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:


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 concern, especially to members of the teaching profession.

The October 1 proposed regulations are far superior, of course, to those proposed in the July 1 Proposed Regulations. 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 expenses to be deducted 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 delegation at the federal level, certainly not by IRS officials. The determination of the right to teach is made by the State or the institution of higher education in which the teacher is employed, not the federal government. The regulation as written is unfair, intangible, or not an invasion of the State's right to control education.

3. The new regulations are indefinite as to the method of determining 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 lessen 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 agents.

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, such courses are most likely to be those which improve the taxpayer's competence as a teacher. The practices 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 proposals. 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 Recess 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. 346 I would have voted "yea."

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

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

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 "yes."

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

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

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

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

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

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 Recess and include extraneous matter.

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

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. ASHRUM] 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 election of the islands. Thereby being 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 the gubernatorial 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'Bannon, who has seen passing house rules for the territory, has almost succeeded in achieving this portion of his goal, "not quite."

Apparently opposition 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 Speaker State congressman seems determined that a conference committee not be held.

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

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 angered many senators and representatives was the incredible attitude of majority members of the legislature of the Virgin Islands in perpetuating themselves in power, despite the wishes of the voters that the Mortar Pestle faction, in their ill-timed efforts to increase their membership in Congress, had prevailed.

Although the "at large" requirement was hastily repealed in another special session, the damage had been done. And several key congressmen openly charged the voting on this legislation here with "immorality."

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 increase their membership in Congress, has 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 Recess 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 25th we 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 sanguine 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 that they are wonder the same manner that the American citizens of Alaska and Hawaii were wanted before they achieved statehood. We feel that for 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 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 and we feel 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 statehood. Hawaii too is separated from the continental United States, but it has not been difficult for us to achieve the 50th State.

No one of the sponsors of this Puerto Rican legislation would dare to coerce our island friends to accept a status they do not want, but we do want their opinion to be heard when our legislation is 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 a state in its history where the question of status should be elevated above all else. As a result Puerto Rico 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. 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 Recess. 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 end 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 sponsoring two bills offering alternatives to 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. We must now work not with, but particularly when it is given in San Francisco, and particularly when it is given before the 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 Parthenon with such groups as America's dentists, who have fought for flood control. This protection of public waters supplies in order to prevent urban decay. Dentists make a living filling people's cavities, and there must have been those self-interested dentists who lobbied 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 abjectly poor, so be it. If we lack some of the fervor of that earlier abolitionists, William Lloyd Garrison, it is because we are dealing with a war between the states that is, happily, a bloodless one.

A bloody 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 50 percent of this financing was done by localities in these states.

But now 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 now will undoubtedly be answered there. And this November 8, the voters of Massachusetts will decide whether their state should be amended to permit issuance of these bonds.

A certain winner will be the corporations who use the subsidized, bond-financed facilities. A 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 among the states. And an increased demand for tax-exempt financing will be multiplied.

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 in the states.

The explosive growth in recent years of municipal industrial development bonds can be judged from these conservative IBAs figures: $550 million of municipal industrial development bonds issued; $450 million issued; $40 million issued; $40 million issued; $80 million issued; $450 million issued; $450 million issued; $450 million issued; $450 million issued.

Investment bankers and Security & Co., moreover, place the figure for sales of these bonds much higher. They estimate that, in 1960, it was $1 billion. It is about 10 percent of the $10 to $12 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) a large bond issue of several hundred thousand dollars is a small cash investment; and (3) the small amount of subsidy received financial resources receives the subsidy.