "nay."

Rollcall No. 346 I would have voted "nay."

Rollcall No. 374 I would have voted "nay."

Rollcall No. 375 I would have voted "nay."

Rollcall No. 378 I would have voted "yea."

Rollcall No. 379 I would have voted "yea."

Rollcall No. 380 I would have voted "yea."

Rollcall No. 381 I would have voted "nay."

Rollcall No. 385 I would have voted "nay."

Rollcall No. 386 I would have voted "yea."

VIRGIN ISLANDS GOVERNORSHIP LEGISLATION

Mr. DUNCAN of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SAYLOR. Mr. Speaker, last Tuesday, October 18, I placed in the CONGRESSIONAL RECORD my reasons for not taking further action on the legislation which would provide for the elected governorship of the Virgin Islands at this time. I feel that the actions of the Governor and the majority of the Legislature of the Virgin Islands in considering the reapportionment issue last August, left much to be desired as mature and responsible legislators.

As I stated at that time, I was joining the chairman of the Committee on Interior and Insular Affairs [Mr. ASPINALL] in recommending that the Senate amendments to the legislation be passed over until the 90th Congress.

In view of my opposition to the enactment of this legislation, the issue has become a partisan matter in the coming elections in the islands, thereby doing a disservice to the residents and voters of the islands. However, these actions further substantiate my belief that this legislation is deserving of more complete consideration and this can only be done in the new 90th Congress.

On this same date, October 18, there appeared an editorial in the Daily News of the Virgin Islands, entitled "Place the Blame Where It Belongs" and I wish to incorporate the same as a part of my remarks.

PLACE THE BLAME WHERE IT BELONGS

The bill which would permit popular election of a governor of the Virgin Islands and Guam is stalled at this point between the Senate and the House of Representatives in Washington. Rep. LEO O'BRIEN, who has been pushing home rule for the territories, has almost succeeded in achieving this portion of his goal, "not quite."

Apparently oppcsition to the bill from Rep. JOHN P. SAYLOR of Pennsylvania is reported to be keeping the measure from a speedy acceptance by the House. The two versions contain major differences, and the Quaker State congressman seems determined that a conference of committees be held.

Since the session is close to adjournment, his actions may end the possibility of the passage of the bill for this year. The gentleman from New York blames apparent failure of the bill on party politics. Mr. O'BRIEN claims that this is an excellent opportunity for opponents of the bill to make it a party issue.

Not so.

If the elected governor bill fails of passage, blame for such a failure can be laid squarely at the door of the power-drunk majority in the Virgin Islands Legislature.

For a long time congressmen have looked with high favor upon this territory, and its needs were considered non-partisan. What soured many senators and representatives was the incredible attitude of majority members of the legislature on the question of reapportionment. Before the reapportionment bill could be signed into law by the President of the United States, the governor of the Virgin Islands summoned a special session of the legislature and rammed through an "at large" requirement for the new 15-member legislature. The measure was justified by the governor, who signed the bill into law (as well as the Mississippi oath bill, too.)

Remember?

Although the "at large" requirement was hastily repealed in another special session, the damage had been done, and several key congressmen openly charged the ruling faction here with "immaturity."

Whether or not the elected governor bill passes at this time, the current crisis over its passage should be a clear indication to the voters that the Mortar Pestle faction, in their ill-timed efforts to perpetuate themselves in power, have failed the islands.

Let the voters consider this well.

PUERTO RICO

Mr. DUNCAN of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SAYLOR. Mr. Speaker, on September 22, I and a number of our colleagues, including Representatives O'BRIEN, MORTON, RIVERS of Alaska, CRALEY, CAREY, WRIGHT, MOSHER, and HALPERN introduced into the Congress legislation which would provide for the admission into the Union, on an equal footing with the original States, of the Commonwealth of Puerto Rico.

This legislation was introduced following the submission of the long-awaited report of the United States-Puerto Rico Commission on the status of Puerto Rico. Obviously the sponsors of the bills were not so naive to believe that action would be taken during the closing weeks of the 89th Congress. We did, however, want to indicate to the more than 2 million American citizens living in Puerto Rico that the door for Puerto Rican statehood is open whenever they ask for it. We want them to know that the Congress of the United States is ready to offer them the same privileges and obligations that are accorded other citizens of the United States. We want them to feel they are wanted in the same manner that the American citizens of Alaska and Hawaii were wanted before they achieved statehood. We want them to feel that Puerto Rico is a part of the United States and they are invited to make their wishes known when they are ready for statehood. My colleagues and I extend a hand of friendship to our Puerto Rican brethren and are ready to welcome them to full citizenship when by plebiscite they ask for statehood. We do not want to discriminate against Puerto Ricans any more than we discriminate against Negroes, Indians, or other minority groups. We recognize that a great majority of Puerto Ricans want to be U.S. citizens in the fullest sense and that to be a member of the sisterhood of States is a goal that can be achieved. The mere fact that the incorporated territory of Puerto Rico is separated from the mainland by water is no reason why the Puerto Ricans cannot strive for and seek statehood. Hawaii too is separated from the continental United States, but it has not found it difficult to play the role of the 50th State.

No one of the sponsors of this Puerto Rican statehood legislation wants to coerce our island friends to accept a status they do not want, but we do want them to know the invitation has been issued. We would welcome other sponsors either in the 89th or 90th Congress, when our legislation will be reintroduced.

I want to commend the members of the Status Commission for the thoroughness of their report and for equal consideration that was given to statehood, the continuation of commonwealth, and independence. May I quote from page 14 of the status report wherein it states:

It is the belief of the Commission that Puerto Rico is at a stage in its history where the question of status should be elevated above partisanship. No area has ever achieved statehood without a broad public demand transcending party lines—Puerto Rico is a stable political community fully capable, by virtue of its demonstrated capacity for democratic self-government, of assuming the responsibilities of statehood.

Mr. Speaker, I again invite other Members of Congress to join in sponsoring statehood legislation for Puerto Rico, but with the understanding that no further congressional action will take place until the voters of the Commonwealth have approved the proposition found in section 7 of my bill, H.R. 17918, which reads:

Shall Puerto Rico immediately be admitted into the Union as a State?

CONGRESSMAN HENRY S. REUSS URGES AN END TO TAX-FREE MUNICIPAL INDUSTRIAL DEVELOPMENT BONDS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, many of us in the House have been waging a protracted fight to abolish the financing of business facilities with tax-exempt municipal bonds—a privilege given to municipalities for use in financing public facilities like schools, roads, and hospitals. In this Congress, Congressman HENRY S. REUSS and I have joined in cosponsoring two bills offering alternatives for ending this raid on the U.S. Treasury.

Congressman REUSS recently addressed the biennial Municipal Conference of the Investment Bankers Association in San Francisco on why we can do without these bonds. He has again made a strong and well-documented case for abolishing this financing.

As Congressman REUSS points out, the 90th Congress may at long last have the opportunity to pass on this important and complex issue. I think his remarks, which follow, will be of interest to other Members of this body.

MUNICIPAL INDUSTRIAL DEVELOPMENT BONDS—WE CAN DO WITHOUT THEM

For three years I have been fighting to end the federal tax exemption from municipal industrial development bonds.

In 100 speeches I have pointed out that they are not in the interest of a sound economy. So one more speech won't hurt, particularly when it is given in San Francisco, and particularly when it is given before the Investment Bankers Association.

I would like to pay tribute to the public-spirited opposition which the IBA has taken to these development bonds. Your short-term self-interest might have swayed you to support this form of financing: after all, investment bankers make money on municipal industrial development bonds, so why rock the boat?

But instead, you have gone counter to your own short-term economic interest. This places you in the Pantheon with such groups as America's dentists, who have fought for fluoridation of public water supplies in order to prevent tooth decay. Dentists make a living filling people's cavities, and there must have been those among the dentists who resisted efforts to cut down on decay.

Just like the dentists, you are trying to wipe out the decay in our federal financial system. If that makes us abolitionists, so be it. If we lack some of the fervor of that earlier abolitionist, William Lloyd Garrison, it is because we are dealing with a war between the states that is, happily, a bloodless one.

A bloodless war between the states it has, until recently, assuredly been.

The Southern states—mainly Alabama, Mississippi, Arkansas, Tennessee and Kentucky—have been the leaders in issuing these bonds. Between 1951 and 1962 nearly 90 percent of this financing was done by localities in these states.

But now many other states have entered the competition. In the first six months of this year, in addition to these five states, Oklahoma, Iowa, Kansas, Louisiana, Michigan, Nebraska, Georgia, Delaware, West Virginia and Ohio have recorded these issues.

Today municipal industrial development bonds can be issued in thirty-three states. Pennsylvania is preparing authorizing legislation. Texas and Florida barely escaped last legislative session from joining the list; the question will undoubtedly be renewed there. And this November 8, the voters of Massachusetts will decide whether their constitution should be amended to permit issuance of these bonds.

In early June, New York City formed a Public Development Corporation, headed by General Lucius D. Clay. Clay presumably was called upon to prevent the attrition of embattled New York as he saved embattled Berlin seventeen years ago. The city is fighting back to curtail the net average annual loss of 10,000 jobs which it has experienced since 1950. Of course, municipal industrial development bonds are the prime weapon in General Clay's arsenal.

We are now witnessing the final maneuverings in what promises to be a costly and self-defeating battle royal among the states.

A certain winner will be the corporations who use the subsidized, bond-financed facilities. A sure loser will be the U.S. Treasury.

Nor will the states who are now greatly benefiting from the sales of these bonds fare well. For now that the highly developed areas which enjoy natural economic advantages for plant location are joining the fray, the advantage of tax-exempt financing will be nullified.

If this beggar-thy-neighbor competition were taking place among nations, it would be roundly condemned by all (but the French) as the worst sort of economic nationalism. And so it should be among states.

The explosive growth in recent years of municipal industrial development bonds can be judged from these conservative IBA figures: 1950—$7 million of municipal industrial development bonds issued; 1960—$40 million issued; 1962—$85 million issued; 1965—$210 million issued; first nine months of 1966—$439 million issued.

Eastman Dillon Union Securities & Co., moreover, place the figure for sales of these bonds much higher. It estimates that, in 1965, $1 billion worth were sold.

At $1 billion, which will probably be a conservative figure for sales of these bonds in 1966, this giveaway financing is huge by any measure. It is more than 20 percent of the $4.7 billion of new corporate bonds issued by all manufacturing firms in 1965. It is about 10 percent of the $10 to $11 billion annual totals of all state and local securities marketed.

Defenders of this financing would have us believe that: (1) the typical municipal industrial bond issue is floated by a small town in a poverty-stricken area which is suffering from high unemployment; (2) it is a small bond issue of several hundred thousand dollars, and (3) a small company of limited financial resources receives the subsidy.