NOMINATIONS—1972

HEARINGS

BEFORE THE

COMMITTEE ON COMMERCE
UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

NOMINATIONS OF

JUNE 28, 1972

ASHTON C. BARRETT, TO BE A FEDERAL MARITIME COMMISSIONER AND ROBERT J. BLACKWELL, TO BE ASSISTANT SECRETARY OF COMMERCE FOR MARITIME AFFAIRS

JUNE 29, 1972

ANDREW E. GIBSON, TO BE ASSISTANT SECRETARY OF COMMERCE FOR DOMESTIC AND INTERNATIONAL BUSINESS

AUGUST 2, 1972

JOHN E. HIRTEN, TO BE ASSISTANT SECRETARY OF TRANSPORTATION

SEPTEMBER 8, 1972

THOMAS B. CURTIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING

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WEDNESDAY, JUNE 28, 1972

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met at 2:25 p.m., in room 4232, New Senate Office Building, Hon. J. Glenn Beall, Jr., presiding.

Present: Senators Hollings and Beall.

OPENING STATEMENT BY SENATOR BEALL

Senator BEALL. Today we are taking up the nominations of Ashton C. Barrett to be a Federal Maritime Commissioner and of Robert J. Blackwell to be Assistant Secretary of Commerce for Maritime Affairs.

These men are not strangers to the committee, of course. Commissioner Barrett was first appointed to the Federal Maritime Commission in 1961 and was renominated by Presidents Kennedy and Johnson. Mr. Blackwell was Deputy Assistant Secretary of Commerce for Maritime Affairs and has been Deputy Maritime Administrator since 1969.

Biographical statements submitted by the nominees will be inserted in the record.

Pursuant to the committee's normal practice, financial statements submitted by the nominees will not appear in the record but will be retained in the committee's files available for public inspection.

We will take up Commissioner Barrett's nomination first, and the distinguished Senator from Mississippi, Senator Eastland, is here I believe with the nominee.

Senator, this nominee is very fortunate to have such a distinguished legislator appear here in his behalf.

STATEMENT OF HON. JAMES O. EASTLAND, U.S. SENATOR FROM MISSISSIPPI

Senator EASTLAND. Mr. Chairman, I present Mr. Barrett. He had the misfortune of going to college with me many years ago. He has been a member of the Commission since 1961. He has been a damn good man. I'm glad the President reappointed him.

Senator BEALL. Thank you, Senator Eastland.

Senator EASTLAND. Here he is for whatever questions you want to ask.

Senator BEALL. We have a letter from Senator Stennis also recommending Mr. Barrett.

I might say at the outset Senator Hollings was detained and will be here shortly to also participate in the hearings on these nominees.

Mr. Barrett, you have submitted your financial statements and biographical information?

STATEMENT OF HON. ASHTON C. BARRETT

Mr. BARRETT. Yes, sir.

Senator BEALL. Of course, you have had a great deal of experience in the area to which you are being appointed. And some of us have more than a passing interest in the Maritime Commission because of our geographical location, because it is in many cases important to the economies of our States.

I would just like to ask you a few questions.

Intermodal transportation, as you know, has created some problems in the form of jurisdictional overlap between the ICC and the Federal Maritime Commission. What efforts are being made to resolve these problems administratively?

Mr. BARRETT. We are working very closely with the ICC, and I think we have most of the problems solved. The jurisdictional question is probably what you are referring to more than anything else.

But we have a liaison between the two now, the two commissions, and I think everything has worked out very well. I don't see any foreseeable problems. There are one or two things that will probably have to be decided by legislation, but that will have to come before the Congress and not us.

Senator BEALL. Do you think that S. 3740 that was recently proposed by the Federal Maritime Commission would be helpful in this regard?

Mr. BARRETT. I didn't understand.

Senator BEALL. I said do you think that S. 3740, recently proposed by the FMC, will be helpful in this regard?

Mr. BARRETT. I certainly do. Yes, sir. It will be helpful to us as well as to the ICC.

Senator BEALL. But the communications are such that any problems that do exist can be handled rather expeditiously?

Mr. BARRETT. I didn't hear you.

Senator BEALL. I say the communications have improved between the agencies so that——

Mr. BARRETT. Oh, yes, to great extent; yes, sir. We are working very closely with them now.

Senator BEALL. Our distinguished chairman has arrived.

Senator HOLLINGS. We keep swapping as chairman. Our real distinguished chairman is over in the Appropriations Committee at this time, Senator Magnuson, and he asked me to come and fill in. I am glad that Senator Beall has already started the hearings.

Commissioner Barrett, you have been with the Commission for quite awhile. Isn't that correct?

Mr. BARRETT. Yes, sir; I was sworn in on October 12, 1961.

Senator HOLLINGS. If something was wrong with you, we would have already heard it. [Laughter.]

Mr. BARRETT. Well, I work underground. [Laughter.]

Senator HOLLINGS. I don't have any questions in addition to what Senator Beall has asked. We appreciate your appearance here this afternoon. We will move as promptly as we can within the committee for your confirmation.

Mr. BARRETT. Thank you, sir.

Senator BEALL. Thank you, Mr. Barrett.

(The biographical sketch follows:)

BIOGRAPHICAL SKETCH OF ASHTON C. BARRETT

President Richard M. Nixon, on Thursday, May 11, 1972, announced his intention of nominating Ashton C. Barrett, now serving as Vice President of the Federal Maritime Commission, to a new five-year F.M.C. term (June 30, 1972 to June 30, 1977).

This is the fourth time that a United States President has nominated Commissioner Barrett to serve on the Federal Maritime Commission.

Commissioner Barrett was renominated by President Lyndon B. Johnson and confirmed by the Senate for a five-year term to expire June 30, 1972.

Prior to his appointment he was renominated on June 28, 1963 by President John F. Kennedy and confirmed by the Senate for a four-year term which expired June 30, 1967. Mr. Barrett was first nominated to the Federal Maritime Commission by President Kennedy on September 26, 1961. At that time he received a term which expired June 30, 1963.

Commissioner Barrett has also been elected three times by his colleagues as Vice Chairman of the Federal Maritime Commission.

In 1925 Mr. Barrett invested in the growing essential services of building construction, laundering and dry cleaning. His organizational ability was called upon in Mississippi to assure these essential services to the Army, Air Force and other military installations in the area. His enterprises also served the growing Gulf resort of Biloxi, Mississippi.

Mr. Barrett has been commended for his participation in numerous advisory meetings with Armed Forces personnel and civic leaders and for the devotion of great amounts of his time and talents to welfare activities in behalf of military personnel and their families.

Commissioner Barrett also served as President of A. C. Barrett and Associates in the development of real estate in Birmingham, Alabama.

He has always been an advocate of a strong American Merchant Marine and has participated in related Naval activities in support of strengthened American seapower to insure the integrity of American trade and commerce and bolster United States defense.

Senator BEALL. The next nominee is Robert J. Blackwell to be Assistant Secretary of Commerce for Maritime Affairs.

Mr. Blackwell, you also have, of course, a record of service in this area. As I indicated—I am sure Senator Hollings shares my view—certainly some of us have more than a passing interest in maritime affairs because geography has placed us in a situation that gives us some connection.

What do you view presently as the most critical problems facing the merchant marine?

STATEMENT OF HON. ROBERT J. BLACKWELL

Mr. BLACKWELL. We have a number of problems, Senator, some of which are under the control of the Maritime Administration and Congress and some of which are not.

One of the problems confronting the American merchant marine, particularly the dry bulk and tanker segment, is the prevailing low charter rates in the world markets. These also confront the foreign shipowners as well.

It is extremely difficult to attempt to build ships at the present levels of charter rates, which in some cases are three and four times lower than where they were just 2 years ago.

But in terms of the activities under the control of the Maritime Administration as well as the legislature, I think the critical problem that we have is to continue to maintain the productivity of our shipyards and our ship operating fleets. There is some indication that we are doing this, and we have been quite successful at it.

We have issued contracts on a number of ships since the new Merchant Marine Act of 1970 was passed. The initial construction-differential subsidy rate we could pay was 45 percent. A year ago it was reduced to 43 percent. Commencing July 1 of this year, it will go to 41 percent. Every one of the contracts that we have executed has fallen below that productivity guideline—at it or below it.

I think one of the problems, one of the challenges that the shipyards have, a challenge and an opportunity, is to maintain that type of productivity.

The other great problem, and it is also a challenge, is to do the same thing for our operating fleets both in the liner and in the tramp segments.

We now have, on our new ships, manning scales comparable to the type of manning that prevails throughout the world. Our ships are highly productive. The men work on them well, both the officers and the crews. We think we are making progress in developing the marketing capability of the American carriers.

We simply have to get the present percentages of U.S.-flag participation up on all our trades, on all our trade routes and all segments of our fleet—that is, the liner segment as well as the domestic segment.

I think that the Merchant Marine Act of 1970 is the appropriate vehicle for building the American merchant marine. I am not saying it is the perfect vehicle. There are, obviously, some amendments that have to be made to it. Perhaps in the next session of Congress the administration will be proposing some.

Senator BEALL. Perhaps?

Mr. BLACKWELL. Perhaps. Whatever administration is in power.

Senator BEALL. Well, I would hope there would be no doubt about that question.

How many applications are pending now for vessel construction?

Mr. BLACKWELL. We have scores of applications before the Agency. We are actively working on five. They entail a considerable number of ships and a vast expenditure of the Federal ship construction funds.

We are still working on these. We have to consummate these arrangements before midnight of Friday before the construction-differential rate drops by 2 percent. In fact, if these contracts are held over, they are threatened by the reduction of 2 percent in the amount of money that the Government can pay.

Senator HOLLINGS. Mr. Blackwell, two things concern me—that freighter cargo carriage doesn't take the same downfall route as passenger vessels, passenger lines, on the one hand, and that the construction program is of a comprehensive nature and worked out accordingly by the Maritime Administration.

On the first score, you will remember the recent rhubarb we had with relation to the sale of passenger lines. At that particular time, those

in the operation, those in the shipping line business, said, "If you think the passenger line business is uncompetitive and to all intents and purposes they have gone out of it, this is going to be the plight of the freight carriers in America unless we do something about it."

Do you have any feeling about this? And if so, what is being done about it?

Mr. BLACKWELL. Well, Senator Hollings, I know your interest in the U.S. passenger fleet and your efforts to maintain it. It means something to me too, not only as the Deputy Maritime Administrator, but I worked on passenger ships. I earned my livelihood on the *United States* and on the *America*, which crossed the North Atlantic, which were fine ships in those days, in the 1950's. I worked my way through law school as a result of the earnings on those ships.

The problem that we have is that the present U.S. passenger fleet, the ones that are operating and the ones that are in layup, were essentially built for point-to-point transportation. They were built really to transport people, and the primary objective was transportation.

I know that there is a very lucrative ocean transportation system operating out of Florida, for instance, mostly foreign flag. They are carrying passengers. But I submit that the basic purpose of those ventures is not transportation but essentially entertainment. They are inducing people to take their vacations on those ships. Those ships were specifically built with the type of equipment that can attract passengers, such as swimming pools. They are manned with very low-cost crews. The numbers of the crews are quite small.

Senator HOLLINGS. Considering the difference between the passenger liner *United States*—I know its immense size, and the passenger vessels that plied the Atlantic to Europe with swimming pools and all the various tourism attractions thereupon, do you find that different than the ones we have down in the Caribbean?

Mr. BLACKWELL. Quite different, sir. Neither the *America*, which has since been traded foreign, nor the *United States* has an outdoor swimming pool. It is a very substantial capital investment to put that in.

In fact, on the North Atlantic, at the speeds that the *United States* ran, on the sun deck where most of the passengers would enjoy the sun if you had it in the North Atlantic they would find it almost impossible simply to maintain themselves because of the speed and the wind generated by the ship.

It has an extremely small indoor swimming pool. I just visited that ship a few months ago. It is simply not a ship that can induce people to spend 5, 6, 7, 8, 9, or 10 days just for the sake of transportation. You simply have to offer a great deal more.

The ships that are now plying the cruise trades were, in fact, built for essentially the entertainment business.

Senator HOLLINGS. On that point, it is interesting to note this is the first time this has come to the committee's attention. Senator Long and I had quite a debate on the floor, and this point was never suggested by either side. We had heated discussions. We had friends who told us what to argue, what to say, what to do, but at no point did anyone—including your predecessor—suggest the ships were not designed for pleasure.

Mr. BLACKWELL. The *United States*——

Senator HOLLINGS. Specifically, what is going to happen to the *Argentina* and the *Brazil* in the countries that buy these things? What are they going to do?

Mr. BLACKWELL. We have an application or a proposal before the Maritime Administration at the present time which contemplates the sales of the *Brazil* and the *Argentina* to the Holland-America Line. As you know, the legislation is not self-executing. Before those ships can be transferred foreign, the approval of the Maritime Administration is required.

One of the conditions to the sale is that the net assets from the sale of those vessels be placed within a year as equity in building a U.S. ship. And I can assure you that that is going to happen.

Senator HOLLINGS. What are they going to do with the ships? What country or what company is buying them?

Mr. BLACKWELL. The Holland-America Line, sir.

Senator HOLLINGS. Where are they going to use them?

Mr. BLACKWELL. I think they will be using them in world trades. Those are two good ships. There is no doubt about it.

Senator HOLLINGS. They could not be used though for any passengers who would be enjoying themselves?

Mr. BLACKWELL. No, I was speaking specifically about the *United States* and not the two ships you have just mentioned.

Senator HOLLINGS. The *United States* we set aside. I am talking about the two ships——

Mr. BLACKWELL. The *Argentina* and the *Brazil* are two good ships, but——

Mr. HOLLINGS. They could be used for pleasure carriage?

Mr. BLACKWELL. Those ships could be used for pleasure. They would have to be substantially reconverted, even though they are relatively good ships for the cruise business. I say "relatively good" compared to what else we have in the fleet.

Senator HOLLINGS. Did you ever discuss the reconversion?

Mr. BLACKWELL. Did I, sir? No; I never did.

Senator HOLLINGS. You were about to complete your thought. Go ahead.

Mr. BLACKWELL. I know those ships are either in the process of drydocking now or have just left the drydocks in Baltimore. I think that they would very likely be taken to a foreign country and substantially gutted or renovated at the expense of at least several more millions of dollars to make them that much more attractive to the cruise business so they could be competitive.

Senator HOLLINGS. Now the other thought you had you were going to finish? I think I interrupted you.

Mr. BLACKWELL. One of our great problems in supporting and in maintaining a U.S. merchant marine is the cost disparity not only in shipbuilding costs but in operating costs that exists between American ships and foreign-built-and-operated ships.

One of the ways that we hope we can overcome that disparity, Senator Hollings, is to provide the American merchant marine, which is essentially a capital-intensive industry, with capital-intensive ships—that is, fast ships, ships with considerable capacity, high productivity, high turnaround, so that the basic high American operating cost can be eaten up within the terms of the productivity of that vessel.

Now, no matter how much you cut the crew of an American passenger ship, whether it is used for point-to-point transportation or whether it is used in terms of the cruise trade, it is still a basically labor-intensive operation, and we simply cannot get the cost savings, because what you are doing there is providing service and catering to the entertainment and the food needs, travel needs, of the passengers.

On most of these ships the crew is as large or larger than the number of passengers they carry. Consequently, it is very difficult to get the productivity factor out of the passenger ship that we can get out of the freight ship.

We are interested in investing the taxpayer's dollar in the most efficient, productive, sensible fashion that we can.

Senator HOLLINGS. Well, of course, on that score, I wasn't even getting into the passenger vessel, but I am glad you did. The main thing was that everyone agreed it was a knotty problem but somebody, somewhere, at some time, within the Government, should have gotten business and labor together and seen if some program could have been worked out, if for no other reason than to be certain these vessels did not come in competition with the President Lines and the Far East Export Lines. I don't know the exact names, but they are on the West Coast—Pacific Far East.

They were making money. Your predecessor said that he didn't know that anybody was making money, and he didn't know much about that Caribbean luxury trade or any of these other things.

The main thing was that this was supposed to be under your administration. And if some can exist and if travel can be developed, specifically with China now that relations have been eased, we could move. Air travel has taken it away from the Atlantic, but maybe on the Pacific side it could be developed.

Has that been thought about?

Mr. BLACKWELL. If I could clarify the record a bit, sir, the *Mariposa* and the *Monterey*, which were formerly operated by Matson to basically Oceania, Australia, New Zealand, and some of the islands in that area, were recently sold to Pacific Far East Lines. Those ships are, in fact, making money after subsidy.

There are two other ships operating in the Pacific—in fact, these are the only four American passenger ships operating anywhere——

Senator HOLLINGS. Right.

Mr. BLACKWELL. The *Cleveland* and the *Wilson*—that are operated by American President Lines. They are, in fact, losing money after subsidy.

All I could say in response to your question, Senator Hollings, is if a viable, attractive proposal is made to the Maritime Administration, we will take a good, hard look at it. And if it is worth doing, we will do it.

Senator HOLLINGS. At that particular time, talking about taking a hard look, it was suggested to me by those in the shipping business, because I am not that familiar with it, that some consortium arrangement would have to be worked out, an approach perhaps like the British employed, or at least it would have to be done—and this back to my original question—in the freight lines, the freight carriers, be-

cause they were going to suffer a fate similar to the passenger lines if we didn't do something about it.

Mr. BLACKWELL. I think the amalgamation or the consortium concept has some appeal. We would simply have to look at the numbers. They certainly do cut down on the overhead expenses. There are a number of other advantages to that type of operation, like common booking service.

In fact, this was tried here in Washington not too many years ago. Export Lines and United States Lines had a consolidated booking office in Washington in order to cut costs. We approved that at the Maritime Administration. It just never did the job.

There were other arrangements made. The Fugazy travel agent people worked out an arrangement with Export Lines in which they would be almost the exclusive booking agent with Export, and they changed the concept of Mediterranean travel to try to turn it to more of the entertainment rather than the travel sphere. And, in fact, that did not work too well either. That was, in fact, approved by the Maritime Administration.

In the last 2 or 3 years I personally have testified in support of several bills which gave our passenger lines—unfortunately, there are not that many left—the additional flexibility to go off their required itinerary so they could engage almost exclusively in the cruise business.

I am not saying this was a panacea. I didn't say it at the time of the hearing. But it will help.

I think we have done everything we have been asked to do within reasonable limits that would help.

Senator HOLLINGS. Do you think the freight lines are in jeopardy at all?

Mr. BLACKWELL. The freight lines?

Senator HOLLINGS. Yes, sir.

Mr. BLACKWELL. We have some companies that are under very severe financial strain at this time.

Senator HOLLINGS. What are you doing about it? That is my point. I feel like a member of the board of directors up here of a business going out of business. Do you know what I mean? We have the passenger lines, and according to your testimony they are practically gone. Now, how are we going to prevent meeting here about 3 or 4 years from now and saying, "Oh, by the way, you know what happened? The freight lines are gone."

That is what we want to know in the Congress. What are you doing?

Mr. BLACKWELL. It is a good question. And if I knew all the answers to that question. I wouldn't be satisfied just to be Assistant Secretary for Maritime Affairs. It is a really difficult question you pose.

Let me say this. Not all our merchant marine is in trouble. We have both on the North Atlantic and on the Pacific trades, in terms of our container operations, been making very significant penetrations into the intermodal freight business in terms of the type of business that you asked Mr. Barrett about.

The U.S. lines in those trades are carrying over 50 percent of the containerizable cargo.

We have recently developed the LASH ship. We have over 20 of these ships in operation or that are building or on order. These are highly productive ships. We have great confidence that the ships will

prove themselves out and that their operators eventually will make money with them.

I think just yesterday the Lykes Co. in New Orleans had its first "Seabee" vessel delivered. It is a huge barge-carrying ship. I think that ship will be successful.

We are trying to build up the tanker and bulker elements of our business.

I am sanguine about the prospects in the future of these ships making money.

But we do have some ships in trouble. And let me say part of the problem is the overtonnaging that exists in some of our trades.

The Maritime Administration has an interest in maintaining the type of rate stability and the integrity of the tariffs that are filed at a sister agency, and we have an interest in those cases, and we are going to appear in those cases to protect that public interest as we see it.

There is no use spending Government money on a significant amount of shipbuilding, providing operating-differential subsidy, and putting these carriers out so they have to fight like cats and dogs over the scraps of a freight market where you simply can't make a living.

I am not suggesting monopolistic pricing. I am suggesting pricing that is fair to the shippers and fair to the exporters but also assures the carriers participating in those trades a reasonable return on their investment.

Senator HOLLINGS. Does the Maritime Administration, Mr. Blackwell, have a coordinated, comprehensive program both by way of construction and by way of routes to be traveled and the cargo to be carried?

Mr. BLACKWELL. Yes; we do.

Senator HOLLINGS. So we know where we are headed?

Mr. BLACKWELL. Yes; we do.

Senator HOLLINGS. You do? Look at the record with Helen Delich Bentley. She is Chairman of the Maritime Commission.

Mr. BLACKWELL. I know her well.

Senator HOLLINGS. She testified before the Appropriations Committee that she was given a call by her counterpart from Japan. They, in Japan, know on increments of every 5 years just exactly what is being constructed, what it is to carry, not only the type of cargo but particular trade routes and everything else, so they know here today, in 1972, there won't be an overconstruction of container vessels or there will not be an overconstruction of LASH-type vessels or otherwise.

She said in our country nobody knows who is building what, that they are overbuilding on some lines, not enough building on others, that there is no coordination, there is no dialog or communication whatever, and that the whole thing has broken down.

I wish you would look at that record. She differs with you very sharply.

Mr. BLACKWELL. I will; I would simply say that before the present administration bought off on the program that became the Merchant Marine Act of 1970, and before Congress, both Houses, passed that legislation with just two dissenting votes, there was a total rationale, justification, economic projection about the size of the fleet, and the type of ships we would be building.

Senator HOLLINGS. We talked about 30 ships, wasn't it, for 10 years, or 300 vessels?

Mr. BLACKWELL. Yes.

Senator HOLLINGS. Absolutely false. They told me instead of 300 or thereabouts it is going to be around 60 or 70. It is going to be much greater increased tonnage than what we thought in the beginning. I don't think that is bad or good. That doesn't disturb me.

Mr. BLACKWELL. We had this little dialogue between us at the authorization hearings, Senator. What I am saying is we did have a game plan. To a large extent we can continue to adhere to that game plan. But many things have changed.

The energy crisis has changed a good many things. Our need for tankers has changed a good many things. I am not suggesting——

Senator HOLLINGS. What is the Maritime Administration doing about the energy crisis and the need for liquefied gas tanker carriers?

Mr. BLACKWELL. We have been talking with at least four companies who are interested in building LNG tankers in this country. I think there is some possibility of asking for additional funds so that we can build at least nine of these ships in the next fiscal year. I am very hopeful, and there is reason to be hopeful, and I think the record before our agency will support a degree of optimism, that within 6 months we will be building the first LNG tankers in this country.

Senator HOLLINGS. How many vessels do you contemplate being constructed under the Maritime Act of 1970?

Mr. BLACKWELL. In what range of time, sir?

Senator HOLLINGS. During a 10-year period.

Mr. BLACKWELL. I would say during a 10-year period we will be roughly building the modern ship equivalents that we contemplated when we sent the act up.

Senator HOLLINGS. 300 vessels you think?

Mr. BLACKWELL. I think we will be building the modern ship equivalents of 300 vessels, but let me say——

Senator HOLLINGS. How many ships? Not the equivalents. You're a good legal witness. Get to the fact. They said 300 in 10 years. Are you going to say "300 in 10 years" or are you going to say "equivalents"?

Mr. BLACKWELL. I am incapable of giving you a specific response to that. I can assure you that within a reasonable amount of time—I am talking in a week or so—we can give you at least our current projections, and that is really the best we can do, about the type of ships that we will be building in the years ahead.

The ballgame is changing very rapidly, Senator. We have a critical question about what the size of our imports of crude oil is going to be. You can get guesses all over the place. Someone has to make a determination. Even after that determination is made, you have the critical problem of what the Government, what the Federal establishment is going to do in terms of the domestic energy program.

That obviously impacts on your import requirements. We can't get a fix on that.

You have the question after that: Once that has been established, what portion of that, if any, should come in on U.S. ships?

These are all critical questions to be confronted and decided before I could give you an answer.

Senator HOLLINGS. Do you favor the bill that says 50 percent of the oil imported should be carried in American bottoms? Are you familiar with that?

Mr. BLACKWELL. Yes; I am.

Senator HOLLINGS. What is your position?

Mr. BLACKWELL. The administration has spoken on that bill, and my position is precisely that indicated in the letter to Congressman Garmatz and Senator Magnuson.

Senator HOLLINGS. I am not familiar with that letter. Will you tell me what that is?

Mr. BLACKWELL. We in that letter—that is, the administration—indicated that the most appropriate vehicle for building up the U.S. tanker fleet was with the Government-assisted programs currently existing in the Merchant Marine Act of 1970 and we did not favor at this time, or perhaps at any time, a reservation of cargo for U.S. ships.

Senator HOLLINGS. Therefore, you oppose the bill?

Mr. BLACKWELL. That is right. The administration opposes the bill.

Senator HOLLINGS. Do you oppose the bill?

Mr. BLACKWELL. I am part of this administration.

Senator HOLLINGS. You sound like you have got a personal reservation. I am part of the Government. Senator Beall is part——

Senator BEALL. It is my administration, also, and I cosponsored that amendment, so we differ. I will not pursue it. I have had some discussions with some people about the legislation.

I do think that one of the ways we can remain in business in the maritime industry is by providing in some instances, such as in the importation of oil, that we do require the shipment of oil to be consumed in this country in American bottoms. I don't see anything wrong with that.

I think for business purposes and for security purposes it makes sense, and that is one of the reasons why Senator Spong and I introduced the amendment, which, of course, we pursued. We would like to have you with us, but we hope maybe you will change your mind as time goes on.

But I won't pursue the matter any further today. I have no further questions. Do you have anything further?

Senator HOLLINGS. No; thank you a lot, Mr. Blackwell. I am not trying to be antagonistic. I just don't see, frankly, a comprehensive maritime policy in this Government. Many of your colleagues don't see it. I don't know where we are going to get it except with the Maritime Administrator. And then they always come up with all these problems. Every time we have another hearing we find ourselves losing more business.

I favor your nomination. I will vote to support you. But I just want you to know of our concern about this thing, because I think it has just gotten custodial care, and they move on to another one, and they keep going out of business.

Mr. BLACKWELL. I think we have a program. If we don't have one, I will get one up. Let me say this.

Senator HOLLINGS. All right. You get one up. And then Mrs. Bentley—she is a part of the administration. I am glad I injected it. I want to stir you up. You both come on up here and give me a program that I can vote for. She doesn't think you have one.

Mr. BLACKWELL. It will hopefully be part of my responsibility to determine how many liquefied natural gas carriers we will be building in the United States not only under the President's program but hopefully for export. Two years ago very few people, including myself, ever heard of a natural gas carrier. And this is the type of thing that impacts on a long-range program.

Senator HOLLINGS. I understand.

Mr. BEALL. Thank you, Mr. Blackwell.

(The biographical sketch follows:)

BIOGRAPHICAL SKETCH OF ROBERT J. BLACKWELL

Secretary of Commerce Maurice H. Stans appointed Robert J. Blackwell to the position of Deputy Maritime Administrator of the Maritime Administration, U.S. Department of Commerce, on May 5, 1969. On March 5, 1971, Mr. Blackwell was named the Deputy Assistant Secretary of Commerce for Maritime Affairs.

Mr. Blackwell came to the Maritime Administration from the Department of Transportation, where he was Director of the Office of Facilitation. In that position he directed the program which seeks elimination of impediments to movement of people and goods by all means of transport.

From 1962 to 1967, Mr. Blackwell was employed by the Federal Maritime Commission, the regulatory agency for merchant shipping, as Director of the Bureau of Compliance, and before that as Director of the Bureau of Administrative Proceedings. From 1954 to 1962 he served as a trial attorney with the former Federal Maritime Board, the regulatory functions of which were transferred to the Federal Maritime Commission when it was created as an independent agency in 1962.

Mr. Blackwell was born in Brooklyn, New York, on February 26, 1925. He served in the Navy from 1943 to 1946. He received his B.A. from Syracuse University in 1950 and an LLB from the Harvard Law School in 1954. He was admitted to the New York State Bar in 1954.

Mr. Blackwell and his wife, the former Mary Ann Ryan of Boston, Massachusetts, have two children: Robert Jr., 16, and Jeanne Marina, 14. Their home is in McLean, Virginia.

MARITIME TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 28, 1972.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: We of the AFL–CIO Martime Trades Department are well pleased that President Nixon has seen fit to nominate Robert J. Blackwell to be Assistant Secretary of Commerce for Maritime Affairs. And we hope that the Senate will speedily confirm him in office.

Having worked together over the past several years, we have come to know his keen interest in the American merchant marine and we have full confidence that he is well qualified to assume the reins of the Maritime Administration.

The nomination reassures us that the Maritime Administration will continue to be a vital, effective force for development of a stronger merchant fleet and will continue its present efforts to keep harmony among the various elements of the industry.

We are aware of the strong role he played in strengthening the Maritime Administration and in carrying out its many new and innovative programs, and all of us in the industry are grateful for his work.

We look forward to a long and cordial relationship with him in his new position.

Very truly yours,

PAUL HALL, *President.*

(Whereupon, at 3 p.m., the committee adjourned, subject to the call of the chairman.)

NOMINATION OF HON. ANDREW E. GIBSON TO BE ASSISTANT SECRETARY OF COMMERCE FOR DOMESTIC AND INTERNATIONAL BUSINESS

THURSDAY, JUNE 29, 1972

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met at 2:20 p.m. in room 5110, New Senate Office Building, Hon. Ernest F. Hollings, presiding.

Present: Senators Hollings and Cotton.

Senator HOLLINGS. The committee will please come to order. Today we will take up the nomination of Andrew E. Gibson to be the Assistant Secretary of Commerce for Domestic and International Business.

Mr. Gibson is well known to the committee in his capacity as Assistant Secretary of Commerce for Maritime Affairs and Maritime Administrator since 1969.

The biographical statement submitted by Mr. Gibson will be inserted in the record at this point.

(The biography follows:)

BIOGRAPHICAL SKETCH OF ANDREW E. GIBSON

Andrew E. Gibson was appointed Assistant Secretary of Commerce for Maritime Affairs by President Nixon on October 21, 1970. He was confirmed by the Senate on December 8 and sworn in by Secretary of Commerce Maurice H. Stans on December 21. For the 19 months prior to his being named to the new post, he served as Maritime Administrator in the Department of Commerce.

Announcement of the appointment was made during the ceremony in which the President signed into law the Merchant Marine Act of 1970, which embodies his new maritime program and created the new assistant secretaryship.

Mr. Gibson was affiliated for many years with Grace Line, Inc., advancing from Assistant to the Treasurer to become Senior Vice President of Operations in 1965. During the intervening years with Grace Line, he held posts as Cargo Manager, Terminal Manager, Assistant Vice President, and Vice President of Terminal Operations.

Immediately prior to his affiliation with Grace Line, he served for two years, 1951–1953, as a lieutenant in the U.S. Navy, assigned as Assistant Controller-Budget, in the Military Sea Transportation Service.

Born in New York City on February 19, 1922, Mr. Gibson was educated in Boston, Mass., public schools. He graduated from the Massachusetts Maritime Academy in 1942, and three years later, at 22, became one of the youngest merchant ship captains in recent maritime history by receiving command of a United States Lines freighter. He attended Brown University from 1948 through 1951 and received a B.A., graduating cum laude. A Master's degree in Business Administration was granted by New York University in 1959.

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Mr. Gibson has been Vice President of the New York Shipping Association, a Member of the Advisory Board of the U.S. Merchant Marine Academy, a Governor of the Propeller Club of New York, and a Director of the National Cargo Bureau.

Mr. Gibson and his wife, the former Jane Louise Mork, of Newton, Mass., have five children: Janet P., 24; Andrew K., 20; John S., 17; Alexander S., 13 and Ann C., 9. They currently reside in Rockville, Maryland.

Senator HOLLINGS. Pursuant to the committee's normal practice, the financial statement submitted will not appear in the record but will be retained in the committee's files available for public inspection.

We welcome you back to the committee, Mr. Gibson.

Do you have any prepared statement?

STATEMENT OF ANDREW E. GIBSON

Mr. GIBSON. No, Mr. Chairman, I haven't.

Senator HOLLINGS. I would yield then to our senior member, Senator Cotton.

Senator COTTON. Well, Mr. Chairman, I don't want to go ahead of you.

Senator HOLLINGS. Go right ahead.

Senator COTTON. Mr. Gibson, have you filed, in accordance with our custom, a letter to the Chairman of the Committee setting forth your financial holdings?

Mr. GIBSON. Yes, sir; I have.

Senator COTTON. As the presiding chairman has noted, that will go into the records of the committee, not into this transcript, but will be available for inspection. However, for purposes of this hearing record, are you aware of any securities, investments, stocks, bonds, or interest in any corporation or in any business, which you now hold that might constitute a conflict of interest with your duties in the position to which you have been nominated?

Mr. GIBSON. No, sir.

Senator COTTON. Now, I don't mean to grab the ball away from the distinguished chairman, but I think both sides of this committee are deeply interested in your nomination since you are to deal with domestic and international business. In fact, one reason that we are trying to move expeditiously on your nomination to get you confirmed is owing to the fact that we understand the Secretary needs you for participation in certain negotiations that shortly will be undertaken.

Is that correct?

Mr. GIBSON. Yes, sir, it is.

Senator COTTON. Well, this committee has a profound interest in the people who are or will be conducting negotiations affecting our foreign trade and our business relations with other countries.

As far as I am concerned, I want to make my position very clear to you. My own position has been consistent over a period of several years. I have been part of many floor debates on the subject of trade. I have offered amendments twice on tax bills to give the President clear authority to act on such matters, and the amendments have passed the Senate only to be dropped in the House.

I consider myself a believer in free, unobstructed, and unhampered international trade, so long as it is a "two-way street." I am perfectly willing that there should be no particular exceptional or special protection for American industry because of a higher standard of living

and higher wages. I think, if we can't with all our ingenuity, take the skill that we have always believed we had in this country, then we ought to be ready to meet foreign competition on a fair basis and hold our own. But, I think we should have that opportunity to meet it on a fair basis.

The amendment that I introduced in the Senate, fought for, and got passed, but couldn't get through the House is in my opinion an honest-to-God free trade amendment. It simply provided that the President was authorized—not compelled, but authorized—if he found that any other country had barriers against the importation of American goods—whether those barriers were tariffs, import duties, import licenses, or any of the other expedients—then we should place restrictions on their exports to us until they removed such trade barriers. And, that when they took them off the President must—not could; but must—remove our own counterbarriers.

Twice the Senate by a better than 2-to-1 vote has adopted that amendment.

As I said during those earlier Senate debates, our textile industry, all except a small bit of the woolens, and some of the manmade fibers, have gone out of business. There is nothing we can do to bring them back.

Now, we are losing our shoe industry. We have lost seven factories in the past, I think, 9 months. In the last year I think we have lost, or had nearly 15 go out of business. Meanwhile, we are being flooded with foreign imports of shoes.

Electronics has started to go the same way.

Mr. Chairman, you should be gratified to know that the first real resounding note that I have heard in a long time from a representative of the American Government, concerning giving our industry a "fair shake," happened to be from a Democrat—Secretary Connally. When he went over to Europe and he told them that we wanted free trade to be a "two-way street."

I therefore am deeply concerned about anyone, such as yourself, Mr. Gibson, who is going into a position where there is at least some discretion in the matter of dealing with exports and imports. For this reason, I am interested in learning of your own philosophy in this regard.

With that long speech, I now ask, what is your philosophy on our foreign trade?

Mr. GIBSON. I think I might best answer that, that the philosophy of the man who initially asked me to take this job, Secretary Peterson, is well known to this committee.

Senator COTTON. Excuse me, Mr. Gibson, but would you please pull the microphone closer to you so we all may hear your response clearly, and then please start again? Also, since I have the opportunity, I wish to note that Senator Hollings was a cosponsor of my amendment to which I referred earlier. Now, please proceed.

Mr. GIBSON. I would try to answer that by saying that the philosophy of the man who asked me to take this job, Secretary Peterson, is well known to this committee.

Secretary Peterson, I think, not only recognized our trade problems, but effectively enunciated them in a way where today I think you very well put it: You are finding a more vigorous voice in the

administration in a number of areas, to insist that the trade relations with this country become fairer, because manifestly they have not been.

One of my predecessors, the first in this administration, I recall making the most eloquent talk that our balance of payments was in serious trouble some 3 years ago, with little notice being taken of it. That is not true today.

The Secretary and I would, if confirmed, do everything we could to take a most vigorous role in promoting the exports of this country, insuring that American goods do get fair treatment; we can participate more actively in the international organizations to the extent possible, and we have, I believe, considerable other resources in this area, to insure better treatment.

The trade balance is such that if we ever could be casual about it, we certainly no longer can.

Senator COTTON. Well, I appreciate your statement. I have great respect for Secretary Peterson.

When you tell me you are going to make use of international organizations, of course, we recognize they can be helpful. But, I have attended sessions of GATT twice. I therefore have seen some of the workings of these international organizations, and I would hate to be hanging by my feet waiting for any relief from them! [Laughter]

I suspect that one reason the Secretary is anxious to see you confirmed soon is due to upcoming negotiations with certain countries.

As far as I am concerned, I am not going to ask you any questions in that area. I feel that is a new field, and I don't want to muddy up the waters or throw any roadblocks in the path of the President, the administration, the Secretary, or anybody else, in dealing with what may be a very delicate situation.

My questions therefore are confined to our long-established trade relations with the various countries.

Now, I understand that you must have loyalty to the administration. I also have some loyalty to it. Thus, I understand that you must, of course, be loyal to the Secretary of Commerce. You must work on the team.

But, I still am not quite satisfied with your answer. I have found through nearly 15 years—and I think the distinguished chairman will agree with me—that I have been on this committee, we have marched up and down this hill many times. There is a difference between an official in the Department of Commerce, or the State Department—and I have one man in mind that we confirmed after long, long consideration—as to whether that man's chief interest at heart is to sacrifice trade positions, and promote international relations, so that he has to be dragged—kicking and screaming—to do a job in defending American industry; and on the other hand, the man who at heart feels that the time has come to stand up and fight for American industry so long as we fight fairly and do not seek undue advantage.

We will assume that you are going to conform to the policy of your Secretary and of your President. But what I think the committee is entitled to know is how you feel deep down in your heart about this problem.

Now, can you give us a reply to that "straight from the shoulder?"

Mr. GIBSON. Yes; I can. You asked me about how I feel about fighting to get American industry fair treatment, and I would say I would give you that as a total commitment; and it is my strong belief that my position would be completely consistent with both the Secretary and the administration.

I have no role to play here in international relations.

I think this job is quite clear. It is to promote the business relations internationally and domestically to the ultimate benefit of the workingman and the Nation.

Senator COTTON. And, do you feel strongly impelled not to seek protection in the sense of a protective tariff, but rather to seek fair play? In other words; are you strongly impelled to see to it that other nations don't put up barriers and then use us as a dumping ground, taking jobs away from us?

Mr. GIBSON. Yes, I do.

I might give one specific example of that.

Shortly after I became Maritime Administrator, Brazil set up a whole set of regulations that almost overnight drove American shipping out of that trade. I headed a small delegation to Rio. We set down a set of terms and conditions that we considered fair. There was an immediate change. It took 2 years, unfortunately, to hammer that out. That agreement was finally signed yesterday. But as a result of it, and long before the agreement was signed, American shipping interests had returned to a place where they were getting a fair share of the trade in that particular instance.

I can say honestly that there was no opposition in the Administration to what amounted to a fairly heavy-handed approach to bring that around. We did. And I have taken that position consistently in the 3½ years I have been in Government.

Senator COTTON. I do not want to take too much time. But, to me there is a distinction between confirming officials of the Department of Commerce and those of the Department of State.

Perhaps, there ought not to be.

I am one member of this committee who is trying to separate our commercial attachés from the Department of State and put them back where they used to be: under the Department of Commerce.

I can understand the position of the people down at the State Department. Their prime objective is—and I think perhaps should be—one of trying to improve our foreign relations, which is put first, and then, second, the protection of our people and our own jobs.

But, I have never been able to forgive anybody in the Department of Commerce who took that position.I just wanted you, Mr. Gibson, to know how strongly I feel about this, and I believe others share my feeling.

Now, let me conclude by pointing out to you that when Dr. Passer was before this committee, although he is a very fine man, I questioned him, too, about this subject. I was not entirely satisfied with his answers. I said the following to him, and I say it to you now:

> I am not going to sit around much longer.
>
> The late Sir Winston Churchill once observed that he wasn't elected to preside over the liquidation of the British Empire. Neither did my people elect me to preside over the liquidation of our textile industry, our shoe industry, and our electronics industry. Those three industries compose a substantial portion of the jobs in the State that I represent.

All of them seem to be on the way out. And, I appeal to you, although we realize that you will not be formulating the President's or the Secretary's policy, but insofar as your influence down in Commerce is concerned when you participate in conferences, I hope that your first objective will be a just and a fair shake for American industry.

I thank you, Mr. Chairman.

Senator HOLLINGS. Thank you, Senator Cotton.

Mr. Gibson, the negotiations are now imminent. I, like Senator Cotton am not interested in the detail other than when do they commence? Are you already briefed and ready to go on a trip?

Mr. GIBSON. We are in the process of getting briefed. We are developing a great deal of data prior to the trip. It will begin in mid-July.

Senator HOLLINGS. In mid-July?

Mr. GIBSON. Yes, sir.

Senator HOLLINGS. All right, sir. Now, your background—have you had any experience or particular capability in foreign trade?

Mr. GIBSON. I have done a great deal of negotiations. As to your first question, dealing with the Soviets, I have had six negotiating sessions with them since November of last year.

Senator HOLLINGS. What was negotiated?

Mr. GIBSON. This was a maritime agreement.

Senator HOLLINGS. That was a successful negotiation?

Mr. GIBSON. It will be.

Senator HOLLINGS. And that is imminent then, to be agreed upon, is that what you are saying?

Mr. GIBSON. I believe so; yes, sir.

Senator HOLLINGS. The next 2 or 3 months?

Mr. GIBSON. Yes, sir.

Senator HOLLINGS. And other than that, have you had any other experience?

Mr. GIBSON. No, sir.

Senator HOLLINGS. On the score of the appointment, itself, you said Secretary Peterson asked you. Did you discuss your appointment with any other participants in the administration, particularly Mr. Flanigan?

Did you discuss your appointment with him, or have any contact with him?

Mr. GIBSON. I have had contact, from time to time, with Mr. Flanigan. There was no specific discussion.

Senator HOLLINGS. Not about this job?

Mr. GIBSON. Not specifically. I am sure it has been mentioned in the last month.

Senator HOLLINGS. How about Mr. Donald Kendall?

Mr. GIBSON. No, sir.

Senator HOLLINGS. Are you familiar with the Economic Council on American Trade? ECAT, they call it?

Mr. GIBSON. Just in the most general terms.

Senator HOLLINGS. You have had no relationship with it whatsoever?

Mr. GIBSON. No, sir; I have not.

Senator HOLLINGS. See, the reason we asked is we found that, necessarily, Commerce does not regulate the trade itself. Secretary Stans took 38 trips, but they used some White House answers to get the

agreement after the poor Secretary had traveled almost to the point of ulcers.

They did not even let the Secretary firm up that agreement, and they called us all in with Mr. Urich and said, "Look what he has done."

And so, while we were trying our best to find out how to bring about some action by the administration, on behalf of President Nixon's commitment on textiles, we were led up the road with Mr. Peter Flanigan, and he handled it for several months, maybe over a year and a half, and we found that was like delivering lettuce by way of a rabbit.

Because he was in with the ECAT group and the multinational corporation. And that really bothers me. Have you got any affiliation, connection, or particular sympathy with the multinational crowd that is sending all these jobs overseas?

Mr. GIBSON. I have no connections whatsoever.

Senator HOLLINGS. You see, what they want to do is build up trade. When they talk about trade, they do not care where it comes from, how it happens.

They do not specifically care about the American jobs, so well as their investments grow abroad as well as here. They continue to advertise and bring about that particular growth.

Now, on the subject of textiles, are you familiar with the textile import agreements recently negotiated with Japan, Hong Kong, Taiwan, Korea?

Mr. GIBSON. Not the details of those agreements; no, sir.

Senator HOLLINGS. You are not familiar with that? Are you familiar, generally, with the multinational agreements made by the administration last year on the subject of manmade fibers and woolen textiles?

Mr. GIBSON. I am generally familiar with them. I have discussed this in some detail with Mr. Nehmer, who works for me and who has been actively and I think, effectively, engaged in carrying out the substance of those agreements.

Senator HOLLINGS. Do you support the concepts and purposes of those agreements?

Mr. GIBSON. Yes, sir; I do.

Senator HOLLINGS. Well, now, I believe Mr. Nehmer will be the first attestor to the fact that what you really need is a multinational agreement and approach in addition to the four-nation agreement that has been effectuated.

What has been done and what is being done—let us put it in the present tense—to bring about a multinational agreement that is comprehensive, as in the field of cotton?

For example, I think we have got 34 signatories to the cotton agreement, but only four to woolens and manmade fibers. Do you know?

Mr. GIBSON. Well, in equity to those countries with whom we have agreements, we are pursuing vigorously, through Ambassador Kennedy, similar agreements with the major textile exporting countries.

GATT announced, I believe, yesterday or the day before, the setting up of a committee to consider the whole international trade situation for all fibers.

We will be represented on that committee and intend to take a very substantial role to attempt to extend this agreement.

Senator HOLLINGS. Well, Mr. Gibson, just like I, in a sense played catch-up football to where Senator Cotton was when I came to the Senate. I have been working at a State level. The fact that GATT just announced this week, to have a committee appointed to study is almost fanciful.

We have been into this thing with GATT for about 15 years to my personal acquaintanceship, even under the Eisenhower administration.

Their authorization is that they hope to come back by September with this study committee, and then go to the GATT council in October, and then they get the contracting parties by the end of the year——

Senator COTTON. What year?

Senator HOLLINGS. End of this year, they hope.

This is what they say. Of course, the European Economic Community is driving for no further action until, let us say, the latter part of 1973, and if they have the slightest bit of success, it would not get in until 1974.

Now, with that in mind, let us look at the trade deficit here, for the entire Nation. It was $2.9 billion last year—the first 5 months. By your Department of Commerce figures, it is already at the level of $2.5 billion.

The textile trade deficit alone represents $2.3 billion in last year's figures. So, you can see when you are talking about moving vigorously with Ambassador Kennedy, and then talking in terms of latter 1973, and maybe early 1974, we might not be around to talk to each other, we will be gone.

Because the industry itself will be gone.

Is there anything that you can conceive of that would bring about swifter action on the part of the administration, and particularly your office?

Mr. GIBSON. Well, you know, I realize how weak it sounds when you talk about meetings and monitoring situations. I have been in Government just long enough to know that is almost synonymous with doing nothing.

I think in this instance, we are monitoring very closely the textile imports of those countries with whom we do not have trade agreements. The President does have the authority to take unilateral action, and where we think appropriate, we would not hesitate to recommend it.

Senator HOLLINGS. Would you recommend for unilateral action, and press for it?

Mr. GIBSON. Where we believe the situation warranted, yes, sir.

Senator HOLLINGS. And I do not want to press you, because you said you have not completely familiarized yourself with the textile problems, but let me give you a few facts, and figures and see if you would recommend, and I think the only fair answer you can give just coming to the job is that you would look into it and study it, and have an answer, perhaps, before the end of this Congress.

Specifically having obtained that agreement with Japan, Hong Kong, Taiwan, and Korea, now the Japanese have gone elsewhere—New Brazil, Mexico, into the Philippines.

Their largest overseas investment is in textile, exceeding some $168 million. The fact is it exceeds over $25 million since these agreements were first started into, in October. It is like damming half a river. Once

we got them on cottons in 1961, then they immediately went to man-made fibers and woolens. Now that we get what we think is a bilateral agreement on this score between Japan, then they run to these other countries, and in addition to that; imports from the Philippines have gone up 45 percent in the first 4 months of 1972 compared to the same period for 1971.

They have gone up 54 percent from Italy; 110 percent from Spain. We will give you a copy of this record.

From Singapore, they have gone up 27 percent; Costa Rica, 60 percent; Macao, Hong Kong; some 900 percent.

These are the things that Senator Cotton and Senator Hollings are having to watch, and we see it when we get it back home, and the fellow is unemployed. When you talk about GATT and look at Geneva, and we finally agreed after 15 years to study it, the voter will run you out of town, when you give him that sort of stuff. I mean, he is broke!

Now, Mr. Gibson, are you familiar with section 204 of the Agriculture Act of 1956? It's to be found in section 1854 of title 7, United States Code.

Mr. GIBSON. No, sir.

Senator HOLLINGS. I do not know what you are going to do here in the middle of July. You have got to come to grips with the real tools.

You see, if we have multilateral agreements covering a significant portion of the trade, then the United States can unilaterally extend these restrictions to nations that are not signatories.

We have got the agreement with Hong Kong, Taiwan, and Korea, and if we threaten, under section 204, and make one move, we have cut out 50 of those trips you are going to make, and seven of those study committees, and either of those council meetings, and everything else.

When President Kennedy came into office, he moved in immediately and when he moved he set down his policy by June. At the end of June, they had a short-term arrangement with Japan. They said they could never agree under the Eisenhower administration, but they got them to agree.

And the following year they had an agreement that was the long-term arrangement in cottons.

Now, once President Nixon painted himself in the corner with a 10-percent surcharge and realized he could not take that off without meeting himself coming around the corner, then in October of last year, he even threatened Trading-With-The-Enemy Act provisions to Japan, and they got a little man named Urich who they never heard of before who got the agreement.

They had Ambassador Kennedy, Secretary Stans; they had Peter Flanigan. Which direction he was going in, I do not know. They had a special trade representative, Ambassador Rank. They had our counterpart. Nobody was doing anything about trade, or getting anything done.

But since the President made it known that he meant business we got it. And it was only with you in your capacity familiarizing yourself with the tools, like section 204, and I am pressing it upon the administration; that is the only way they are going to agree. Because they are like any other business people. You cannot blame the Japanese.

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Like Pogo said, "We have met the enemy and it is us." Business is business. Such as they are going to get, they are going to get, and we are losing our shirts. And this is what bothers me about the appointment, because there is an important factor; there is an important tool; there is an important consideration; and if you are about to launch out in 2 weeks and have not even become familiar with these things, these fellows are sharp traders.

Mr. GIBSON. Mr. Chairman, I was not familiar with what you are talking about by that term of reference. I am quite familiar, I believe, that we have considerable tools, and I believe I mentioned that—where we can take unilateral action against these nations that are not signatories—we are watching and monitoring very closely the textile trade with Mexico, with the Philippines, with Brazil, Singapore, Spain, and Italy, and with the intention of just doing exactly that. I have no hesitation to recommend the use of the strongest tools we have to correct the situation that needs correcting.

I quite agree with you. I cannot quote Pogo, but Mr. Durocher has got something quotable on where nice guys finish. This is a very difficult world we are living in today. The kind of compassion we could show in 1948 and 1950 is long gone. We are no longer the big brother to all these people.

I believe very strongly that we have to compete—and compete on the most vigorous terms—because our competition has no hesitation to use every bit of power that they have.

Senator HOLLINGS. Do you believe that the textile industry is necessary to our national security?

Mr. GIBSON. Yes; I do.

Senator HOLLINGS. Well, I hope you will understand the questioning in the sense that we only ask it from past experience. I brought a watch company to South Carolina; Elgin has gone out of business in South Carolina; but not in the world. They just do not make them anymore in the United States. They make them overseas.

The same thing has occurred in radios, electronics. Businesses just leave completely. Textiles are about to leave. Shoes are on the way out almost completely.

As we see these things, we keep hearing ECAT, and that crowd running advertisements in the Washington Post and the New York Times how peaceful it is in the country, and we are lost in the jungle. You know what I mean. Economically we are gone, but they are talking about "free trade, free trade," and the jobs are going offshore.

And Mr. Flanigan was part of that. Mr. Kendall leads it in the White House. He sometimes seems to have even more influence than Senator Cotton. We see these influences; we have been fighting, and we did not want you part and parcel of that group, and wanted you to be aware of it.

That is a tough crowd—that is a tough crowd. President Nixon gave his word, and I think he is an honorable man, but he has only got so many things he can turn his attention to. When he made his announcement, using the White House announcement—I am not using Hollings' figures—his announcement made since he took office, and I am quoting: "Over 100,000 jobs have been lost to this industry during this period." That was a period of 2½ years. "Over 700 textile firms have either threatened Trading-With-The-Enemy Act, section 204, or any of

these other things, we would have gotten an agreement in 3 months' time."

That is the kind of thing we are talking about.

Please familiarize yourself, Mr. Gibson, with those particular items, because the committee will want to hear probably later this year after you have had an opportunity if you could come forward and give some recommendations.

Maybe we do not have enough laws; we think we do; the administration says so. I cosponsored Senator Cotton's amendment. We passed another amendment, which is two in the past 4 years.

They blocked it over on the House side with the leadership of the administration.

What relationship will you have, sir, with this new Council on International and Economic Policy? I am trying to find who you deal with up in the Council, headed up by Mr. Flanigan?

Mr. GIBSON. We are represented on all of the subcommittees, I suspect, when we go to the Soviet Union, we will be actively involved in a number of those committees, in the whole review going on within that Council of our export policies, and I intend to fully participate in them.

Senator HOLLINGS. Who would make the agreement? What is the mechanics, really, of it? Does Ambassador Kennedy handle it; does the Secretary handle it; do you handle it; or does the Council on Economic Policy handle it? Or where do you fit in as you see it?

Mr. GIBSON. The Council is responsible for pulling together the input from throughout the administration, Treasury, Commerce, special trade representative, to formulate an administration position.

This is a White House agency of the administration, and we advise, support and participate in that decisionmaking process. The Council—Secretary Peterson is a member of that Council—is charged with recommending to the President what the policy in this area should be.

Senator HOLLINGS. What about the administration of the agreement? You mentioned Mr. Stanley Nehmer who administers the agreement for Commerce. Do you find his administration satisfactory?

Mr. GIBSON. Yes, sir; I do.

Senator HOLLINGS. Do you have any misgivings whatsoever with his four-man advisory committee that works with him?

Mr. GIBSON. I have no opinion.

Senator HOLLINGS. No opinion?

Mr. GIBSON. No, sir.

Senator HOLLINGS. Well, we feel, generally speaking, that he works well, and they have got to get 3 our of the 4 votes to overrule him, and I just wondered whether you had any idea of displacing those votes?

Mr. GIBSON. No, sir; I have not.

Senator HOLLINGS. He has been in this thing for years-on-end. If they leave him alone I think he can administer it. But I wonder whether or not Mr. Flanigan would like to displace some of them.

You have not heard anything about that?

Mr. GIBSON. I have had no indication of that at all.

Senator HOLLINGS. Will you let the Congress know if they start shuffling those committee members around?

I would appreciate it.

Senator COTTON. They say that silence gives consent. But with all due respect to my good friend, the chairman, although we are thoroughly in agreement on trade policies, I must disagree with him on his analysis of Peter Flanigan.

I believe it was Ruskin, the English philosopher, who once remarked, "I hate that man." His friends said, "Do you know him?", to which Ruskin replied, "No, I do not know him. If I did, I probably wouldn't hate him."

I happen to know Peter Flanigan very well. I consider him a close personal friend. I can't help but believe that if my good friend, the Senator from South Carolina, knew him as well as I do, he would change his opinion.

Now, I have differed very sharply with Mr. Flanigan, particularly on oil imports to New England, as well as some other points.

But, I do not regard him as the terrible ogre down in the White House. I know him well, and I do not think Peter Flanigan is out to sell out American industry.

Also, so the record is clear, the amendment that the chairman and I jointly sponsor was opposed by the Commerce Department the first time we passed it; the second time, it did not oppose it.

But, it is my understanding it was thrown out in the House, not by this administration, but by the chairman of the Ways and Means Committee, who I do not regard as a member of this administration.

Forgive me, Mr. Chairman, but I just thought that those points should be clarified.

Senator HOLLINGS. Yes, sir.

Senator COTTON. Now, with the chairman's permission, I am going to put in the record an article from Business Week, June 24, entitled "A Tough Trader Faces the Soviets."

I think in justice to you, Mr. Gibson, this article should be in the record. It may not all be true, but, I like some of the things you are quoted as saying.

It starts in by quoting you as saying, "The Soviets are not out to please. They are out to get the best bloody deal they can, and they work at it."

Did you say that?

Mr. GIBSON. Yes, sir.

Senator COTTON. The article continues, stating:

> That is the crisp assessment of Andrew E. Gibson, named last week by President Nixon to the post of Assistant Secretary of Commerce for domestic and international business. In that job, he will play a key role in trade negotiations with the Soviets, which resume next month.
>
> Gibson's evaluation comes first-hand. As Assistant Secretary of Commerce for Maritime Affairs, he negotiated with the Russians to work out a shipping agreement between the two countries. Though still not officially signed, the agreement is now largely completed, and only minor details remain unresolved.
>
> His success in dealing with the Soviets on the shipping issue caught the eye of President Nixon and Commerce Secretary Peter G. Peterson. So impressed was Peterson that he personally asked Gibson to take on the nuts-and-bolts negotiations of the broader trade agreement when Harold B. Scott resigned recently. Peterson obviously retains over-all control of negotiations, but bargaining at the technical level will be coordinated by Gibson.
>
> Peterson makes clear Gibson's importance to upcoming bargaining. "I would expect Andy to be a principal factor in these sessions," he says. "He is an experienced person and negotiator and we need both."

Gibson will be going to Moscow about mid-July, although the exact date hasn't been set yet.

And I note further down on, the article states:

In his new assignment, Gibson acknowledges, "I have a lot of homework to do."

We therefore don't expect you to be here 15 minutes and have the answers to all the questions. We know that you are going into a new job, and that you should be guarded and careful about making any announcements in advance.

I ask unanimous consent to have this inserted in the record at this point, Mr. Chairman.

(The article follows:)

NAMES AND FACES

[Reprint from Business Week, June 24, 1972]

A TOUGH TRADER FACES THE SOVIETS

"The Soviets are not out to please. They are out to get the best bloody deal they can, and they work at it." That is the crisp assessment of Andrew E. Gibson, named last week by President Nixon to the post of Assistant Secretary of Commerce for domestic and international business. In that job, he will play a key role in trade negotiations with the Soviets, which resume next month.

Gibson's evaluation comes first-hand. As Assistant Secretary of Commerce for maritime affairs, he negotiated with the Russians to work out a shipping agreement between the two countries. Though still not officially signed, the agreement is now largely completed, and only minor details remain unresolved.

His success in dealing with the Soviets on the shipping issue caught the eye of President Nixon and Commerce Secretary Peter G. Peterson. So impressed was Peterson that he personally asked Gibson to take on the nuts-and-bolts negotiations of the broader trade agreement when Harold B. Scott resigned recently. Peterson obviously retains over-all control of negotiations, but bargaining at the technical level will be coordinated by Gibson.

Peterson makes clear Gibson's importance to upcoming bargaining. "I would expect Andy to be a principal factor in these sessions," he says. "He is an experienced person and negotiator and we need both."

Gibson will be going to Moscow about mid-July, although the exact date hasn't been set yet. He and Peterson will arrive together for the talks, but he says, "I may stay on longer."

The negotiations aim at reaching as broad a commercial agreement as possible with the Soviets to encourage the expansion of U.S.-Soviet trade and the creation of joint ventures to develop Soviet natural resources for the U.S. market on a large scale.

Issues

On the bargaining table will be such issues as Export-Import Bank credit to finance Soviet purchases in the U.S., settlement of Soviet Lend-Lease debts, nondiscriminatory access to the U.S. market for Soviet products, establishment of business facilities in both countries, arbitration machinery, orderly marketing understandings, and patent and copyright protection.

Lean and trim at 50, Gibson came to Washington in 1968 as head of the Maritime Administration, after serving as a vice-president for the Diebold Group and senior vice-president of operations for Grace Line, Inc. He was elevated in 1970 to Assistant Secretary of Commerce for maritime affairs when that post was created, but he also remained Maritime Administrator.

Gibson was the chief architect of the Merchant Marine Act of 1970, which authorized construction of 300 new merchant ships over a 10-year period. So far, however, that program has not reached its goal of building 30 new ships a year, because of a depressed shipping market that has made U.S. lines wary of investing in new tonnage. Shippers give him good marks, however, for working hard at his job.

In his new assignment, Gibson acknowledges, "I have a lot of homework to do." He draws an analogy between negotiating with the Soviets and bargaining with labor unions. Although U.S. government negotiators are subject to periodic turnover, as are corporate labor relations people, the Russians, like many unions, have the same negotiating teams year after year, which gives them an advantage. "The Soviet negotiators are experienced and well-seasoned," he says. "Most speak fluent English and have held their posts for many years. Working out the trade agreement is going to be rough, but I'm optimistic we will make it."

Senator COTTON. In justice to Mr. Gibson, I think it should appear in this hearing record.

As far as I am concerned, I like the way that you have responded, Mr. Gibson, both to me and to the Senator from South Carolina, who is extremely well versed and meticulous in his judgment on these matters.

Now, I am not going to bring up the soon-to-be-held negotiations in Russia, since at the beginning of this hearing I said I did not think we should muddy up those waters with any premature discussion.

Quite frankly, I was a bit frightened when Secretary Connally resigned, because I felt in him we had a champion for our cause. Similarly, when you assume your new duties in the Department, can I depend on you to really carry the flag for us?

Mr. GIBSON. To the best of my ability, sir.

Senator COTTON. And, can we expect some results this year, not some policy that is going to culminate in 1975?

Mr. GIBSON. Yes, sir.

Senator COTTON. That is all I want.

Senator HOLLINGS. I think Mr. Connally with 23 State Department attachés is still working with the cause, going around the country.

Let me ask one final line of thought. Obviously you are familiar with the Jones Act?

Mr. GIBSON. Yes, sir.

Senator HOLLINGS. And you are familiar with the sale, the waiver of it for the Sansinena and Barracuda?

Mr. GIBSON. Yes, sir.

Senator HOLLINGS. It was your office that refused to give a waiver, isn't that correct?

Mr. GIBSON. Yes, sir; we initially refused. It never got to that formal stage of refusing the waiver. They obtained a waiver from the Department of Transportation as I recall.

Senator HOLLINGS. But you wrote a letter refusing it.

Mr. GIBSON. Yes.

Senator HOLLINGS. That was about as formal as you could get.

Mr. GIBSON. We wrote that to Treasury saying they could not go ahead and give the waiver, that is correct.

Senator HOLLINGS. And you know Mr. Flanigan's connection there?

Mr. GIBSON. Yes, sir; I do.

Senator HOLLINGS. So you got to watch that fellow. We can't ever find him up here. We only get these tidbits to go on.

Now, specifically Senator Magnuson—Mr. Gibson—wanted this question asked: You may know there is an international exposition on the environment scheduled for Spokane, Wash., in 1974 in which the Commerce Department is very active. Since high technology environmental devices and know-how is an area in which we can be inter-

nationally competitive, do you think that your office should take an active role in this exposition?

Mr. GIBSON. Yes; it should.

Senator HOLLINGS. Are you familiar with that international exposition?

Mr. GIBSON. I know there is a trade fair scheduled for 1974 in Seattle. I am not familiar with the detailed planning.

Senator HOLLINGS. All right, sir.

I would like the record to show either way, we will find out the correct characterization of whether ECAT is the Economic Council for American Trade or the Emergency Committee on American Trade. I have been told both, and I want to correct it, whichever it is. I didn't mean to refer to it incorrectly. So we will have that inserted properly in the record.

Senator COTTON. As far as I am concerned, Mr. Gibson, I am satisfied with your nomination. I hope this committee will report your nomination favorably and promptly. As far as the rest of our hearing is concerned, Mr. Flanigan isn't before us for confirmation.

Senator HOLLINGS. I understand that the Foreign Relations Committee and the Congress finally might get such an opportunity. He may be coming up as chairman of this international council, and if we can get advise and consent powers on that council, then we might be able to ask him a few questions.

Every time we turn around, Mr. Flanigan seems to be on the scene. I know he has been into my textiles, because we couldn't get anything done there. We have just got to make sure that you are not influenced by such operations, Mr. Gibson.

Senator COTTON. As I have said, Mr. Chairman, I have a good deal of confidence in Peter Flanigan. All our opponents seem to be shooting darts at him, so maybe that is a healthy symptom. [Laughter.]

Let me conclude, Mr. Chairman, by saying that I do respect you greatly. We have worked together a long time and we will never be anything but personal friends.

Senator HOLLINGS. As you say, we will never be anything other than personal friends, and I have got the greatest respect for our distinguished Senator Cotton. I just only wish Mr. Flanigan had strength enough to appear before the Congress. Like Mr. Gibson has appeared. You don't say we are going to dislike this gentleman because he is strong.

Senator COTTON. No, I must say to my friend from South Carolina that there is a considerable difference. Mr. Gibson is up here to be examined by this committee and to be confirmed by the Senate as a part of our constitutional process, Mr. Flanigan, on the other hand, is assistant to the President of the United States, to whom he owes his loyalty to keep his confidence. If he didn't, he wouldn't be worth a damn.

Certainly my friend, the distinguished Senator from South Carolina, would, and should, raise vigorous objection if I or any other Senator tried to summon his administrative assistant to appear before the committee and testify as to what goes on in his office. In my opinion, the same holds true with respect to Mr. Flanigan in his role in the executive as assistant to the President of the United States. That's the only point I wish to make.

Mr. Gibson has to be here; and I am glad he is here. Now if you will go along with me with Gibson, we will agree to disagree on Mr. Flanigan.

How's that? [Laughter.]

Senator HOLLINGS. All right; we will do that.

Mr. Gibson, we appreciate very much your appearance here this afternoon. Thank you very much.

The hearing is closed.

(Whereupon, at 3:15 p.m., the hearing was closed.)

MARITIME TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 28, 1972.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: Throughout his tenure as Assistant Secretary of Commerce for Maritime Affairs, Andrew E. Gibson has brought to a leadership role in government a great knowledge of maritime affairs that has been extremely gratifying to the AFL–CIO Maritime Trades Department.

The skill which he brought to the Maritime Administration from his position in the industry has led to much accomplishment so far, and he leaves a strong legacy for the future.

His leadership in developing and securing passage of the Merchant Marine Act of 1970, his tireless and successful efforts to attract to government service, men capable of keeping the Maritime Administration effective and the warm and cordial attitude he and his associates have displayed toward all segments of the industry place us all in his debt.

Perhaps the greatest monument to his tenure will be the close unity forged between the disparate elements of the American maritime industry as evidenced by the dynamic National Maritime Council.

Because of his great contribution, I hope the Senate will quickly act to confirm his nomination to a new position in the Commerce Department, and that our association with him will continue to be warm and fruitful for many more years.

Sincerely,

PAUL HALL, *President.*

NOMINATION OF JOHN E. HIRTEN, TO BE ASSISTANT SECRETARY OF TRANSPORTATION

WEDNESDAY, AUGUST 2, 1972

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met at 10 a.m. in room 5110, New Senate Office Building, Hon. Vance Hartke presiding.

Present: Senators Hartke, Cotton, Stevens, and Weicker.

Senator HARTKE. Today we have before the committee the nomination of John Hirten to be Assistant Secretary of Transportation for our Environment and Urban Systems. He was previously the Deputy Assistant Secretary and has provided the committee with a financial statement and résumé which will become a part of the record for this committee.

(The résumé referred to follows:)

BIOGRAPHICAL SKETCH OF JOHN E. HIRTEN

Date of birth: November 2, 1925.

Education and special training: 1950, A.B., Public Administration, New Mexico State University; 1951, Graduate Studies Public Administration, George Washington University; 1956, Certificate in Planning Administration, University of Chicago; Distinguished Service Citation from the California Chapter, American Institute of Architects, 1963; and Past President, California Chapter, American Institute of Planners.

Experience: April 1971 to Present: Deputy Assistant Secretary for Environment and Urban Systems, U.S. Department of Transpotration; January 1969 to April 1971: Executive Vice President, San Diegans, Inc., San Diego, California; December 1959 to January 1969: Executive Director, San Francisco Planning and Urban Renewal, San Francisco, California; January 1958 to December 1959: Executive Director, Stockton Redevelopment Agency, Stockton, California; November 1955 to January 1958: Assistant Director for Urban Renewal, Little Rock Housing Authority, Little Rock, Arkansas; March 1955 to November 1955: Planner, Nassau County Planning Department, Mineola, L.I.; March 1952 to January 1955: Foreign Service Officer, Department of State, Washington, D.C., and Tehran, Iran; January 1951 to February 1952: Chief, Clerk, U.S. Senate Crime Investigating Committee; and September 1950 to January 1951: Clerk, U.S. Social Security Agency.

Senator HARTKE. If you have any statement, we would be glad to hear it, Mr. Hirten.

STATEMENT OF JOHN E. HIRTEN

Mr. HIRTEN. Thank you, Mr. Chairman.

I know you have a busy schedule, but I do have a very short statement.

I have sent a financial statement and resumé to the committee and will be happy to answer any questions concerning them.

Because the office that I represent has a larger range of activities than is usually known, I would like to make this brief statement.

As you know, I have for the past year served as Deputy Assistant Secretary of Transportation, and have been a practicing city planner for 15 years. I have, therefore, accepted this position with my eyes wide open, although I'm not sure whether it is because of the potential opportunities or the potential problems. Nonetheless, I do come to this new post with some rather definite ideas about the problems we face and the action necessary to solve them.

I am particularly pleased with the way environmental safeguards are being incorporated into our transportation planning. As Secretry Volpe has often said, environmental quality is a goal, not a constraint. As planners, we are becoming more and more sophisticated at detecting at an early stage the form of environmental degradation a particular transportation project might cause and also the most effective method to minimize or avoid that damage. This is not to say, of course, that more cannot be done in this area of environmental indicators and transportation decisionmaking institutions.

My office has other responsibilities, however, and I would like to focus for a moment on these less visible at the moment, but equally important, aspects of urban transportation. For too long we have considered each mode separately and independently. For too long there has been a highway system, a bus system, a rapid rail system, but hardly ever a total urban transportation system. This is the major challenge our cities will face over the next 10 years, and it is the area in which I hope to make my major contribution. If our cities are to survive, all the modes must be integrated into a single urban system. We must seek a finely tuned network where each mode is used in the most rational and efficient manner possible. Indeed, we must seek a synergistic system where each mode is stronger—that is, used to its peak efficiency—because of the existence of the other modes. The challenge our cities face is to mesh the modal alternatives into a flexible transportation system which meets the intricate criteria of delivering a total system with the greatest capacity, comfort, and safety for the most economic amount and with the least environmental damage.

Our office will also continue to develop effective transportation planning assistance to cities and metropolitan areas to achieve urban transportation solutions through proper planning techniques.

I look forward to working with the Congress and this committee and the staff to meet these challenges.

I will be happy to answer any questions you may have.

Senator HARTKE. Thank you, Mr. Hirten.

Let me ask you a question here concerning the financial aspect of the Multimode System, Inc.

Can you briefly give us an explanation of your circumstances involved with that outfit?

Mr. HIRTEN. About 10 years ago I became deeply interested in the multimodal aspects of transportation and worked with a group in developing some concepts. It was a voluntary effort without any financial investment and we did develop certain concepts under the aegis of a corporation called Multimode, Inc.

I have since divested myself of my holdings in the corporation. I have resigned as the vice president of the corporation and have returned my small number of shares to the corporation.

Senator HARTKE. So at this time there is no possibility of any conflict of interest whatsoever?

Mr. HIRTEN. No; none at all.

Senator HARTKE. All right.

Senator STEVENS. You had assets in the original partnership that held the patent?

Mr. HIRTEN. The partnership has not been executed and the patents remain the personal property of one of the partners. We had a verbal agreement concerning the partnership, but we have not executed the partnership.

I might add that there are no financial assets in the corporation. Most of the contributions have been made on a technical or professional basis.

Senator STEVENS. Thank you. I hadn't seen the letter of July 31.

Senator HARTKE. I would like to put in a letter from Senator John Tunney dated August 2, 1972, recommending speedy confirmation.

(The letter follows:)

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., August 2, 1972.

Hon. WARREN MAGNUSON,
Chairman, Commerce Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Mr. John F. Hirten, who appears today before your Committee for confirmation as Assistant Secretary of Transportation for Environment and Urban Systems, has my unqualified support. I remember his work in San Francisco and San Diego when he headed urban task forces in those cities in California. He is a recognized authority on urban affairs, and would be an outstanding addition to any administration.

He has been with the Department of Transportation for over a year, and I would urge your honorable Committee to give him speedy confirmation.

Sincerely,

JOHN V. TUNNEY,
U.S. Senator.

Senator HARTKE. The responsibilities of the Assistant Secretary of Environment and Urban Systems has not been very clearly delineated. I think it would be helpful in both aspects. I would hope that you could as soon as you are firmly seated in this spot provide for the committee what you envision as the responsibilities of this position. Could you just briefly outline it today?

Mr. HIRTEN. I would be most happy to do that, Senator.

I think, first of all, the statement I have submitted will give some indication of what I would call the three-pronged charge to my office. During the past year, while I served as Deputy Assistant Secretary we undertook a reorganization of the Office to better meet the charge that was originally given to us. That reorganization has now been completed and we are staffing accordingly.

The three basic charges are, as follows: First, to be the environmental review office in the Department and to observe any environmental impact caused by transportation projects where there is Federal involvement. This means we review all the environmental impact statements for transportation projects which require Federal assistance and recommend action on them.

Second, we are undertaking a new and important transportation planning assistance program by which we help cities in metropolitan areas organize and undertake the kinds of comprehensive and integrated intermodal transportation planning that we are all looking for. This is important if we are to achieve the kinds of transportation programs at the urban and metropolitan area which are necessary to do the job. This is a difficult task.

Our third function is in the area of urban transportation systems. We are working with our modal administrations to conceptualize, develop, and test policies and practices to bring about an integrated urban systems approach toward transportation, particularly in our metropolitan areas where our big problems are.

Senator HARTKE. How does it differ from the responsibilities of the Urban Mass Transportation Administration and Housing and Urban Development?

Mr. HIRTEN. First, the Urban Mass Transportation Administration is an operating agency: the arm of the Department which gives specific and direct assistance to the metropolitan areas and the cities in the form of capital grants, technical study grants, and R. & D.

We relate to them in terms of new policies, review of old policies and programs, and the areas where coordination between the modes is essential. In other words, we represent the bridge between the modes in terms of the policies and programs of the Department as they relate to the urban areas.

With respect to HUD, our office, and I, in particular, has the responsibility, to develop liaison with that Department and we have entered into preliminary agreements with Secretary Sam Jackson so that the question of planning criteria and approvals in metropolitan regional areas will be synchronized with both Departments knowing what the other is doing. In fact, we have an agreement that neither of us will take unilateral action.

Senator HARTKE. What is the relationship with the Federal Highway Administrator?

Mr. HIRTEN. Again, the Federal Highway Administration is the operating arm of the Department for all aspects of highway, road, and bridge development, and our relationship with it is the same as with UMTA.

First, we foster modal coordination so as to maximize the Department's effectiveness, particularly in urban areas.

Second, we work with them on the environmental aspects of any of their projects which require an environmental impact statement approved by the Office of the Secretary.

Senator HARTKE. What is your relationship with the Environmental Protection Agency?

Mr. HIRTEN. We work well with EPA and CEQ. At CEQ, we work continually on revisions of our existing policy to refine and streamline the processes so that we can achieve environmental quality without slowing up our programs.

With EPA, we have a number of mutual interests such as air pollution and vehicle emissions. The implementation of the Clean Air Act of 1970 will involve a major transportation component and is reviewed by our staff and coordinated throughout the entire Department so that when these implementation programs are put into effect,

they will be realistic and effective. Our office also acts as the liaison with EPA in coordinating the activities of the Department of Transportation with respect to the implementation of the Clean Air Act.

Senator HARTKE. Would your office be the one that would give us advice on legislative proposals? For example, in other words, if a legislative proposal is involved would your office be advising us as to the effects upon the environment?

Mr. HIRTEN. We do——

Senator HARTKE. As an effect on the urban systems?

Mr. HIRTEN. We would utilize our normal procedures in the Department, that is, responding through the general counsel. It would be our office that would be reviewing legislative proposals with respect to the environmental issues.

Senator HARTKE. Do you have any special proposal or ideas that would give us better land use of unused facilities, unused rights-of-way, for example, of railroads? Do you have any ideas along that line?

Mr. HIRTEN. Frankly, I have a lot of ideas in that area and would like to develop them since we do feel that the abandoned rights-of-way are an important potential resource for future transportation corridors.

We have worked out an agreement with the ICC that prior to the abandonment of any right-of-way, they would go through a notification process, what we call the A–95 and review process. Any community would have an opportunity and a right to pick up the right-of-way.

We are also studying the prospect of a land bank program for some of the abandoned rights-of-way whereby they could be held until determinations were made whether they were potential transportation corridors.

Senator HARTKE. Would you submit to the committee just in a summary form some of the ideas that you have without any implication on your part or our part that they are going to be pursued but just so we have an idea of some of the things you are thinking about and what your proposals might be?

I might tell you that I am not one of those who feels at this time that the environment is receiving the support that it should throughout the Nation. I think that the whole environmental question is receiving a lot of editorial endorsement but very little else.

I think dead trees that are accumulating over the countryside and the brown trees are evidence that something is seriously wrong. I find no one who is able to give me an explanation.

I must say, Mr. Hirten, thank you.

Any questions, Senator Stevens?

Senator STEVENS. Senator Cotton is here now.

Senator COTTON. Go right ahead, Senator Stevens.

Senator STEVENS. You certainly come to this position with a very good background.

I would like to ask you some questions. It seems to me your experience has been mainly in the larger cities of the country. Is that a correct impression?

Mr. HIRTEN. Not entirely. I brought into fruition the renewal program in Stockton which is a city of about 80,000, a metropolitan area of 130,000. I was also at Little Rock, although it has grown quite a bit since I was there. So I am familiar with the smaller cities.

Senator STEVENS. Would your office have a review of the environmental impact statements that are submitted to the Department of Transportation for clearance on all urban transportation systems?

Mr. HIRTEN. All transportation projects.

Senator STEVENS. Airports as well?

Mr. HIRTEN. Yes.

Senator STEVENS. Being from an area that is developing and that is rather small in many areas in terms of urban population, we are quite interested in trying to avoid the mistakes of what we call the "South 48". I would welcome your assistance in that regard. It seems to me we have a great task ahead of us in the developing areas of the country in order to avoid the costly mistakes that have taken place in other areas of the United States. I see you were a member of the Sierra Club.

Mr. HIRTEN. Yes.

Senator STEVENS. I take it since the Sierra Club is a participant in many of the submissions before the Department that that is the reason you are no longer a member?

Mr. HIRTEN. Yes; although we get the literature and so forth from the Sierra Club and other organizations such as the Wildlife Federation, there are many planning and conservation groups around the country. I felt, just as with the corporation, that I should not participate actively, but I do get all the literature and am still up on everything they are concerned about.

Senator STEVENS. I am constrained to ask you if the Department of Transportation has jurisdiction over your Alaska pipeline?

Mr. HIRTEN. No; we do not. Our staff worked on the review of it along with the Coast Guard, but the action wasn't with our Department.

Senator STEVENS. Thank you very much.

Senator HARTKE. Senator Cotton, do you have any questions?

Senator COTTON. Not at this time, thank you.

Senator HARTKE. Senator Weicker?

Senator WEICKER. I would like to get your views on the highway trust fund, specifically whether or not it should also be utilized for mass transit in addition to building highways.

Mr. HIRTEN. Our current proposal before the Congress indicates that this would be desirable. In fact, it recommends using part of the highway trust fund for urban mass transportation and recommends what we believe is a very innovative approach which gets at the root of the problem of integrated systems in our urban areas. Namely, it calls for the creation of a single urban fund to be used for highways or mass transportation as the urban areas see fit. The money in the single urban fund would come from the highway trust fund, and, as I said, would be made available to urban areas to be used for whatever kind of surface transportation solution they choose at their level because that is where the action is.

Our bill authorizes the use of those funds for any form of surface transportation including mass transit and rail.

Senator WEICKER. I gather it would be your view that if we are going to achieve any sort of a decent mass transportation system in this country that additional funding is going to be required from that which presently exists? Are you satisfied with the level of funding for rail transportation both intercity and mass transit rail?

Mr. HIRTEN. I believe the current level of funding proposed in our bill would meet the annual demand. My point, in response to your original question, was that there are many advantages to having the funds flow from the trust fund into a single urban fund which allows decisionmaking at the local level. After a year or two, we will know better whether the level of funding for the single urban fund was sufficient. Currently, our proposals have been consistent with the ability of communities to use the money.

Senator WEICKER. I suppose what concerns me is that I would hope that we would start to get some people in the Department of Transportation who are really going to push now to get decent rail transportation in this country. I want to make it clear that I support your nomination and I have nothing but praise for the efforts of Secretary Volpe.

Now everybody has done an awful lot of talking about it. But funding has been really nonexistent. We are still very much, even though there has been some increase in funding, roughly in the same ratios when we compare highway spending and rail mass transit, both intercity and mass transit.

I know Senator Hartke and myself felt that, for instance, in the case of Amtrak, there was a great deal of pussyfooting going on as to adequately financing that entity. Make no mistake about it, we are getting into a field which has for too long been neglected. It is going to take financial muscle. Not all the planning in the world and all the talk in the world will help. It is going to take muscle. I am afraid you are going to find there are still those who believe that the solution lies in across-the-board funding increases. Just as you said, total transportation in the country today means bolstering the rails. The highways are doing very well for themselves. That is not where the problem lies. I don't mean to indicate there are no sections of the country that need more highways. But the great crunch now is in the urban areas of the country which are devoid of decent mass transit facilities. I hope you get in there and fight like hell for that.

Mr. HIRTEN. Thank you, Senator. I can assure you I will. We do believe our current legislation addresses this problem very well. In addition to the additional funding which you talked about, there is a need to mesh our programs at the urban level and not just increase the funding of the unilateral, categorical activities now going on.

Our office feels that our charge is to try to bring about this integration.

Senator WEICKER. In other words, you are not going to feel constrained by any old theories or people that are hanging on to old concepts but rather are going to push for this, what we all recognize as a high-priority area that needs pushing?

Mr. HIRTEN. Senator, I can assure you under the leadership of Secretary Volpe, this is exactly the role I will play. I do not feel constrained at all in bringing forth new ideas, provided we can show that they are workable. We don't want to be an office of rhetoric and talk. We do want to bring forth new ideas which address our major urban transportation problems, and I promise you, Senator Hartke and the committee staff that my intent is to work as closely as possible with you and the other committees in Congress.

Senator WEICKER. If by chance Senator Hartke, Senator Stevens, and myself get a little more money than was in the budget, you are not going to stand back and say we don't need it, are you? We have been through that experience before with Amtrak. I just want to make sure if we fight for these things we believe in we are going to get the support of those on the administration side.

Senator STEVENS. He is not going to the Office of Management and Budget.

Senator WEICKER. That is right.

Senator HARTKE. I want to come back to one matter that Senator Weicker was talking about. He is running against some of his own party and I assure you that is not the most pleasant experience under the sun. I have had the experience in the prior administration of doing the same thing.

In the trust fund concept do you also feel the same way about the aviation trust fund? I am leading you down a corridor and I don't want to snap your head right off. Be careful what you say.

Mr. HIRTEN. For that reason, I would like to put that off for future discussion.

Senator HARTKE. I would suggest you do that. You see the whole problem on trust funds, once you start invading trust funds, you invade the whole concept for which the fund was established. That is why I am opposed to trust fund concept in Government.

Mr. HIRTEN. I believe that the use of the Highway Trust Fund to support and supplement all forms of urban surface transportation is consistent with the original commitment.

Senator HARTKE. What is inconsistent then with invading the trust fund, the aviation trust fund?

Mr. HIRTEN. As I said, I would like to reserve comment on that.

Senator HARTKE. What is inconsistent in invading the social security fund?

Mr. HIRTEN. I am dealing——

Senator HARTKE. These are more rhetorical questions. What I am saying to you is once you have established the trust fund concept you establish something which is inviolable. Then once you invade that, the door is wide open. I just hope that those people who advocate trust funds would think about it first if they are later going to try to invade them. I would abolish them all—that is neither here nor there. You are not going to get that done. I am not so sure once you establish the concept that I wouldn't go ahead and invade them. I just leave that with you. Just don't drop off any deep end before you find out what cushion is at the bottom.

All right. I might say on the new ideas and new concepts there is a dearth of them coming out from every place and that is just not at the Department of Transportation. Practically every field, they do need new ideas and I hope and pray that you will be willing to do as I indicated before you give us the substance without any commitment on your part that you necessarily are going to pursue them in depth or otherwise.

All we want to do is work with you and see if maybe some of these ideas can come forward with an approach which has not heretofore been had.

We do have other business.

If there are no other questions, this hearing on this part of the meeting will be adjourned.

(Whereupon, at 10:45 a.m., the hearing was adjourned.)

NOMINATION OF THOMAS B. CURTIS TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING

FRIDAY, SEPTEMBER 8, 1972

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met at 10 a.m., in room 5110, New Senate Office Building, Hon. John O. Pastore presiding.

Present: Senators Pastore, Hartke, Cotton, Baker and Beall.

OPENING STATEMENT BY SENATOR PASTORE

Senator PASTORE. The hour of 10 having been reached, the hearing will come to order.

Today the committee considers the nomination of Thomas B. Curtis to succeed John Hay Whitney as a member of the Board of Directors of the Corporation for Public Broadcasting.

Mr. Whitney has served with distinction as a director of the Corporation. Public Broadcasting, and therefore the American people, are immeasurably richer for his services.

Mr. Curtis' nomination comes at a time when the international organization of the Corporation is undergoing change.

Mr. Frank Pace has indicated he will not seek re-election as Chairman of the Board, although he will continue to serve as a member.

Mr. John Macy has submitted his resignation as President of the Corporation. The Board is in the process of selecting his successor.

And, the political composition of the Board has changed, with Republicans now having a majority.

With the departure of Mr. Macy, and the stepping down of Mr. Pace as Chairman, a new era of leadership in the Corporation's brief history will begin.

Both of these dedicated gentlemen may look with pride on a job well done; and, I might add, well done under conditions less than ideal.

One picture, we are told, is worth a thousand words. For this reason, it is not necessary to recite the impressive programing achievements of Public Broadcasting under the guidance and leadership of these able men, and their associates.

What the American people have been privileged to see on public television stations over the past three seasons is their testimony and their monument.

While these achievements do speak for themselves, there are other accomplishments which to the uninitiated are not as apparent. Never-

theless, they are real, and, indeed, they are fundamental. Without them, public broadcasting would have failed.

Briefly, this morning I wish to address myself to them as tribute to Mr. Pace and Mr. Macy, and as a reminder to us all.

The Corporation for Public Broadcasting had its genesis in the report of the Carnegie commission. Based on that report, the previous administration submitted a program for public broadcasting to the Congress. Congress in turn enacted the Public Broadcasting Act of 1967, which I managed, which among other things created the Corporation for Public Broadcasting.

All of these sources recognized that the cornerstone for a successful, viable corporation was complete insulation from Government interference and pressure; and permanent long-range financing. Indeed, this committee, in its report recommending passage of the act stressed the necessity for both.

Despite the promises of the previous administration, as well as the present one, no permanent financing plan has been forthcoming, and the Corporation has had to rely on annual appropriations with their attendant uncertainty.

That the Corporation has begun to deliver on the promise public broadcasting holds notwithstanding this serious financial handicap is a tribute to the leadership and ingenuity of Mr. Pace and Mr. Macy in their respective capacities as Chairman and Chief Executive Officer.

This success should also be a reminder and an incentive to those responsible to get on with the job, and submit a long-range financing plan to the Congress.

Continued failure to do so strikes at the very fiber of public broadcasting—strong, independent local educational stations. If the Corporation is to continue and expand its community service grants as well as other direct and indirect assistance to these stations it not only must have the funds to do so, but the assurance and predicability that these funds will be forthcoming, and forthcoming in amounts necessary to accomplish their intended task.

Besides being financially sound and independent, the Corporation must be free of Government control or interference.

Again, it should also be a reminder to us all that public broadcasting can only succeed if this attitude continues. In the official arena of public broadcasting, there should be no Democrats or Republicans, only men and women dedicated to bringing to the American people the finest the medium has to offer.

I am confident that the nominee before the committee today, who has had a distinguished record of service in the U.S. Congress, shares these sentiments and convictions.

The instant public broadcasting becomes as a reed in the wind—bending to every prevailing current—at that moment, public broadcasting will cease to be a vital force in our society and will wither away.

As the Corporation brings a new era of management and leadership, I would hope it will build on the valuable legacy of the old, and continue to entertain, educate, and challenge its viewers—the men, women, and children of America.

And after we have heard from the distinguished nominee and his sponsors, and his endorsers, I will have a little bit more to say, Mr. Curtis, on this subject.

Senator BAKER. Mr. Chairman.

Senator PASTORE. Yes; Senator Baker.

Senator BAKER. I have an opening statement I would like to present at this time. Senator Cotton, do you have anything?

Senator COTTON. No, thank you. You are ranking on the Communications Subcommittee so please proceed.

OPENING STATEMENT BY SENATOR BAKER

Senator BAKER. I am pleased to be present at today's hearing on the nomination of a distinguished American, Mr. Tom Curtis, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

I know it must be an unusual feeling for the nominee, as a former Congressman, to find himself on the other side of this table, having been on this side in the other body on many occasions for a long period of time.

But since he has provided us with that opportunity, I expect that none of us can resist the temptation to proceed apace with our discussion of the nominee and the subject matter.

I'd like to say at the outset that I have the deepest confidence that our discussion today will demonstrate to this committee that the President has chosen wisely in his selection of you as the Corporation for Public Broadcasting's newest member.

Perhaps before proceeding to your statement it would be worthwhile, for purposes of direction and discussion, to address myself to the question of public broadcasting generally. Specifically, where has it been, where is it now, and, most important, where is public broadcasting going?

Public broadcasting, as we all know, was created in 1967 as an alternative to commercial broadcasting. That alternative was to be found both in the substance and production of its programs. There were to be several sources of financing for program production, one of which was the Federal Government.

As a consequence, the need arose for some form of insulation, or buffer, between the Federal sources of money and public broadcasting programs. This buffer was the Corporation for Public Broadcasting.

Five years have passed since the Corporation's inception, yet it continues to find itself at odds with many members of Congress, the administration, and many concerned Americans. When the Corporation was created, education, in a broad sense, was to take priority over the creation of a new national network to rival the commercial networks in presenting entertainment and current affairs programing.

Public broadcasting was to go through an evolutionary period to work out the basic responsibilities and roles of various parts of the system, and it was partly for this reason that a long-range financing structure was not immediately established.

Mr. Chairman, I understand that Senator Symington, who is with the nominee, has another commitment as a conferee with the House. I have a few more comments which with your permission and that of Senator Symington, I will defer at this time so he can introduce the nominee.

Senator SYMINGTON. I will be glad to yield to the able Senator. I only was asking the staff member so that I could talk first, and then leave.

But I didn't mean to interrupt the Senator, and I ask that he proceed.

Senator BAKER. I will be perfectly happy, Senator, since I know the constraints of time, if you would like to go ahead and make the presentation.

Senator SYMINGTON. Thank you, Senator. I just got a call from Senator Stennis, he wants to talk to me about a conference on military procurement. So I will proceed, if that is in order.

Senator PASTORE. We welcome it, Senator Symington. First of all, let me say we are honored to have you here this morning.

STATEMENT OF HON. STUART SYMINGTON, U.S. SENATOR FROM MISSOURI

Senator SYMINGTON. Thank you, Mr. Chairman, and members of the committee.

I will simply state that the nominee and I have been friends for over a quarter of a century; although we live in the same county, although we are of different political persuasions, our friendship has flourished over the years.

I have known Mr. Curtis under all conditions that would be involved in work of this character, and I know him as a man of high character, integrity, and a dedicated public servant.

I simply wanted to have the opportunity of presenting those few thoughts to the members of this committee, and congratulate the administration on what I consider to be an excellent appointment.

Senator PASTORE. Thank you for your recommendation, Senator.

Any questions from the Committee?

Senator COTTON. Off the record.

(Discussion off the record.)

Senator PASTORE. Thank you very much, Senator.

Senator SYMINGTON. Thank you, Mr. Chairman.

Senator PASTORE. Senator Baker?

Senator BAKER. Thank you very much, Mr. Chairman. The first few years of experience under the Public Broadcasting Act have seen the development of a strong, centralized, national network system, but only limited support for the nonnational educational program needs of the local stations.

Now public broadcasting finds itself in a delicate position. Its request for a 2-year, $155 million budget has been denied, principally because of disagreement with this approach. The question now is where does public broadcasting go from here? During the debate on public broadcast funding, I offered the following thoughts:

> I believe strongly that a 2-year extension of CPB's funding at a total level of $155 million is inappropriate at this time. Establishment of a plan for long-range funding for CPB was initially deferred because the Congress had no clear understanding of CPB's future needs—needs which we hoped would be clarified once CPB had gained operational experience. I believe, however, that CPB's operational experience has not clarified these needs. To the contrary, it has raised new questions and new doubts as to CPB's role in the system and its relationships with the local stations. CPB has not shown to our satisfaction how it intends to resolve these issues. More importantly, CPB has not stated clearly how it intends to use its increased funding to serve the financial and operating needs of the local stations, and how it intends to pursue the goal of local station autonomy and independence within the national public broadcasting system. *Congressional Record—Senate, June 22, 1972, page S 10001.*

Any consideration of long-range financing is not appropriate at this time. And I am burdening your time and that of the committee in introducing this range of issues. But I feel it is important to have a clear understanding of the views of the membership of this subcommittee and the committee.

Let me briefly expand on how I believe these deficiencies should be met, bearing in mind this has nothing to do with my support for you as a nominee, which I intend to give enthusiastically and wholeheartedly, but rather because this is one of those unique opportunities where one's thoughts on this subject can be aired in an appropriate forum.

One of the most important things that CPB can do in my judgement is undertake a thorough examination of its local stations needs. And upon these needs, a renewed public broadcasting policy would be predicated. There must be a better system of checks and balances among the local stations, the Corporation, and the Federal Government.

In closing, I would say to the nominee that the issue of long-range financing should not be just the initiative of the Corporation, but rather, as I see it, long-range financing would be better served if the Corporation undertakes some of the broad objectives that we have discussed.

As far as I am concerned, I do not look solely to CPB for such a financing plan. That should be the job of the Congress, of the executive department, and of the Corporation, working jointly.

I do, however, look to the Corporation for performance—performance of the mandate that the Congress gave CPB in the Public Broadcasting Act of 1967. That mandate is to serve fully the interests of the American people in creating a television broadcasting service that reflects their diverse interests and fulfills their varied needs.

I stress that performance in this regard cannot be achieved solely in Washington or New York. It must come from the efforts of all elements of the public broadcasting system working in harmony toward a common goal—not the goal of long-range funding as an end in itself, but as the means of achieving better performance in the public interest.

When CPB and the rest of the public broadcasting system demonstrates this dedication to the public interest, then I believe the Congress, in cooperation with the Corporation and the executive branch, will find a remedy for the long-range financing plans.

Mr. Chairman, I believe the nominee brings expertise and knowledge, especially of the workings and the subtleties of operation of the legislative branch, which can be especially useful in this formidable job of devising a long-term financing plan and clarifying the purposes of the Corporation.

I believe he is an outstanding nominee, and I will fully support his confirmation.

Senator PASTORE. The Senator from Tennessee understands that he and I disagree pretty much on much of what he has already said.

By and large, considering all of the handicaps that have confronted this Corporation, I think they have done what I consider to be a respectable job. Possibly the fault lies in the fact that while we accuse the Corporation itself of its inadequacies, we have stripped them of the authority to do exactly what the Senator from Tennessee is suggesting.

This Corporation cannot produce any programs itself, it must hand the money over to another entity, only because the law so provides. And for that reason, we have constituted, or there has been constituted what is known as a Public Broadcasting Service, which consists of about 19 members, 12 of whom are local licensees, six from the public, and the President of the Corporation.

And they are expanding that spectrum of public representation, and they are the ones who operate the interconnection system and distribute the programs.

Now I realize that the bone-in-the-throat of some people has been that they have indulged in some programs that have had more or less a tincture of politics, which was most unfortunate.

In the realm of politics, especially people running for public office, there is always a sensitivity that unless you say it all the way of that particular candidate, they are construed as being antagonistic to them. And there is no one more sensitive than a politician, especially during a campaign when he is up for reelection.

It is my strong feeling that the attitude of the public generally has not been consonant with the attitude of the Congress. There has been more of a resistance in Congress to public broadcasting than we have been able to find on the outside.

We had a group come before this committee not too long ago, some of the most distinguished scientists in this country, who constituted an advisory committee to the Surgeon General, who at my behest made a study—a scientific study—of violence as it relates to the behavior of children.

And every one of those members of the advisory committee, to the man—and one woman—all suggested that there should be better funding of public broadcasting, and public broadcasting in this country should be encouraged and not discouraged.

And I must say at this time that the policy and atmosphere has been one of discouragement and not encouragement.

Now the Congress, took the "bull right by the horns" recently and made it a 2-year authorization for the corporation that wouldn't hurt anybody and funded it to the degree it has been suggested—slightly over the budget estimate suggested by the Senator from Tennessee.

Now I know that there is a gentleman in the White House who doesn't seem to have his heart and soul in public broadcasting, and this is no secret. His name is Mr. Whitehead.

And he has been finding fault with public broadcasting and the views that he has expressed are not constant—I repeat again—with the people who are intimately connected with public broadcasting, the licensees and the public in general.

Now in my State, we receive channel 2 out of Boston, and only the other night I listened to Arthur Fiedler perform in an outstanding program, for a whole hour—commercial broadcasting would never give you that; Sesame Street—commercial broadcasting would never give you that.

And these are the monuments of public broadcasting. Now I think that here and there they have made some mistakes, and here and there they could be accused by a Republican administration that the majority of the members of the Board were Democrats. But at the time I

asked for a 2-year authorization, and at the time we were asking for more general money from the Congress, the constitution of that Board, the majority was Republican.

And I made that point on the floor of the Senate. And I am saying here that unless the Congress of the United States begins to show a lot more sympathy and a lot more support for public broadcasting, then we are not going to get the help from the outside that we have been getting up to now.

And I repeat again, if you want to clarify public broadcasting, keep limiting these authorizations to 1 year, because all you are going to get is New York programs.

Everybody knows if you are going to plan anything in a program area, it takes time. You have to have the money, the authorizations. You have got to know where you are going.

And to answer your question of where we are going, you can't go anywhere in this business unless you have the money to do it with.

One of the most unfortunate things—I don't know why President Nixon did it—I wish he had talked to me before he vetoed the bill, but he was more or less persuaded that apparently this had become a vehicle to hurt him politically.

And I have a strong feeling in that direction, and I want the press to know, and I want the White House to know, because I want the country to know. And I think the time has come when they ought to begin to listen to the public down there at the White House. It wouldn't do them any harm to open up the windows today and let a little fresh air come in.

Senator BAKER. Mr. Chairman, under no particular rule of procedure that I know of in the subcommittee, but just by reason of circumstance, I feel compelled to make an additional statement.

Senator PASTORE. I welcome it.

Senator BAKER. It's not necessarily a rebuttal, but just a further statement of clarification.

It seems to me that there is a difficult problem here. But whether or not the present occupant of the White House, the head of this administration, conceives one of the problems to be a political slant in news broadcasting, is not a matter that I have tried to inject into this hearing.

I rather believe that the President submitted a sound, coherent, and fully justified veto message of that 2-year authorization, and I have no hesitation in saying that I recommended to the President that he veto the 2-year authorization. I don't claim that that is the reason he did it, but as the chairman knows, because we have discussed the matter, I did not agree with the 2-year authorization. I made that point known over a period of time, and most forcefully, I hope, on the floor of the Senate.

Senator PASTORE. I only regret the fact that you didn't take me down there with you, Senator Baker.

Senator BAKER. Well, we have done that, too.

Senator PASTORE. We did that and accomplished something on the appointment of a black on the FCC, and I was asked to go down there on that and be helpful. But I wasn't asked to be helpful this time.

Senator BAKER. But on that matter, we were in agreement. I wish we were not in disagreement on this issue.

But as I point out, we are and our disagreement is over a substantive issue. In my opinion, the sooner we get about the business of understanding what we want out of CPB and public broadcasting, the better off we are going to be.

The most that can be said, and the least that can be said, is that Senator Pastore and I—and by the way, I think I serve with no more considerate and effective subcommittee chairman of the Congress—are in disagreement on the fundamentals of this problem. That is why I felt at this time, and in this forum, it was essential that I try to find and spell out these differences of opinion so the nominee would understand that the subcommittee is not of one accord in this matter.

Senator PASTORE. And I have the highest respect for your views, but in view of the fact that you stated yours, I had to state mine.

Senator COTTON. I'd like to get into this for a moment.

Senator PASTORE. All right.

Senator COTTON. I believe the purpose of this meeting is to consider the nomination of Mr. Curtis. Having a jangle among ourselves is just delaying it, and I don't want to prolong it.

I have been a friend of public broadcasting from its beginning. I still am.

Frequently I have been requested to help fundraising causes, asking people to contribute and preserve the Old Man in the Mountain, or something else up in New Hampshire. I have always refused and the only exception I ever made was when we were trying to save a channel up in our section for public broadcasting. A former Governor of the State offered property he owned on a high mountain and we needed to take advantage of that offer for a public broadcasting channel.

And, I appealed in my letter to the people of New Hampshire to contribute. We raised the money, and we got the broadcasting station, which is at the University of New Hampshire.

Now, as for my own personal feelings as to whether public broadcasting is friendly or unfriendly to the President, I never heard the President say anything about it. Until this morning, I didn't know it was an issue.

I know that a particular station was very unfriendly to me, and that in my last campaign I got as broad a needle out of that station as I have ever had in my life.

Yet in spite of that fact, I have continued to support public broadcasting.

Now, the position is that with good reason, as the chairman, my good friend from Rhode Island, has referred to, it was made a fundamental part of the law that local public broadcasting stations should not be dictated to on their policies, and on their programs.

That position is entirely justified. Nothing worse can happen in any free country than to have Government-financed broadcasting that could come under the influence of politics and of the Central Government.

That is something we have to avoid as we would avoid the plague.

But, there is a happy medium, I have had several colloquies with my good friend, Mr. Macy, who is a former president of my alma mater and a longtime friend, about encouraging local stations to improve their programing.

My great objection is that in many of the smaller States their programs now are just awful bores. I turn it on and I listen to a long dissertation on how to buy antiques. Being an antique myself, I ought perhaps to know more about it, but it is not a subject that gives me much of a thrill. [Laughter.]

Now, when they do have political programs, they have colloquies among about three, or four, or five college professors. As a matter of fact, if you want to get yourself bored to death, and get a lot of theory and misinformation, listen to five college professors discuss politics. Because they know about as much about politics as a hen knows about God! [Laughter.]

Now I don't object. The former pastor of my church was a terrible liberal Democrat, and he preached politics every Sunday. And every Sunday in those days, when I was home practicing law, I went to church with my wife. Then, I went home to dinner and I proceeded to cuss all through dinner about that minister, and how wrong he was and everything else.

My wife said, "Why do you keep going if you don't like what he says and you don't agree with him?" And I said, "Because he doesn't put me to sleep!" [Laughter.]

He had a message he believed in and I was willing to listen, even though I didn't have equal time during the service! [Laughter.]

I think there is something to that in this problem of public broadcasting. But, we can talk here all we want to about avoiding this greatest evil of having a central board of directors able to influence public broadcasting. I know the chairman agrees with me on this.

Senator PASTORE. I absolutely do.

Senator COTTON. We wrote it into the law so there never would be a dictator in Washington that could use public broadcasting for President Nixon, against President Nixon, for or against George McGovern, or anybody else.

Now what the local stations do is their business, to some extent. They can be encouraged, I think, without violation of the law, to avail themselves of greater sources of interesting material to improve their programing.

Senator PASTORE. The complaint of the Senator from Rhode Island has been that we have been "whipping the wrong horse." You see, whatever fault can be found in some of these contracts that were negotiated—and let's be frank about it, the dissent concerning some of the contracts on the part of people, relate to some programs like the William Buckley program—these types of contracts were negotiated by other boards mostly made up of local licensees, but we take it out on the broadcasting corporation.

And for some reason, somebody down there in the White House got the wrong fix on it. I am not being critical of President Nixon—he is a busy man. He has China on his mind; he has Moscow on his mind; he has the SALT agreement on his mind; he has Viet Nam on his mind.

So Senator Baker goes down there and Mr. Whitehead goes down there, and they are against this thing, and Senator Pastore doesn't go down there. And what do you think the President is going to do?

All I am saying is, give the other side a chance to present its case.

Senator COTTON. They didn't ask me. I would have been with you on this one.

Senator PASTORE. All right.

Senator COTTON. However, we won't take any more time on that. I have no questions.

Senator PASTORE. Mr. Beall, do you want to say anything?

Senator BEALL. Nothing, Mr. Chairman. I enjoyed the discussion. I congratulate the President for nominating a man of such tremendous capacities as Mr. Curtis.

Senator PASTORE. Mr. Curtis, we have your biographical sketch, and we are all familiar with you personally, because of your distinguished service in the Congress.

I certainly welcome you aboard. And I congratulate the President for appointing you. I don't think there is going to be any trouble with this committee.

I have no questions to ask. Unless you want to add something to it. If not, I will turn it over to the other members to ask any questions.

If you want to make any comment or observation on anything said here, we will welcome that, too, but we wouldn't presume or pretend that you should. We leave it to your discretion. At this juncture I am going to ask that Mr. Curtis' background, as he has furnished it to the committee, be part of the record.

BIOGRAPHICAL SKETCH OF THOMAS B. CURTIS

Present position.—Vice President and General Counsel of Encyclopaedia Britannica, Inc. and of Encyclopaedia Britannica Educational Corporation.

Birthplace and date.—St. Louis, Mo.: 14 May 1911.

Education.—A.B. "With Distinction," Dartmouth College, 1932, M.A. 1951; LL.B., J.D., Business Manager Law Review, Washington University, 1935; LL.D., Westminster College, 1962; LL.D., Washington University, 1969.

Positions held.—Admitted to the Mo. Bar, 1934, Member 82d Congress 12th Mo. District, 83d-90th Congresses, 2d District; Member, Ways and Means Committee, 1953–1969; Ranking Republican Joint Economic Committee, 1954–1969; Joint Committee on Internal Revenue Taxation, 1961–1969; Ranking Republican Select Committee on Reorganization of the Congress, 1966–1969; U.S. Delegate International Trade Negotiation GATT (Kennedy Round) 1962–1968. Trustee Dartmouth College, William Woods College and National College of Education.

Principal activities.—Member, Mo. Board of Law Examiners, 1949–1950; Member, Board of Election Commissioners, St. Louis County, 1940; Member of Education Committee, American Bar Association, American Political Science Association; Board of Trustees, National Planning Association; President's Commission on An All Volunteer Armed Force; President's Task Force on International Development; National Commission of Foundations and Private Philanthropy; Chairman, The Twentieth Century Fund Task Force on Financing Congressional Campaigns (Report, 1970: Electing Congress: The Financial Dilemma); Member of Committee for Economic Development for the Improvement of Management in Government, Washington, D.C., 1969–19—; Chairman, Ozark National Scenic Riverways Advisory Commission, 1969–1971; Chairman, Special Panel on Foreign Trade Policy, U.S. Chamber of Commerce; Chariman of Special Committee in Real Estate Taxation and Educational Financing, and Member of Education Committee, U.S. Chamber of Commerce; Member, Boards of Directors Encyclopaedia Britannica Educational Corporation, Public Media, Inc., Library Resources, Inc., U.S. Chamber of Commerce, Chicago Association of Commerce and Industry, Better Government Association, Lincoln Foundation; St. Louis Big Brother Association, Herbert Hoover Boys' Club, Eagle Scouts Association; Lecturer Brookings Institute, 1960–1968; Jefferson College of Law, 1938–1949; Regent Lecturer UCLA March-April, 1969; Industrial War College, Washington, D.C.; Lecturer various Universities and Colleges 1956–to present; Phi Delta Phi, Phi Sigma Kappa, Rep. Unitarian.

Writings.—"87 Million Jobs: A Dynamic Solution for Unemployment" (Duell, Sloan and Pearce; "The Kennedy Round and After" (published by Praeger, August 1971); Miscellaneous articles and speeches published in various journals, pamphlets and popular magazines primarily on the subjects of Government, economics, taxes and law; "Decision Making in the U.S. Congress," MONITOR, September-October 1969.

Military background.—Served with USN, 1942–45; Ranks Lt. (j.g.) Lt. and Lieutenant Commander. National Counsel Naval Officers from the Ranks (1946–1950).

Awards.—Recipient awards include Congressional Distinguished Service award American Political Science Association 1963–1964; Perry award National Federation for Blind, 1961; Silver Beaver Medal Boy Scouts of America, 1964; Council for United Civil Rights Leadership Citation, 1965; St. Louis Globe Democrat Man of the Year, 1951; Alumni Citation, Washington University; Congressional Joint Economic Committee Citation, 1969; "Distinguished Eagle Award," National Council Boy Scouts of America, 1972.

August 7, 1971.—Thomas B. Curtis nominated by President Richard M. Nixon to the United States Advisory Commission on International Educational and Cultural Affairs; confirmed by U.S. Senate, September 29, 1971.

November 23, 1971.—Thomas B. Curtis appointed by President Richard M. Nixon to be Chairman of the Rent Advisory Board.

STATEMENT OF THOMAS B. CURTIS

Mr. CURTIS. Thank you very much, Mr. Chairman. I want to thank the committee, and if I may, for the record, express my appreciation to Senator Symington for the kind remarks he made, and my good friend, Senator Norris Cotton.

As Senator Baker said, I am undergoing a new experience. I have not been on this side of the table before. I have directed some, maybe, pretty rough questions from time to time when I was on the other side. So I came forward here thinking maybe retribution would set in. And I would be prepared for it.

I don't believe I have any particular statement. I welcome the chance to come here and I certainly have welcomed this exchange, because I am deeply interested in the future of public broadcasting, although I tend to emphasize the educational aspects, as that is my background and interest.

I guess perhaps because I was so associated in the congressional operations, serving on the committees I did—namely, Ways and Means and Joint Economic Committee—I had a profile of one being deeply involved in economic and fiscal matters.

Actually, in my own private life and interests, education has been of deep concern to me, and I look upon television as extraordinary and as revolutionary an innovation as was the printing press back in the 15th century, as far as what it is going to mean in the field of education and communication, knitting the society together and enabling them to move forward.

In other words, I know nothing that is more important to our society than moving forward in this area.

I think the other thing I might share with the committee, and, of course, the public, is that when I was called by the White House about whether I was interested, the only question really asked, was that they had heard that I was interested in educational television and public broadcasting, and I said, you are not in error, and then they simply said we have problems but we are anxious to get someone like yourself to serve. And I said I would be very happy to.

So I come aboard with no commitments other than to try to be helpful in a program which I think is very, very vital to our society.

Senator PASTORE. I might add in that respect that we had several nominees come before this committee not too long ago, and I say this not as a compliment to myself, but merely to state the case.

We had two individuals come out of New York who thought the President was making a mistake. And in my opinion, each of these gentlemen was of the highest caliber. I was surprised that they could be persuaded to give of their time and their efforts to this tremendous project.

And the only reason that I can determine for their willingness is their devotion to the public good.

And the point I am making here is that you have the best men in the country on this Board now. I hope we don't begin to kick you around. And when you come up here and say you would like this and that, I hope the people will listen to you.

I could be wrong about this length of authorization, but I was going by what I had been told by members of the Board, that after all, you don't know how much money you are going to have, you have to get yourselves into these programs and you need time in order to do it right.

I know it has been the part of Congress not to go beyond 1 year, but we had revenue sharing yesterday where the vote was 54 to 30-some odd votes to make it a 5-year appropriation and authorization, because they thought that was the way it should be.

There could be a good reason for that. I wanted to see it a little bit the other way. But the argument was made on the floor, and it must have been convincing to the Senate at large, that this was an extraordinary situation, unprecedented, and for that reason the money should be set aside for 5 years, so they would know at the end of a 5-year period just what they were going to get.

And here again, in this whole thing, it's a matter of trust. And when you get the best men in the country to assume a responsibility without remuneration—you don't get any pay for this, do you?

Mr. CURTIS. I think we get a per diem when we attend; there is no salary.

Senator PASTORE. Of course. Somebody has to pay for your transportation and room while you are down here. That is all you get. And we have got about the best people in the country who are serving on the Board.

Recently when those two individuals from New York protested the nomination to the Corporation Board, I said I can't rebuke the President of the United States on these nominations. Incidentally, I was sitting all by myself most of the time. I stated then that I think they are the best people they could find. There is no question about their being approved by the Senate. And I don't think there is any question about your being approved by the Senate—I want to state that.

If we are going to have the best people in the country assume these responsibilities, let's trust them.

Mr. CURTIS. I would like to say one other thing that your line of thinking reminds me of.

I certainly have been flattered to be with the group of men and women on that Board. I, too, have been impressed with their caliber.

They are independent people. I don't care whether they are called Democrats or Republicans, that isn't their motivating interest in being on this Board.

But I would like to say that I think those who have been dedicating their time to this needn't be discouraged about this situation.

When you consider that television really has only been with us since 1952–53—around there—it took 200 years for the printing press to really move, and this is a short span that the Corporation has been in existence, since 1969, and it has grown from a $5 million appropriation to $45 million now.

John Macy and Frank Pace and other people, and those in the Congress on both sides of the aisle, in the House and Senate, who have taken an interest in this can take a lot of credit for what has been accomplished.

I regard this more, as I said at a little meeting I attended at Aspen—some were worried, are we stuck on a plateau. And I said I suspect it is rather a launching pad.

Yes, there are problems, but they are coming out and there probably needs to be more communication.

I hope I can serve in that capacity, because I think as a Congressman one does learn to listen a lot, and listen to conflicting views and respect them, and see what can come out of that.

Senator PASTORE. Find a common ground.

Mr. CURTIS. Yes; that's right. So I did want to add that remark, because I do think there is a fine record that many people can take a lot of pride in at reaching this point.

Senator PASTORE. Now I only want to ask one question, because I have to ask it. You come on board as a Republican, because the law so provides, is that correct?

Mr. CURTIS. I am a Republican; yes.

Senator PASTORE. I have to ask the question, because the law so requires.

Mr. CURTIS. Oh, yes; that is very true; yes. I qualify.

Senator PASTORE. Senator Hartke?

Senator HARTKE. Tom, I am delighted to see you get on this Board, because I think it is high time we have somebody with your character and background to help us in this field.

As a person interested in public broadcasting for a long time, and who watched with Senator Pastore the attempts to make it something which is not alone an asset to the country but something of which the Congress can be proud, I'd like to say that I join with Senator Pastore in his deep concern about the future of public broadcasting and the way it is being treated.

And I say this with all due deference to my friend from Tennessee. But one of the major issues, really, which public broadcasting is involved in at the present time is the politicalization of public broadcasting.

And I was just wondering if you had been briefed by anyone about your attitude as to how you intend to meet this politicalization question.

Mr. CURTIS. Yes. Not briefed about it, but I have my own ideas and my own comments.

Senator HARTKE. Well, I meant from the administration. I am not worried about your own comments and briefing from your children or anybody like that.

Mr. CURTIS. No. I see. Well, someone asked about this—several people have asked. And I guess my best comment is this: that I have a record of 18 years in the Congress, and I don't think that it was one that showed I tended to be very subservient to any point of view.

I was honestly trying to—which is what I think most Congressmen and Senators do—try to look at the issues and come down to a workable solution. You try to work with a party group, and so on.

I have talked, and hope to continue to talk, with the executive branch, because I think it's very important that there be real communication there. I think Senator Pastore points it out.

But I think I can underscore that I don't know that there is a Republican or a Democratic position in regard to public broadcasting. I hope there isn't, because I don't think there needs to be.

Yet, sometimes one way of resolving an issue is to let the two parties choose sides on a point and let's hammer the thing out.

I don't see the need for this at this point. I think that the people that are in disagreement—Senator Pastore and Senator Baker—have expressed it. In my judgment, both are deeply interested in the welfare and development of educational television.

Senator HARTKE. Can I question that for a moment? I think there is a bigger and broader scope, and I hope you would not think in these terms of only educational television, which is a different facet from public broadcasting.

Mr. CURTIS. Senator, could I say this—we may be on a definition of terms.

I got into a discussion with one of my local stations—KETC–TV in St. Louis—that is our local one, and I was making the remark that my emphasis was on education. And he said, but we have to have public affairs because that is stimulating and exciting.

And I said, well, you and I have a different idea of education. Maybe you have a narrow definition and you look at it as instructional. I said, God knows a lot of educators have done their best to make education not very exciting, but I think education is exciting. If we expand it.

My definition of education probably includes what many people call public affairs—to illustrate the point.

So it's a very broad definition I have in mind when I use the term educational TV.

Senator HARTKE. I didn't mean to exclude education, or even public affairs, but I am really talking about the fact that the term public broadcasting has in its concept and directive a broader scope.

Let me come to the focal point of what the issue is as I see it today, which is a politicalization of public broadcasting.

Let me ask you, if you have not been briefed by the administration, do you have personal views at this moment as to whether the public broadcasting system should be more, equally, or less responsive to the Congress and the administration than it is at the present time?

That is the issue at this moment which is being discussed.

Mr. CURTIS. It would be hard for me to answer, because I'd have to say I don't know enough yet to know whether that is so.

Because I do find that there is some lack of communication between some of the people in the executive department, and people in the Senate, and in the House. I think that the areas of seeming difference aren't as great as they think they are, because there hasn't been adequate communication.

I may be wrong. I may find, as we get deeper in it, that there really is.

But now let me respond directly on my own views. As I read this statute—and of course, coming from the congressional area, I feel that the Congress has a very important part to play in this, overall, in the oversight function. They wrote the law. They were worried about a number of things, and rightly so.

And I feel that the Congress needs to follow this. So does the executive. The Board of the Corporation has to make an annual report. I am anxious—and by the way, this will give me a chance, if I can persuade the board, to have the committees hold hearings on the annual report.

Senator HARTKE. I am a great believer in oversight hearings myself. But the fact is that in the oversight hearings and these policies, the question at this time basically before the public is whether or not the administration and the Congress, or the administration or the Congress, or either one of them, should have a more direct authority to deal with the type of programing that goes into public broadcasting.

Mr. CURTIS. Oh, the actual programing, no. In fact, there is even a question of how much the Corporation itself should be in the programing. These are degrees.

Certainly in overall philosophy, in the structure of the act, the Congress has to follow, in my judgment. Whether it is a misunderstanding that may need clarification, this I honestly don't know enough about, but I certainly recognize that this is the area where it has created disputes and I thought misunderstandings, but possibly there are some really philosophical differences.

I am not aware of them yet, let me say that.

Senator HARTKE. Let me tell you, the sensitivity of this issue becomes paramount, because of the present tendency of censorship, direct and indirect, which at the present time is being placed on the broadcasting media generally.

Now there isn't any question that a reporter today is under a great deal of restraint to go ahead and report exactly as he feels he should report, not only the fact, but opinion.

Now this is in a free society, and if that theory is followed, although it is not necessarily a Democratic or Republican philosophy, I think it is best exposed by the thoughts of Mr. Buchanan in the White House, who I feel is much more restrictive in his philosophy toward broadcasting generally than Mr. Whitehead. That is the fact that he really is placing upon the whole news media a new set of restrictions in which the reporters themselves will not be free to report upon commercial broadcasting.

And if you extend that same philosophy to the responsiveness to the administration as to what should go on public broadcasting, then you have eliminated one of the most effective means of communication to make it possible for our democracy to work.

Mr. CURTIS. Of course, I share your basic concern here. The Congress obviously was deeply concerned when they passed this act, because they said that in controversial areas it should have a balance. And I think the magic words are "balance and objectivity."

So, all right. How do we define that, and what is it? It is clear that the Congress, by putting words like that in, expected something to be done to see that these words get interpreted and that there be some part played in these areas of controversy.

So we are involved.

Senator HARTKE. Let me ask you a specific question. Suppose the President makes a statement in a noncampaign year—a President, not President Nixon—if he had been replaced next year with McGovern.

Let's just say McGovern is elected President, for the moment. Next year he comes out and makes a statement about Vietnam war, on the national networks, which is repeated then on public broadcasting system.

Do you think that at that time it is in the realm of permissible activity by public broadcasting to make a comment which would dispute the facts made by the President to the people?

Mr. CURTIS. Oh, sure. I think it might. Providing you have what they call the balance and objectivity. That you have not just who said it was wrong, but those who thought it might be right represented as well.

Senator HARTKE. You see, Mr. Buchanan takes the theory that that cannot and should not be done in the private sector.

Now the point about what I am saying is, if we are going to eliminate it from the commercial broadcasting side as permissible comment, are we going to also then close the door completely for the American public to really hear what is going on?

Mr. CURTIS. First I would respond, I am not sure that is Mr. Buchanan's view. But assuming that it is——

Senator HARTKE. Let's assume that it is.

Mr. CURTIS. I would disagree with it myself, because I don't think this is correct. I certainly feel that, under freedom of speech and comment, it is fundamental to our whole system of government, and if you interfere with that, you've cut at the underpinnings.

I think when we come over to the public broadcasting area, we then come into another definition here, as I understand it, and I am glad to expose my preliminary philosophy—I say preliminary because I am still examining it—that is the way the law was written. It was to do things that could not be and weren't being done in the commercial area.

Now, news seems to be done in the commercial area. Query: Should the educational, going on into public affairs and so forth, carry on into the area of news, which is the kind of thing that you are posing here?

I think there is another test that might well exclude it; namely, that this is being adequately covered. If it is, then we don't have the situation that you are hypothecating, of cutting off this kind of dialogue in the commercial area. I think it would be terrible if that dialogue ever were stilled.

Senator HARTKE. I do, too, but I think that is the present tendency, which disturbs me deeply.

Different question. Do you think public broadcasting should be financed by Federal funds?

Mr. CURTIS. Oh, it is.

Senator HARTKE. I know it is, but do you think it should be?

Mr. CURTIS. I was trying to remember what my original thinking was at the time. And I have forgotten.

I am, my history will show, reluctant to use the Federal system unless I see no other way, but there are many instances where I have done so; as a Congressman, in fact, initiated things.

I can easily respond though. This decision has been made though.

Senator PASTORE. Mr. Curtis, we are going to have to leave now for a vote. Mr. Hartke will assume the chair. And I don't think anybody else has further question.

Senator HARTKE. I am not going to ask any questions which involve political connotations. All right?

Senator COTTON. I don't want to interrupt Senator Hartke's questions. But this gentleman is an old friend of mine. He is well known in New Hampshire, and I want my picture taken shaking hands with him before I leave.

Senator PASTORE. For purposes of the record, the committee will be polled on the nomination after the close of the hearing.

(Short pause.)

Mr. CURTIS. Let me finish the specific answer, because I am coming to the guts of it.

This decision has been made, and because it has been, and this is the way we are going, I would undertake to do everything I can to see that these moneys—or that this is fully funded and that these moneys are well spent.

Senator HARTKE (presiding). You see, I am personally in favor of complete Federal financing, so there is no question about that.

Mr. CURTIS. Well, I probably would not be. Well, I wonder what you mean by that. You surely want the local stations to continue to go out trying to get local contributions?

Senator HARTKE. I am going to cover that in a moment in a different context.

Do you think pubic broadcasting should not engage in any specific type of program; for example, in public affairs programs?

Mr. CURTIS. Yes. I have no firm convictions on it yet. I think, though, that I could easily come to the conclusion that news, for example——

Senator HARTKE. That they should not engage in news?

Mr. CURTIS. If it is true that news is being adequately covered in the commercial area.

Senator HARTKE. Who makes that decision?

Mr. CURTIS. We would have to make such a decision.

Senator HARTKE. You are not saying some outside source could make a decision of what is proper coverage of news?

Mr. CURTIS. Well, we would have to make the decision when we allocated the funds.

Let me put it this way. If you have limited funds, you allocate them here, and you are going to cut away from there.

Now, the area that I am biased for is getting our educational TV fully funded, and I would have a tendency to opt for those kinds of

programs, and yes, there would be a balance there, or a bias there, perhaps, on my part along those lines.

Senator HARTKE. You see, what disturbs me about the public broadcasting scene is not the fact that it is at the present time in some way leaning one way or leaning another. I think the depth of its perception and need is not being properly covered.

As long as you have private financing and people who have conflicting interests involved in this process, you are never going to see the full development of public broadcasting.

In line with that, I would say that one of the greatest stores of information, to which I would direct your attention, is in the Federal Communication Commission's files.

Every time a station comes up—a commercial station—comes up for renewal, it must do a complete study of its relationship as to whether it is performing in the public interest as a commercial station. And that study is done 6 months before the license renewal occurs.

And here you find, instead of the station manager dealing with his usual clientele or trying to make sure they sell advertising and having martinis downtown at lunch and going to the country for the weekend, he really has to go out in the community and talk to the community leaders, some of whom irritate the living hell out of him, if you want to know the truth.

Surprisingly, you find some very enthusiastic individuals who feel the whole realm of commercial broadcasting should devote itself to a greater concern of the community activities. Studies have been made of certain things.

I would like to call your attention to some of the categories which I think public broadcasting should concern itself within greater detail. For example—and I must pick this as an example—channel 2, WCBS television, in New York, in their own survey made the decision that they had in the order of 13 decisionmakers in their community.

I will just briefly cover them in alphabetical order. Arts and culture. They felt arts and culture in New York City were going to absolutely go by the wayside by the facts that they were somehow not being covered adequately, and because of the difficulties inside the core city and the so-called Broadway theater is disappearing, not because the plays are not good, but because of the difficulties inside the city.

The problems of the city are destroying the arts and culture.

Then, the question of crime and justice and penology. The drug-related items, which are not presently being covered by the commercial broadcasting, because it is very difficult to go into these, unless an item on which they can develop a program is at least entertaining.

Maybe it would be more responsive than people would think. The whole question of the drug epidemic. The great concern about problems of the economy. Surprisingly, they find most people concerned with inflation are those who have the least problem with inflation, and that is the more affluent.

The educational system. And the whole decline of the educational system.

I have seven children. There is no question at this moment that the United States is faced with an educational crisis of major proportions. The whole system is declining. Education is not as good as it was 10

years ago. There are reasons, but not enough attention is given to this problem.

Here is the media. It's the old story of at least trying to get to it. Jesus said if you light a candle, don't hide it under a bushel basket. Here you have the educational system going to pot, and no one is doing a damn thing about it.

I don't like it. I'd at least like to have my children have at least as good an educational background as I have, and they are not getting it.

There's the whole question of ecology and environment. What you are going to do with disposable and solid wastes. Why don't you go out and show all the garbage and trash in the streets and show where the kids have to live in the middle of these rat-infested areas. There are no cosmetic things to cover up that part of America.

And yet we talk about the great health benefits of this country, and in the core cities our mortality rate for infants is higher than some African countries which are held out as an absolute disgrace by the World Health Organization.

These things are not being covered.

The whole question of the field of public health, therefore, could be gone into. Venereal disease—why doesn't somebody tell these kids what the symptoms are, on television, instead of saying "go see a doctor." They are afraid to see a doctor or ask their parents. Tell them, and show them exactly. You think it might be embarrassing. It's a whole lot better to be embarrassed than to have that disease spread.

The questions of housing, race relations—which as anyone who is watching it knows—is absolutely not getting any better.

The whole quality of life in the city.

What I am saying, I hope, Tom, knowing your background and your deep concern for public interest, that you could alert the public broadcasting to think in terms of these things. I guarantee you, if some of the politicians would read the studies made by the broadcasting people themselves, in those FCC files, they would find better campaign issues than listening to some of the politicians.

Congratulations, and I hope you have a good time.

The meeting is adjourned, subject to the call of the Chair, and I know you will be confirmed.

Mr. CURTIS. Thank you, Senator Hartke.

(Whereupon, at 11:05 a.m., the hearing was adjourned, subject to the call of the Chair.)

COMMUNICATIONS WORKERS OF AMERICA,
Washington, D.C., September 8, 1972.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: With hesitation and a sense of futility, I must protest the confirmation of Thomas B. Curtis as a member of the Board of Directors of the Corporation for Public Broadcasting. My protest is based on this nominee's voting record as a Member of Congress during the 90th Congress, when the Corporation was first authorized.

The Subcomittee is undoubtedly aware of Mr. Curtis' votes, in September 1967 and April 1968, all three of which were in opposition to the founding of the Corporation. I am disappointed that the members of the Subcommittee, at today's meeting, did not question him on those votes, in order that the record might contain an up-to-date version of the nominee's views.

I am informed that Mr. Curtis holds a view of public affairs somewhat narrower than that of the Congress in 1967 and of the public in general. I believe he should have been more closely questioned on the record in that respect.

The trade press recently has carried stories to the effect the Board is likely to elect Mr. Curtis Chairman. I believe the true purpose behind the President's appointment of Mr. Curtis as a member of the Board is to have him preside over the dismantling of the Corporation established as a means of offering the citizen the information he needs if he is to function as a citizen. As a member of the Board or as its Chairman, I believe the nominee will actively work to curtail the four years of efforts so well directed by Messrs. Pace and Macy. I harbor a strong opinion on this matter because, as you and your Subcommittee colleagues know, I have served on that Board of Directors during the four most difficult early years. Public broadcasting can and should and must become a real alternative to the dearth of information now facing the citizen.

In view of the instant appointment, I cannot see how the intent of the Congress, as so brilliantly expressed in 1967 and prior to that by the Carnegie Commission, can be fulfilled.

Undoubtedly, Mr. Curtis will be confirmed quickly by the Senate. Since it is unrealistic for me to suggest that the nomination be rejected, I only can ask that this brief statement be incorporated in the Subcommittee's record. I hope that despite Mr. Curtis' previous record on public broadcasting, he will recognize that the Congress ordained in 1967 that the Corporation was to be insulated from the kind of political pressures exerted upon it in the last several years.

About Mr. Curtis personally, I recall that he was an independent thinker while serving in the Congress, and that he enjoys a reputation of probity. However, if the Corporation is to move away from the initial phase, its Board must include supporters.

Sincerely yours,

JOSEPH A. BEIRNE, *President.*

ENCYCLOPAEDIA BRITANNICA,
Chicago, Ill., September 25, 1972.

Hon. JOHN O. PASTORE,
Washington, D.C.

DEAR SENATOR PASTORE: Thank you for sending me a copy of Mr. Joseph A. Beirne's letter to you commenting upon my appointment as a member of the Board of Directors of the Corporation for Public Broadcasting, which will be made a part of the subcommittee's hearing on my confirmation. You are thoughtful to give me an opportunity to respond to the points that Mr. Beirne has raised and to include my response in the printed record.

First, I must assume Mr. Beirne is correct about three of my votes in the House of Representatives when the matter of the Corporation for Public Broadcasting was under consideration in 1967 and 1968. However, I must register strong objection to his interpretation of these votes simplistically as per se "in opposition to the Corporation." I can, without even going back to check the record, give you the context in which these and many other votes of mine were cast in 1967 and 1968, indeed beginning in 1966.

As my record shows, I was a member of the House Ways and Means Committee from 1953 and of the Joint Economic Committee from 1954 to 1969. Toward the end of my service in the House (January 3, 1969), I was the number two and number one ranking Republican on these two committees. Fiscal policy was an important matter of concern to both these committees, and the House members relied on these two committees for guidance in these matters. Beginning in October 1965, I became very alarmed about the spending rate of the federal government which without publicity jumped markedly in September. This increased spending without concomitant increases in tax revenues continued through 1965 and 1966. I took the floor of the House on numerous occasions during this period to call attention to what I felt was a very serious and dangerous fiscal posture.

There were only two ways the House had to express itself on expenditure levels. 1. By setting the level of new powers to spend granted to the executive in the Appropriation Bills. This, however, at best, had very delayed reaction inasmuch as the carryover balances of power to spend equalled if not exceeded the level of annual expenditure. 2. By holding the debt ceiling constant which at best was cumbersome and subject to the valid criticism that this encouraged the executive

to use his discretion on which programs to cut back on spending rather than to carry out the sole executive responsibility to spend in accordance with law and with efficiency.

You may recall this debate over fiscal policy began to receive public attention about 1967 and carried through 1968. It reached a head over the proposal of the Administration to increase taxes to solve the problem. I said that expenditures had gotten sufficiently out of hand and had continued for such a period of time that probably tax increases were necessary, but that expenditure cut back was absolutely essential. There was no sense to increase taxes without cutting back on the expenditure levels. I further stated that I was not certain but what we had our tax rates beyond diminishing returns and that more revenues would not be gained by increasing rates and even might be lessened. That we had to look to economic growth for our additional revenues and that taxes themselves had become a serious deterrent to economic growth. I had been urging the appropriation committee and the legislative committees to hold down on new programs and increasing old programs until we could solve this fiscal dilemma. I asked that the House establish some leadership in setting priorities between federal programs so that we could hold down spending in an orderly fashion and not damage good programs, and not be a deterrent to starting good new programs. In 1968 I even proposed my own list of priorities in cutting back on programs in my eagerness to get a dialogue going on this important subject. My admonitions were not heeded. My last remarks on the Floor on this subject were in the nature of warnings that if we continued to neglect the solution of this basic fiscal problem, we could very well have inflation and a recession, at the same time, which was a very difficult economic posture to attain. I said the only thing to be said about attaining such a posture was that we had never experienced it before and we might learn something. I said, however, the damage would be such that I was afraid we would be forced to devalue the dollar and that we might experience wage and price controls, which in my economic book is tantamount to closing down the marketplace system and is a disaster not a remedy except very short range.

In several speeches I recall saying wistfully, I wish I could have the pleasure some of my less concerned colleagues had of promoting some of the programs of my own design, instead of being in the position of always seeming to oppose programs, many of them good; all of them with some attractiveness.

Someone once estimated for my edification that in 1968 I had voted against 60% of the appropriation bills. I don't doubt it. This is the context in which the newly proposed Corporation for Public Broadcasting came before the House. I have no specific recollection of this program or many others in education, which is the subject of my major concern, which were being moved forward at the time. I felt that the damage that education and welfare were experiencing and would continue to experience from inflation and high taxation was so serious that taking correct steps to avoid both took priority over almost all other things.

Mr. Beirne, however, is not in error in saying that "Mr. Curtis holds a view of public affairs somewhat narrower than that of the Congress in 1967 or the public in general" if one were to make public affairs synonymous with action by the federal government, which would be a grave error. This is entirely apart from the fiscal problem we have gotten ourselves into although I happen to believe that one of the solutions to our federal fiscal problems lies in assigning a less active role of the federal government in education, welfare and cultural affairs and assigning more active roles to other sectors in our society. At the same time this, I believe, would make more effective our total efforts. Aside from financing, which itself is important, I think we need to rely more heavily on the private sector of our society to gain the advancements I think we all seek. The most neglected and most important sector for coping with these problems is the non-profit private sector which has been squeezed by both the governmental and the for-profit private sectors.

Curtis' corollary to Gresham's law states that "Government money will drive out private." It need not, but if insufficient attention is paid, this will be the result, and we narrow, not broaden our total efforts as a result.

Now to the issue itself. What are my views of the Corporation for Public Broadcasting and what are my intentions? These questions were asked of me. I responded by saying that I was pleased to be asked to go on the Board. (I was pleased to accept the Chairmanship of the Board) because I knew no other area as important to the fuller development of education and communica-

tions in our society than this. I was willing to devote time and effort to see if I could not help move it forward. Even if I had been against the creation of the Corporation and the movement of the federal government into this field in its inception which I was not necessarily [probably if I had had time to dig into the matter I would have reluctantly agreed to try out the idea of involving the federal government], I view the matter as one where this decision has been made. Now let's see if we can't make it work and if that will not work, let's try other things to see if they will work. The need to develop the use of television and radio as tools in education and communications in our society is too important to let it hang up over squabbles of how it might get done.

Mr. Beirne has been gracious in his comments about my enjoying a reputation of probity and one of being an independent thinker. I hope I always measure up to this reputation. I think he and you, the Senate and the public, can rely on my statements and rest assured that I did not take this job to "preside over the dismantling of the Corporation" or "actively to work to curtail the four years of efforts so well directed by Messrs. Pace and Macy."

Sincerely,

THOMAS B. CURTIS.

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