EXTENSIONS OF REMARKS

HIGH SCHOOL STUDENT POLL

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Friday, May 16, 1969

Mr. FANNIN. Mr. President, I was most interested recently in an opinion poll of high school students in the Tucson, Ariz., area conducted by the Tucson Daily Citizen.

Many say they are surprised by the actions of some of today's youth. I think that in reading this poll they will find some surprises and some definite reassurances that by and large today's students are a thoughtful majority who still believe in the principles upon which America was founded.

Mr. President, I ask unanimous consent that the poll be printed in the RECORD.

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

TUCSON DAILY CITIZEN, HIGH SCHOOL OPINION POLL, SPRING 1969—FINAL SUMMARY

Ballots cast, 12,035.

1. Does Tucson offer the opportunity for you to live and work in the area after your schooling is completed?

	Number	Percent
Yes	5,128	43.15
No	5,423	45.63
No opinion	1,332	11.20

2. Do you feel that your parents—

	Number	Percent
Overdiscipline	2,179	18.35
Underdiscipline	843	7.10
Don't care	311	2.61
Are fair	8,540	71.92

3. In the Mideast crisis, the United States should support—

	Number	Percent
Arabs	263	2.21
Israel	2,640	22.18
Stay neutral	6,829	57.38
No opinion	2,168	18.21

4. For what would you rather have your tax money spent?

	Number	Percent
Education	4,425	37.46
Foreign aid	213	1.80
Military	964	8.16
Poverty	5,161	43.69
Space	1,048	8.87

5. For military forces the United States should rely on—

	Number	Percent
Lottery system	1,155	9.70
Present draft system	4,484	37.66
Volunteer system	4,744	39.84
No opinion	1,522	12.78

6. How should the president of the United States be elected?

	Number	Percent
Popular vote	7,634	64.14
Present electoral college	1,484	12.46
Revised electoral college	1,753	14.72
Don't know	1,031	8.66

7. Should we always defend our country even if its actions conflict with our own beliefs?

	Number	Percent
Yes	6,992	58.75
No	3,594	30.19
No opinion	1,315	11.04

8. At what school level should sex education begin?

	Number	Percent
Elementary	4,564	38.27
Junior high	5,019	42.09
High school	1,989	16.68
None	352	2.95

9. Are students justified in ditching school for mass protests or picketing?

	Number	Percent
Yes	3,464	29.04
No	7,090	59.43
No opinion	1,374	11.51

TUCSON DAILY CITIZEN, HIGH SCHOOL OPINION POLL, SPRING 1969—FINAL SUMMARY—Continued

10. Should Arizona school districts adopt a 12-month school year?

	Number	Percent
Yes	1,841	15.44
No	9,654	80.97
No opinion	427	3.58

11. Should black students be bused to predominantly white schools for the purpose of integration?

	Number	Percent
Yes	1,983	16.65
No	8,467	71.09
No opinion	1,459	12.25

12. Do you believe that riots, sit-ins, and picketing by college students have any positive results?

	Number	Percent
Yes	3,681	30.83
No	7,331	61.40
No opinion	926	7.75

13. Should capital punishment be abolished?

	Number	Percent
Yes	4,098	34.32
No	6,686	56.00
No opinion	1,154	9.66

14. Who should decide whether an abortion is justified?

	Number	Percent
Doctor	3,964	33.80
Clergy	408	3.47
Legislature	617	5.26
Persons concerned	6,736	57.44

15. Of five closest friends, how many have used illegal drugs or narcotics?

	Number	Percent
0	5,891	50.13
1	1,478	12.57
2	1,047	8.90
3	870	7.40
4	500	4.25
5	1,965	16.72

16. Where do you get most of your news of current affairs?

	Number	Percent
Newspapers	3,251	28.27
Radio	3,345	29.09
TV	3,859	33.56
Magazines	464	4.03
School current events	578	5.02

ECONOMIC INTERDEPENDENCE OF OREGON AND CALIFORNIA

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. HOSMER. Mr. Speaker, a member of the Oregon Water Resources Board was quoted recently as telling the Western Water Congress in Wenatchee, Wash., that Oregon will take a lot of convincing before agreeing to ship surplus Columbia River water to the Pacific Southwest. Well, I would advise the gentleman that he will find all the convincing material he needs in a report released last month by the Colorado River Association.

I am referring to the "Economic Interdependence of the Western States," otherwise known as the McCann report, and if that Oregon water official will take the time to read through its 43 pages of facts and data—compiled from official Federal and State agency records—he will quickly discover that his State enjoys an enormous trade in the seven Colorado River Basin States.

If he is suggesting that the Pacific Northwest hoard its surplus water at the risk of drying up a major market, then he is going to make an awful lot of Oregon manufacturers, farmers, and businessmen very unhappy.

Perhaps only the water resource planners up there are not aware, as the news release accompanying the report points out:

The value of Oregon products shipped annually to the Pacific Southwest and the Rocky Mountain States tallies in many millions of dollars.

Aside from Washington, maybe, Oregon carries on the heaviest, most lucrative trade with the Colorado River Basin region than any of the Pacific Northwest States.

The extent of the southward stream of Oregon products—her lumber, her onions, her pears, her grains, her livestock—is really amazing. For instance, California alone buys some 2.1 billion board feet of Oregon lumber annually, or roughly one-fourth of the total shipments from Oregon mills.

But that generally is just the current picture and a pretty rosy one at that. However, think of what tomorrow could be like. Imagine for a moment the tremendous prosperity that would be visited upon the Oregon economy if her vast arid acres could be watered by the Northwest's surplus waters flowing south in an interbasin canal.

Blaine Shulz, of the Portland Oregonian, recognized north and south as one of the most objective water reporters in the West wrote only recently that—

Eastern Oregon could get cheap water for irrigation and a booming construction payroll if an overland canal were built to carry water from the Columbia River to the Pacific Southwest.

And as Philip Walsh, of the Los Angeles Chamber of Commerce, pointed out in his speech introducing the McCann report:

If an impartial, objective study established that a surplus of water exists in the Columbia River, exportation of some of that surplus to the arid Southwest might be the wisest economic investment the people of the Northwest ever made.

The text of the news release follows:

PORTLAND, OREG., March 24.—A comprehensive economic survey released here today shows that Oregon industry enjoys a heavy, lucrative trade with the seven-state Colorado River Basin area.

The value of Oregon products shipped annually to the Pacific Southwest and the Rocky Mountain states tallies in many millions of dollars, according to the report—"Economic Inter-Dependence of the Western States."

Wilbur McCann, an independent Los Angeles economic consultant, conducted the survey and it was published by the Colorado River Association of California.

One of the report's major findings discloses that the West is an especially important market for Oregon lumber; the Western states in toto got 45 per cent of the state's shipments in 1964 (the latest year for which official figures were available) and 26 per cent was sent to California. Applying the same ratio to production finds California the destination point of 2.1 *billion* board

feet from Oregon. That comes out to roughly one-quarter of the shipments from Oregon saw mills.

Another interesting fact uncovered by the McCann survey was that Los Angeles is the most important market in the nation for dry onions produced in Oregon. Of the 762,000 50-pound sacks shipped to four major Colorado River Basin cities in 1966, Los Angeles markets bought 439,200 sacks, or more than half the total. The regional share of onion exports represented more than 25 per cent of the total for 37 other U.S. cities, including Portland itself, Seattle, New York and Chicago.

Other pertinent findings of the report reveal that—

Four major cities in the Colorado River Basin region (Los Angeles, San Francisco, Denver and Salt Lake City) received 166.8 million pounds of Oregon potatoes in 1966, constituting over half of the total shipments to 41 nationwide cities.

Oregon processors sent almost 400 railroad carlots of her pears to the same four Southwest markets in 1966, the two California points getting 365 carlots. Truck shipments of Oregon apples to California totaled 592,000 bushels.

Of the 358,000 beef cattle and calves shipped to California in 1966 by the four Pacific Northwest states, Oregon farmers provided 223,000. In addition, the state's ranchers and processors also sent 162,000 sheep and lambs, and 624 dairy cattle.

Oregon was the source of 23,337 tons of barley, oats, wheat and other grains exported to California alone in 1966. That figure is for truck shipments alone.

The amount of air passenger traffic from the Portland Airport to and from points within the Colorado River Basin states exceeds by 15 per cent the traffic within the Pacific Northwest states. In 1966, the total for Southwest movement was 532,440 passengers, compared with 362,580 for intra-regional traffic.

The findings and conclusions of the study were discussed by Philip F. Walsh, vice president of the Los Angeles Chamber of Commerce, in a speech to Portland's like organization.

AMERICAN SEAPOWER

HON. JOHN G. TOWER

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, May 16, 1969

Mr. TOWER. Mr. President, I ask unanimous consent that a most thoughtful and timely address by Mr. Edwin M. Hood, president of the Shipbuilders Council of American, be printed in the Extensions of Remarks.

In the address, Mr. Hood gives his latest views on the problems of American seapower, both merchant and military. I commend his address to the attention of the Senate.

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

SPEECH BY EDWIN M. HOOD, PRESIDENT, SHIPBUILDERS COUNCIL OF AMERICA, BEFORE 23D CONVENTION, PACIFIC COAST METAL TRADES DISTRICT COUNCIL, KONOCTI HARBOR INN, CLEAR LAKE, CALIF., MONDAY, MAY 5, 1969

When one looks at a map or globe of the earth, it can be quickly seen that the world could easily be dominated from the seas.

Hundreds of years before the birth of Christ, a statesman of Athens, Themistocles, persuaded his countrymen to increase their naval strength with his philosophy that "he who commands the sea, has command of everything."

The North American continent was discovered from the sea, and the American colonists quickly recognized the importance of the seas. Without trade and commerce, and access to the ocean trade routes, the early settlers of our nation sensed that freedom from oppression could never succeed.

So it has been, down through the ages, sea power—control of the seas—has played a decisive and important role in the development of the United States.

The late President Kennedy put it this way: "Control of the seas means security. Control of the seas can mean peace. Control of the seas means victory. The United States must control the seas if it is to protect our security."

President Nixon, during the political contest of last year, stressed another dimension. He said: "Sea power is the ability of a nation to project into the oceans, in times of peace, its economic strength; in times of emergency, its defensive mobility."

With nearly seventy percent of the earth's surface covered by water, and with the United States of America, for all practical purposes, surrounded by water—the quoted words of President Kennedy and President Nixon have a substantial meaning: our nation could not survive without naval ships and merchant shipping, and the capability to use the oceans in the national interest.

Every President of the United States has recognized the significance of sea power to security and survival. Sea power is an ingredient of national strength that enjoys bi-partisan political support. Yet, control of the seas, as defined by Presidents Nixon and Kennedy, needs much more public understanding.

Admiral Alfred Thayer Mahan, a distinguished U.S. naval officer and historian, was perhaps the first authority to trace the historical relationship between sea power and political power. Sea power, in his view encompasses both naval and merchant ships plus all of the productive resources of the nation—shipyards among them—that are necessary to sustain them. He, and others, have pointed out that control of the four narrow waterways—the Southeast Asia Strait of Malacca, the Panama Canal, the Suez Canal and the Straits of Gibraltar—could either frustrate or advance the political objectives of an aggressive or friendly power.

One of these—The Suez Canal—was closed during the Arab-Israeli War of 1967. Fourteen sunken merchant ships have subsequently rendered this waterway ineffective as a connecting link beween the Mediterranean Sea and the Indian Ocean, and at this moment there appears to be no prospect of early reopening. As a consequence, the commercial trade patterns and ocean strategies of many nations have been essentially revised.

Almost coincidentally, the emergence of the Soviet Union as a sea power has come to general notice. To that point in time, the remainder of the world has not fully appreciated that the octopus of international communism, among other things, was a marine creature of substantial proportions. The relative balance between U.S. and U.S.S.R. strength at sea has, in fact, altered significantly since the end of World War II.

The Russian Navy is today second only to that of the United States, and the Soviet merchant marine will shortly be larger than the American maritime fleet in terms of both numbers and tonnage. Russian fishing and oceanographic ships are probably the most modern now afloat.

Soviet trawlers are equipped with electronic gear and have monitored U.S. and NATO naval maneuvers. In addition, they maintain a constant surveillance of U.S. Polaris submarine bases, and there have been frequent reports of the manner in which Russian fishing and oceanographic vessels have been employed as "lookouts" for the Russian Navy. All Soviet ships, from nuclear submarines to fishing trawlers, are believed to contribute to a total oceanographic effort, and every Soviet ship is said to gather data for future naval and commercial operations.

The geopolitical implications of this steadily growing communist armada to the national security of the United States and to the collective security of the entire Free World have been brought into sharp focus by the withdrawal of the British Navy from historic outposts, the aggressive solicitations of commercial cargoes by the Russian merchant marine, and the imposing presence of the Soviet naval fleet in the Mediterranean Sea.

In recent weeks, there have been numerous press accounts of accelerating Russian naval buildup in that sensitive area of the world. NATO officials have reported that Soviet ship activity in the Mediterranean has increased sevenfold over the last five years, and that today there are more than 50 Soviet naval vessels including 14 submarines—the largest fleet the Russians have ever assembled in that area.

This buildup, of course, conforms with usual Russian dogma; a careful measured show of strength for political and psychological reasons, in a region of strife and turmoil at a tender moment of history. The objective is not primarily military; more likely it is to harass the efforts of the United States and other Free World powers to encourage peace and calm in the Middle East.

Soviet ocean strategy, like international communism, has fixed goals, though those goals may often be confusing or contradictory and not always readily discernible. This strategy would seem to envision an eventual contest of naval blockade and/or commerce destruction between the two super powers of the world, and such a contest could well decide the future of freedom on the seas. Such a contest could quickly demonstrate the comparative strength of U.S. and Russian sea power.

In March of 1959, just 10 years ago, it was the judgment of a civilian survey team that the U.S. naval fleet "is not in an acceptable state of readiness." The Chief of Naval Operations, when then queried on this point, inferred that our fleet is not as good as it should be and went on to say "we'll do the best we can and that will be plenty good."

Under increasingly difficult circumstances of obsolescence, antiquity, material fatigue, and restrained logistical backup, the United States Navy has admirably proven the validity of that pledge. In time-honored naval tradition, the men and officers of the Navy have stretched American ingenuity and perseverance to the utmost limit.

The disturbing condition cited in 1959 was attributed to the everwidening gap between the expanding responsibilities assigned to the Navy and the financial resources allocated to it. It would seem the same condition has persisted.

In the Fall of 1962, the House Committee on Armed Services warned that "it is a statistical certainty that our fleet will be unable to perform its assigned role in the years to come" unless attention is given the serious problem of obsolescence. Obsolescence was defined as "a depreciation of existing ships, equipment, weapons systems due to the development of greater threats and advanced technology." The implied threat, of course, was that posed by the Soviet Union.

That same Committee—seven years ago—concluded that "a 7-year program to build or convert approximately 500 ships of various types is needed to produce naval forces of the quantity and quality required to perform effectively under the operational and strategic environment 10 years from now." Seven years later, in the year of 1969, nearly two thirds of the U.S. naval fleet is com-

posed of vessels 20 years of age or older, and the level of financial resources allocated to it in the interim has obviously been inadequate.

Only last month, the Special Subcommittee on Sea Power of the House Committee on Armed Services released what has been widely described as a "shocking" report on the status of our naval ships. It was today's judgment of that well-informed group that "in naval matters, the United States no longer enjoys clearcut military and technological superiority" over the Soviet Union. With charts and photographs, the qualitative and structural deterioration of U.S. Navy ships were dramatically shown.

Less than one percent of the Soviet Navy is 20 years of age, and with this statistical fact, the sensitive significance of the relative balance between U.S. and U.S.S.R. sea power, is graphically illustrated. But, there are other startling statistics:

Russia reportedly has 100 submarines capable of firing missiles compared to our 41.

The Soviets lead the U.S. in attack submarines by 2½ to 1.

All of the Soviet's 250 attack submarines are less than 20 years old; 60 of our 105 are more than 20 years of age.

Russia has less than half as many conventional destroyers as we (86 to our 177), but 163 of ours were built in World War II while all of the Russian ships of this class are much less than 20 years of age.

The Soviets have 150 missile patrol boats; we have none.

The Russian merchant marine, which in 1950 comprised only 432 ships aggregating 1.9 million deadweight tons, now numbers more than 1,500 ships and is expected to total 14 million tons by the end of 1970—a sevenfold increase—or a 700 percent increase—in tonnage.

In sharp contrast the American merchant fleet, which in 1950 comprised 1,900 ships totaling 22 million tons, at the beginning of this year consisted of only 1,033 active ships of 15.8 million tons—a 45 percent decrease in numbers of ships and a 28 percent drop in tonnage. Further contractions in the U.S. shipping fleet can be expected during the next 18 months.

Last November, the Soviets were constructing 458 merchant ships to our 62.

For the past several years, new ship deliveries to the Russian merchant fleet have outpaced U.S. deliveries by a ratio of nearly 6 to 1.

About 80 percent of the Soviet shipping fleet today is less than 10 years of age, while approximately 80 percent of the American merchant marine is 20 years of age or older.

And so we come full circle—our Navy and our Merchant Marine are both plagued with a high degree of obsolescence. But these comparisons tell only part of the story. The Russians remember all too well that which we are often quick to forget—the importance of control of the oceans. In the vacuum created by apparent American lethargy and the retreat of the British Navy on all fronts, the Kremlin obviously intends to use the oceans for exploitation of Soviet political, psychological and economic objectives.

That the Soviet Union has embarked on a carefully conceived plan pointed toward mastery of the seas there can be little question. The political and economic advantages are easily recognizable. Less obvious is the propaganda potential. As these modern ships, flying the ensign of the hammer and sickle, spread each day more expansively over the oceans, they suggest a posture and strength of frightening proportions to uncommitted or lesser developed countries. The severity of this symbolism is easily portrayed by the arithmetic of our own sea power inventory.

In sum, Soviet Russia is mounting at sea a new challenge that the United States will have to deal with long after the fighting in Southeast Asia is ended. This challenge extends across the full spectrum of sea power. If the United States is to continue as a preeminent world power, this challenge must be faced squarely. But, it will not be effectively met with old ships of questionable reliability. It will not be effectively met by the "lick and promise" that has been descriptive of our nation's attention to strength on the seas over the past many years.

What is needed is a fixed national determination such as the Russians have seen fit to adopt and pursue in their own national interest. What is needed is a forceful acknowledgement by the stewards of national policy that strengthening our nation's sea power resources, in all respects, will require a higher priority in the orchestration of essential national goals and fiscal plans than has heretofore been the case. What is needed is a realistic, well-conceived, orderly and stable program to assure that our vigor on the oceans is not deficient in any category—a program which does not ebb and flow with the changing tides of expediency, neglect, inertia, and wishful thinking.

GOVERNOR PETERSON'S LEADERSHIP

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. WYMAN. Mr. Speaker, the way Dartmouth College officials acted promptly to avail themselves of civil process when faced with student insubordination and trespass at Hanover, N.H., illustrates how to deal with this continuing problem effectively. This is by application to the court for a court order called an injunction.

Once an injunction has been issued, student trespass, if continued, becomes a contempt of the court and assistance through law enforcement officials is available to back up the judicial order.

In the Granite State, this assistance was effected in exemplary fashion by New Hampshire's Governor Walter Peterson, who, acting on the request of college officials, authorized the State police to remove students who refused to leave college buildings.

The Governor also directed that the removal be accompanied with a minimum of physical force and without violence unless violence was first initiated by the offending students.

This was done—all within a few hours—and without violence, although some offenders had to be physically removed. Shortly thereafter the court sentenced the deliberately contemptuous student leaders to 30 days in jail, where they are now confined.

This is a good example for other institutions that may face similar willful trespass or worse. Congratulations are in order to all concerned and particularly to the Governor, himself a Dartmouth alumnus. In this connection the following account from the current issue of Newsweek is of interest.

BUST AT DARTMOUTH

At first the events at Dartmouth had a familiar ring. Like Harvard radicals a few weeks ago, Dartmouth radicals protested, among other things, the university's reluctance to abolish immediate ROTC programs from the campus. The faculty had decided that ROTC should be abolished, but not until 334 students now enrolled in the program had graduated. For many students, radical and moderate, 1973 was too long to wait.

Rumors that radical students were preparing to take over a campus building spread around campus for several weeks. The administration announced its own plan: if students occupied a building, officials would seek an injunction from the local courts before police were called.

FORCE

Nevertheless, about 100 students last Wednesday swept into the main administration building and forced out administration officials. President John Sloan Dickey left of his own power. but the dean of freshmen was inelegantly rolled out in his desk chair. As the news spread, the crowd outside the building swelled to about 1,000 (out of a total enrollment of 3,596). Some were sympathetic with the radicals; others were not ("Dartmouth—Love It or Leave It" read one button some students wore).

The stage thus was set for a brutal round of bloodletting. But the administration first set in motion the previously published plan. "You are now in violation of the guideline of dissent," Thaddeus Seymour, dean of the college, told radicals entrenched in Parkhurst Hall. Then Dickey petitioned for an injunction hearing in court. This made the occupation a civil matter rather than a university matter. At this point, New Hampshire Gov. Walter R. Peterson (Dartmouth '47) took over from Dickey.

Once the court granted the requested injunction barring further occupation of the building, Peterson personally instructed some 100 state police—and a small contingent borrowed from the State of Vermont—assembled in the nearby Lebanon, N.H., armory that "minimum violence was a must." The Grafton County sheriff served the court order on the protesters, saying they had two hours to leave or be in contempt of court. At 3:30 a.m., the police moved in and minutes later the radicals were out. "No clubs, no Mace, no brutality," reported one eyewitness. "It was a perfect bust," says assistant dean Paul W. Rahmeier.

But some student said that they had been Maced, and by the weekend it was clear that the local court, at least, was in no mood to be lenient. The county prosecutor requested fifteen-day jail sentences. Nevertheless, Judge Martin Loughlin sentenced 40 Dartmouth students to 30 days in jail.

A NOTABLE DISSENT IN ALABAMA

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, May 16, 1969

Mr. METCALF. Mr. President, last year the Alabama Public Service Commission denied a rate increase sought by Alabama Power Co. Last month, two of the commission members, President Eugene "Bull" Connor and C. C. "Jack" Owen, granted the company most of what it asked for, on the basis of the same record upon which the request had previously been denied. The third member of the commission, Miss Sibyl Pool, dissented.

Miss Pool does not believe that Alabama Power should collect $3.7 million for fictitious "taxes." She does not believe that the company's rate base should be padded with $35 million in bank deposits and land casually appraised far

above its cost. She does not believe that $189,409 in "charitable contributions," for which the company takes the credit, should be collected from the customers.

She wonders why "the majority talks only of the high cost of obtaining new debt capital, while ignoring completely the much lower embedded cost of the company's debt and preferred stock."

She notes that "testimony from the company's financial expert shows that actual earnings in the test year were as high as the expert recommended the company should be permitted to earn."

She supports the witness for the Alabama Textile Manufacturers Association, who used statistics, compiled from electric utilities' own reports to the FPC, pointing out that "the FPC statistics have the outstanding advantage of being computed on an entirely uniform procedure with adjustments, where necessary to put the earnings of all utilities on a basis equivalent to using flow-through accounting."

Mr. President, it is heartening to me that members of utility commissions in various States, despite their workload, despite their staff shortage, despite the political pressures on them to grant what the utilities want, are trying to rid regulation of some of the costly and indefensible policies which utility companies have lobbied through. I ask unanimous consent that Commissioner Pool's dissent be printed in the RECORD.

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

DOCKET NO. 16044: SEPARATE DISSENTING OPINION OF ASSOCIATE COMMISSIONER SIBYL POOL

Alabama Power Company, petitioner.

Petition: For approval of new schedule of rates for retail electric service.

The order approved by the other two commissioners on April 28, 1969 was issued in the name of "The Commission" without reflecting the fact that I voted against the order and stated my intent to file a dissenting opinion. To the extent that the form of that order conveys the impression that it was approved by the entire Commission, it is incorrect.

In our original order of June 24, 1968, all commissioners unanimously found the Company's existing rate schedule to be adequate and denied the proposed rate increase entirely. This new order approved by the majority gives Alabama Power Company all but a fraction of the rate increase it asked for and will result in an annual increase in electric bills to the people of Alabama of more than $13 million. The majority's new order is based on the same test year, the same record and the same evidence as our original order. Considering this, I fail to understand how the other two commissioners can so completely reverse their positions in this case. Moreover, when a majority of this Commission so completely reverse its position without apparent reason, in a case of this importance, it can only make the Commission appear irresponsible in the eyes of the people of Alabama.

The new order of the majority was ostensibly issued in response to an order of the Circuit Court of Montgomery County, but it goes far beyond what this Commission was asked to do by the Circuit Court. The Circuit Court asked only for findings of fact and did not request or authorize any change in the result or effect of the Commission's original order. This case has been on appeal to the Circuit Court since July of 1968 and it is still under its control. In my view, this Commission does not have jurisdiction to now change its original order so as to grant a rate increase it has already denied, or do anything else in this case except make the findings of fact requested by Circuit Court.

Quite apart from my belief that the Commission should not, and indeed cannot, reverse its position in this case while it is on appeal, I disagree with and dissent from the findings and conclusions of the majority. My reasons follows:

THE FAILURE TO SEPARATE FINANCIAL DATA

One of the most glaring deficiencies in Alabama Power's case as presented to the Commission was its failure to separate its investment, expenses and revenues attributable to sales subject to the jurisdiction of the Alabama Public Service Commission from the investment, expenses and revenues attributable to sales which are subject to the jurisdiction of the Federal Power Commission. A substantial portion (approximately 15.6%) of Alabama Power's total energy sales fall into the category referred to as "wholesale for resale." None of such wholesale sales are subject to the jurisdiction of this Commission. Rather, they are subject to the jurisdiction of the Federal Power Commission.

The financial date submitted by Alabama Power in this case does not purport to separate the investment, expenses and revenues attributable to the jurisdictional sales from that attributable to nonjurisdictional sales. This makes it impossible to reach a valid determination of the return actually being earned on the sales subject to the jurisdiction of this Commission. Evidence submitted by Alabama Power strongly suggests that the return being earned by the Company on the nonjurisdictional sales is far below the return being earned on the sales over which this Commission has jurisdiction. The Company's evidence does show that its return on wholesale sales in Alabama is far below the return earned on direct retail sales. However, the form in which this evidence was presented does not reflect the return, if any, earned on wholesale sales outside Alabama to affiliated companies in the Southern System Power Pool. It may well be that, if the evidence permitted a proper separation of financial data, it would disclose that the Company is being permitted to earn an excessive return on jurisdictional sales in order to make up for a deficiency in earnings from nonjurisdictional sales. This is contrary to sound regulatory principles and grossly unfair to the Alabama public whose interests this Commission is charged with protecting.

The principle of separation of jurisdictional from nonjurisdictional operations is, so far as I am aware, universally followed by regulatory agencies. It arises with respect to telephone companies and railroads, both of whom engage in intrastate and interstate operations, which are subject to the control of different regulatory authorities. A similar situation exists where electric utilities operate across state lines and render intrastate service in two or more states. Even in this case Alabama Power recognized the separation principle by eliminating the investment, revenue and expenses attributable to its steam heat operations which, though subject to the jurisdiction of this Commission, are entirely unrelated to the matter of electric rates and charges and also applied the principle with respect to its non-utility operations, such as merchandising and jobbing.

A regulatory authority cannot justify unreasonably low rates for intrastate, or jurisdictional, service on the grounds that the utility is earning large profits on its interstate, or nonjurisdictional, operations and likewise should not permit a utility to impose unreasonably high rates on intrastate, or jurisdictional, operations in order to meet losses or make up for very low returns earned on interstate, or nonjurisdictional, business.

Under the prevailing decisions, the State of Alabama, through this Commission, has no authority to regulate any of the wholesale sales of Alabama Power Company. Therefore, the separation of investment, revenue and expenses is important not simply as a theoretical allocation to two branches of the business; it is essential to an appropriate recognition of the competent governmental authority in two fields of regulation.

In my previous concurring opinion in this case I took the financial data submitted by Alabama Power and used it to show that no rate increase is needed. That was sufficient to dispose of the case presented to the Commission by Alabama Power's petition. On the other hand, I consider it a grave error for the majority to use financial data which fails to make the appropriate separation of operations where the result is to change the existing rates, either upward or downward.

REASONABLE VALUE OF THE RATE BASE

In my previous concurring opinion I developed a reasonable value for the Company's electric properties devoted to the public service of $801,188,838, which I considered generous under the circumstances. The majority of the Commission now finds that the reasonable value of the rate base is $836,208,642. The difference of approximately $35 million appears to be attributable to three factors: (1) The majority failed to eliminate $4 million average daily bank balances from the required working capital. (2) The majority permitted land to be included in the reproduction cost study at so-called appraised values instead of at original cost. (3) The majority assigned one-third weighting to each of original cost, invested capital and reproduction cost, whereas I had assigned 35% weighting to original cost and invested capital, and only 30% to reproduction cost.

Alabama Power claimed as needed working capital an amount equal to ⅛ of its annual operating expenses. But an allowance is widely used by regulatory agencies, but the proposition which permits its use includes the limitation that this amount should cover the company's needs for working capital. Very few regulatory agencies permit the inclusion of even minimum bank balances in the rate base in addition to an allowance of ⅛ annual operating expenses. Those that do generally require a strong showing of special need. In this case the Company specifically declined to characterize the amount claimed as minimum balances. There is no evidence in this record that ⅛ annual operating expenses, plus other accruals available to the Company, are inadequate to provide whatever amounts might be required for minimum bank balances. Moreover, the Company failed to submit any study of the amount of funds made available to it through deferred payments for its various purchases. This is undoubtedly a significant amount and reduces the need for working capital.

I have already mentioned, in my previous concurring opinion, some of the reasons why I would not permit land to be valued, for rate making purposes, at more than its original cost. In addition to the reasons already stated, I would reject the claimed additional value in this case because of the lack of adequate evidence. This land was supposed to have been valued by appraisal. However, except for individual parcels located in cities, there was no appraisal in the usual sense of the word. The Company's appraisal witness merely took the "surviving dollars" in the Company's various land accounts and multiplied these amounts by trend index numbers taken from a U.S. Department of Agriculture Report entitled Farm Real Estate Market Developments. This land was acquired by eminent domain proceedings or under a program where such proceedings were available. It is common knowledge that condemnation awards, as well as negotiated prices in such circumstances, are ordinarily higher than prices prevailing in private sales and, where

there is a partial taking, such awards and prices include severance damages in addition to that paid or awarded for the land acquired. Moreover, under established accounting procedures the amounts recorded in the land accounts to which the trend index numbers were applied include all costs incurred in connection with land acquisition, including legal expenses. Such incidental costs add nothing to the present fair market value of the land. The Department of Agriculture bulletin used by the Company's appraisal witness was never intended to reflect trends or changes in values of utility property. It is obvious, therefore, that the evidence on this subject constitutes a complete misuse of the trending process and the end result is totally unrelated to the present fair market value of the property involved. Consequently, I would reject the additional values claimed for land on this basis alone.

The additional weighting assigned by the majority to the reproduction cost values above the weighting I assigned in my previous concurring opinion leads me to point out some additional weaknesses in the Company's reproduction cost study. As I understand the procedure, the trended values were first brought up to December 31, 1966 and the "net additions" to the electric plant in service made in 1967 were then added without trending. The "net additions" in 1967 is the excess of the cost of plant additions above the cost of plant retirements during the period. Such retirements would ordinarily be the oldest property in each class and presumably had been assigned trended values susbtantially in excess of their original cost as of December 31, 1966. The effect of the Company's procedure, therefore, is to include the property retired in 1967 at "reproduction values" and then to eliminate it at original cost with a resulting inflation of the claimed reproduction values unrelated to any property in service. A similar deficiency exists with respect to the elimination of the investment made with funds acquired through accelerated amortization, liberalized depreciation and unamortized investment tax credit. Company witnesses admitted at the hearing that the investment made with such funds should be assigned a "zero cost" and should not be used as a basis for further charges to the rate payers. Accordingly, the majority has excluded from each of the three rate base components a total of $53,224,977 on account of such funds. But this exclusion with respect to the reproduction cost component of the rate base is inadequate. Such funds have been made available to and used by the Company in each year since 1954. The electric plant acquired with these funds was, therefore, assigned trended values in the reproduction cost study. The elimination of this investment at original cost results in an unwarranted inflation of the claimed reproduction cost. Of course, the $4 million claimed for bank balances should be eliminated from the working capital portion of reproduction cost for the same reasons that it should be eliminated from the working capital portion of original cost.

INCOME UNDER PRESENT RATES

The only adjustment made by the majority to the Company's figures for adjusted net electric operating income is the addition of $76,000 for the after-taxes effect of additional income to be derived from a change in the Interchange Contract effective June 1, 1967. This head-in-the-sand approach to the Company's true financial circumstances results in a serious understatement of its actual net earnings from electric operations.

The majority makes a careful statement of the theory upon which annualizing and normalizing adjustments are made to actual net income in the test year. I agree that such adjustments should be made, but they cannot be made on a piece-meal basis. A glaring omission in such adjustments shown by the record is the Company's failure to adjust the amount of interest charged construction to reflect the rate at which such interest was being charged at the end of the test year. During 1967 the Company increased the rate at which such interest was being charged to 6%. The same theory which permits the adjustment for increased wage rates, social security taxes and postal rates requires an adjustment for the increase in the rate at which interest on construction is charged. Application of the 6% rate to the amount of construction work in progress during 1967 would produce an addition to operating income of $3,043,443, whereas the Company's booked figure was only $2,783,852. This difference requires an adjustment of $259,591 as an addition to test year net income.

I have already stated in my previous concurring opinion the reasons why I would not allow charitable contributions as an operating expense. The amount of such contributions in 1967 was $189,409 and should be added to the Company's statement of test year net income.

The majority also permits the Company to reduce its stated net income by the fictitious expense labeled "deferred income taxes." The amount claimed for this "expense" is $3.7 million, which also happens to be the after-taxes amount of additional net income the Company represented it would derive from the new rate schedules if aproved as requested. All the Company's circular arguments in support of its right to recover this non-existent "expense" from the rate payers do not conceal the facts that the amounts claimed for this "expense" have not been paid, are not owed and will not be paid or owed at any foreseeable time in the future.

The majority apparently accepts the Company's argument that accelerated depreciation uses up the "asset" of tax deductions generated by depreciation in a manner which requires the reflection on its books of a current cost. The fallacy of this argument is that it assumes that the asset of tax deductibility belongs only to the Company. However, since the Company looks to its customers to pay its taxes through the rates, the asset of tax deductibility rightfully belongs to the ratepayers. Therefore, at least for rate making purposes, the amount the Company is permitted to claim as a current tax expense should be limited to the amount of taxes it actually pays.

The majority states four "assumptions" which it says must be made before the position that accelerated depreciation results in tax savings, rather than tax deferrals can be accepted: (1) The entire property of the taxpayer must be considered rather than just a single unit of property. (2) The corporate tax rates must remain unchanged. (3) The liberalized depreciation provisions must not be changed. (4) The taxpayer must experience continuous growth, with investments in depreciable property of the same or larger amounts in each subsequent year. I have no difficulty with any of these "assumptions" because they have all existed since the provisions for liberalized depreciations were put into the tax laws in 1954 and all exist at the present time. I disagree that these conditions must be assumed to continue "into perpetuity." Sound utility regulation can only be based on existing or definitely foreseeable conditions. Anyone can speculate about possible changes, but the record does not show when, if ever, any such change will occur. If any such change does occur and works a hardship on the Company, the Commission is fully capable of responding in an appropriate manner; and I consider it grossly unfair to the ratepayers of Alabama to make them pay rates based on possibilities which may never occur. The majority's reference to the Revenue and Expenditure Control Act of 1968 is misleading. Though hardly recognizable by the majority's description, the tax rate change produced by this Act is the "surtax", for which separate provision is made in the Rate FT. So long as the Company is permitted the Rate FT, neither nor any other change in tax rates will prevent accelerated depreciation from producing tax savings.

The record also shows that the Company's representation of its adjusted net operating income is not complete. There was a second change in the Interchange Contract, effective June 1, 1968. This change involved raising the "August energy availability" attributed by the Southern System Power Pool to Alabama Power's hydro-electric facilities. As a result of this change, Alabama Power has to purchase less peak period capacity from the Power Pool. The record does not show the amount saved by this change, but does show that it has actually occurred as a result of a definite contract change that was in existence at the time of the hearings in this case. The principle which permits the Company to make its normalizing and annualizing adjustments increasing certain of its expenses due to changes taking effect during or shortly after the close of the test year and affecting future operations requires that a similar adjustment be made to increase net operating income resulting from this known change in an existing contract. Approving a rate increase without requiring disclosure of this additional income available to the Company under the present rate structure can only be characterized as knowingly permitting the Company to understate its income for purposes of these proceedings.

The amount of net income the Company will derive from the proposed rate schedules also appears to be understated. Although admitting that the rate increase will eventually affect its special contract customers, the Company has not disclosed any information about the amount of additional income to be received from such customers who, in 1967, purchased 18% of the total energy sold by Alabama Power. These customers are served under special contracts, usually of 5 years duration, which ordinarily incorporate the published rate schedule applicable to the particular class of service involved.

Although these contracts are not immediately affected by the proposed rate increase (unless the contract happens to expire at or about the time the new rates go into effect) it is clear that, as the contracts do expire, the special contract customers will either revert to non-contract service under published rate schedules or will be offered a renewal contract which incorporates the published rates. Thus, it is clear that within a reasonably short time Alabama Power can have the benefit of the new rates with respect to this entire block of sales. Until the additional revenue to be anticipated from the special contract customers as a result of the new rate schedules is disclosed, it is impossible to make a meaningful determination of the return the Company can actually be expected to earn under the proposed new rate schedules.

FAIR RETURN

I find the discussion of fair return to be the most unsatisfactory part of the majority order. The Company only asked for a rate of return of 5.54% on the reasonable value of its rate base, yet the majority asserts, without explanation, that a return of 5.867% on such reasonable value is "obviously" not sufficient.

The majority puts great emphasis on the Company's need to attract capital for the expansion of its plant to meet the demands of anticipated growth. However, the record shows that, under existing rates, the Company has been able to raise the capital it needs on a very competitive basis. This was true even in 1968. During the hearings in 1967 Mr. Rucker Agee, one of the Company's financial experts, solemnly predicted that the market would not permit Alabama Power to sell its 1968 bond issue or place its 1968 issue

of preferred stock at rates less than 7¼%. But 4 months later the bonds were sold at 7% and the preferred stock was placed at 6.88%.

In this connection the majority talks only of the high cost of obtaining new debt capital, while ignoring completely the much lower embedded cost of the Company's debt and preferred stock. In citing the cost of new capital the majority also ignores the fact that the Company receives each year a substantial part of its total capital requirements at no cost, through its reserve for deferred taxes. In 1968 the Company issued $25 million of bonds at 7%, $5 million of preferred stock at 6.88% and received $4.3 million of capital at no cost through the accounting exercise involving deferred income taxes.

I deem it significant that no witness claimed Alabama Power Company has suffered any deterioration in its rate of earnings. The statistics compiled by Mr. Sanford Reis, the Company's leading financial witness, show that the rates of return earned by Alabama Power in each year since 1957, while varying slightly, have remained essentially stable. This may be seen on Schedules 29 and 30 of the Company's Exhibit 21. In addition, the Company's annual financial reports show that the dividends per share paid on common stock have steadily increased during this period, as has the Company's unappropriated earned surplus. Mr. Reis's comparison of the rate of earnings of Alabama Power to the earnings rate of 13 utility companies selected by Mr. Reis is not persuasive because 7 of these 13 companies use flow-through accounting. If Alabama Power used flow-through accounting its net income in 1967 would be increased by $3.7 million. Thus, it is apparent that a comparison of Alabama Power's unadjusted earnings to those of companies using flow-through accounting is highly misleading. A more significant feature of Mr. Reis's testimony was his admission that the actual earnings of Alabama Power in 1967 equalled the earnings rate he had recommended. As the culmination of his prepared direct testimony, Mr. Reis testified that an overall rate of return of 7.0% would be appropriate for Alabama Power. On cross-examination he admitted that in 1967 the Company had actually earned his recommended return of 7%. Of course, as the majority pointed out, Mr. Reis's testimony referred to the overall return on invested capital and the 7% rate is not applicable to the increased values associated with the reasonable value rate base. Nevertheless, this testimony from the Company's financial expert shows that actual earnings in the test year were as high as the expert recommended the Company should be permitted to earn.

The majority criticizes the reference by Mr. Joseph Benson, a witness for Alabama Textile Manufacturers Association, to the rates of earnings stated in a publication of the Federal Power Commission. This criticism seems altogether unjustified. The FPC statistics have the outstanding advantage of being computed on an entirely uniform procedure with adjustments, where necessary, to put the earnings of all utilities on a basis equivalent to using flow-through accounting. This has an obvious advantage over the kind of comparison made by Mr. Reis with his 13 companies, where the financial information published by the companies is taken without adjustment. Moreover, Mr. Reis himself uses the rates of return published by the FPC. (See Mr. Reis's Schedule 29.)

There is a total absence of logic or reasoning to support the findings of the majority that a rate of return of 5.867% applied to the reasonable value rate base would be insufficient and that a rate of return of 6.257% would not be excessive. The majority also fails to point out the effect of the rate of return it approves on Alabama Power's sole common stockholder (The Southern Company). The majority has found that, in the form approved, the new rate schedules will produce a net income of $52,318,718, based on 1967 sales. Annual charges for "fixed cost capital" must be paid from this amount. Interest, on debt attributable to electric operations in 1967 was ($393,763,491×4.34%) $15,069,336. Dividends on preferred attributable to electric operations were ($75,050,040×4.59%), $3,444,797 and interest required on customer deposits was ($1,617,439×6.0%) $96,846. Thus, the total "fixed charges" attributable to electric operations in 1967 were $18,610,979. Deducting these fixed charges from the net income of $52,318,718 leaves $34,163,540 available for dividends to common stockholders. On the common equity attributable to electric operations ($243,236,182) this amounts to a return of 14%, which is greater than any Company witness claimed to be required. (Derivation of the amounts of the several classes of capital attributable to electric operations is detailed in my previous concurring opinion.)

POSITION OF ALABAMA POWER COMPANY IN THE SOUTHERN SYSTEM POWER POOL

The majority has gone out of its way to whitewash the effect on Alabama ratepayers of Alabama Power's position under the Interchange Contract which controls operation of the Southern System Power Pool. However, the record has not convinced me that Alabama Power is getting a just return for its contributions to the Power Pool. The most significant contribution Alabama Power makes to the Pool is through its hydro-electrict resources. At the end of 1967 Alabama Power provided approximately 70% of the hydro-electric capacity on the entire Southern Company System.

There are important differences in the operating characteristics of steam and hydro-electric generating stations. Steam plants can be operated on a substantially continuous basis and generally are used to meet the demand of the system's base load. Hydro-electric plants ordinarily are not used to supply the base load because their operation depends on available water supply. The principal utility of hydro-electric plants is in providing system reserves and short duration capacity to meet peak loads. The evidence shows that the principal function of Alabama Power's hydro-electric facilities is to provide such peaking capacity for the entire Southern Company System. Company President Walter Bouldin testified that the hydro-electric plants of the Company are principally used to meet peak load requirements and that these plants normally generate only a few hours each day.

Since 1958 Alabama Power has invested approximately $200 million in hydro-electric generating facilities, which have been installed for the benefit of the entire Southern Company System. The effect of this investment on its rate base and, consequently, on the Alabama ratepayers is obvious. This investment has been very costly to Alabama Power, both in terms of its total magnitude and in terms of its unit cost. For example, in 1967 the average net investment cost for hydro-electric generating capacity was $278.40 per kilowatt, as compared to $124.08 per kilowatt for base load capacity steam plants and only $67.78 per kilowatt for a "stripped" steam plant built to supply peaking capacity which, as stated, is the principal operating function of Alabama Power's hydro-electric facilities.

Alabama Power sells this peaking capacity to the Southern System Power Pool at a price in 1967 of $11.24 per kilowatt-year. At the same time, Alabama Power must purchase base load capacity which it lacks and pays for this capacity to the Pool at the rate of $19.24 per kilowatt-year. The quantities bought and sold in these transactions run the total dollars involved into the millions.

Alabama Power also sells energy to the Southern System Pool, which it refers to as "economy energy." This energy is sold at a price only slightly above the incremental cost of generation. This price does not purport to cover the full cost to Alabama Power of producing the energy because it does not include any allowance for fixed charges, relating to investment in the plant facilities used in generating the energy. The full amount of such fixed charges, being substantially more than half the total cost, must therefore be borne by the Alabama ratepayers.

Alabama Power attempts to justify such below-cost sales to the Pool on the false premise that the facilities used to generate the energy were not installed to serve the Pool and are, therefore, excess facilities. The record shows, however, that all generating facilities installed by any member of the Southern Company System are installed to meet and serve the anticipated needs of the System as a whole. In fact, the procedure followed by the Pool Operating Committee is to first determine the amount of additional generating capacity needed by the Southern System, and then to consider where on the System would be the most favorable place to locate the needed facilities.

It must be recognized that when the Pool Operating Committee decides to put a plant in one of the four states served by the Pool members, the plant becomes a part of the rate base of the Company operating in that state. Ratepayers in the state where the plant is located then must pay the full cost of the investment in the plant, even though the plant is installed to serve the entire System, while other members of the Pool enjoy its benefits by paying merely incremental costs of generation. This has worked substantially to the disadvantage of Alabama Power, because of the relatively high investment costs associated with hydro-electric facilities which are not reflected in the revenues it receives from the use of such facilities in the Pool.

All of Alabama Power's hydro-electric facilities have been built under licenses issued by the Federal Power Commission as well as under certificates of convenience and necessity issued by this Commission. The Federal Power Commission requires an economic justification for the proposed project before a license will be issued. The record in this case shows that Alabama Power's investment in hydro-electric facilities has been justified to the Federal Power Commission by assigning base load capacity values to the full rated capability of the hydro-electric plants, although it sells a substantial portion of its hydro-electric capacity at the much lower rates associated with peaking capacity. One exhibit in the record shows that the annual capacity values for Lock 3 (Neely Henry) and Logan Martin Dams were stated to the Federal Power Commission in connection with a license application at $27.53 per kw-year. As stated above, the peaking capacity which the hydro-facilities provide is being sold to the Southern System Power Pool at the rate of $11.24 per kw-year.

Some of the policies of Southern System Power Pool, effected through the Interchange Contract, appear designed to unfairly penalize or downgrade the value of Alabama Power's hydro plants, at the expense of Alabama ratepayers. For example, the Power Pool arbitrarily uses as the measure of the dependable (base load) capacity of Alabama Power's hydro plants a 310-hour period in August during which the assumed water supply must be capable of providing a continuous head of water sufficient for generation. This test is admittedly applied under assumed operating conditions that are more severe than actual operations. Moreover, in determining the available water supply, the Power Pool assumes the water flow of the driest year on record (1931) and also assumes a minimum reservoir depth which will permit continued use for recreational purposes. All these assumed limitations artificially reduce the values assigned to Alabama Power's facilities in the Pool.

All of the circumstances discussed above suggest to me that if Alabama Power ob-

tained from the Southern System Power Pool a proportionate part of its incurred costs for its hydro-electric peaking capacity and energy based on the amount of such capacity and energy supplied to the Pool, there might well be no occasion for the Company to seek additional revenue from its retail customers in Alabama.

CONCLUSION

What I have said here is not intended to change what I said in my first opinion in this case, issued on June 24, 1968, in which I stated my reasons for concurring in this Commission's unanimous denial of the requested rate increase. I reaffirm my original concurring opinion and add to it the foregoing additional grounds for dissenting from this latest action of a majority of the Commission.

Dated at Montgomery, Alabama, this *1st* day of May, 1969.

SIBYL POOL,
Associate Commissioner, Alabama Public Service Commission.

THE POPULAR ELECTION OF FUTURE PRESIDENTS

HON. EUGENE J. McCARTHY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, May 16, 1969

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the Extensions of Remarks of the RECORD an article entitled "The Popular Election of Future Presidents: Wait a Minute," written by Alexander M. Bickel.

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

THE POPULAR ELECTION OF FUTURE PRESIDENTS: WAIT A MINUTE

(By Alexander M. Bickel)

The House Judiciary Committee last week approved a proposal for a constitutional amendment abolishing the electoral college and substituting direct popular election of Presidents. While he had said initially that popular election was not his first preference, Mr. Nixon later told a press conference that if the Senate and House adopted the proposal, he would support it. And now the President is quoted as promising that he will, given Congressional approval of the amendment, "throw the full weight of his office behind the drive for ratification." The amendment would be effective one year after the 21st day of January following ratification by three-quarters (38) of the state legislatures. Thus, the chances that a President will be elected by direct popular vote in 1976 though probably not in 1972, look better than they ever have. But perhaps Congress and the country may still be induced to pause for a second thought.

One objection to the electoral college as it now operates is that it can put in office a minority President—not merely, like any other system being discussed, a plurality President, but a candidate who had fewer votes than his chief opponent. That is indeed theoretically possible, and it has happened once in normal circumstances, though not in this century. But it is at all likely to happen only when the election is a toss-up, as in 1888, when 100,000 votes divided Cleveland from Benjamin Harrison. In such circumstances, it is pretty doctrinaire to think of either man as the popular winner. If there were no other considerations in play, it might be as well not to run even this risk. But other considerations are in play, and they are very substantially more important.

Proponents of the popular election claim that the electoral college is malapportioned in favor of the small states. And so it is, formally, because the electoral college assigns to each state as many electoral votes as the state has Congressmen and Senators, and each state has, of course, two Senators regardless of its population; and it gets one Congressman even if the state is a good bit smaller than any single Congressional district in, say, New York. If each state's electoral vote were divided—precisely or approximately—in proportion to the popular vote cast for each Presidential candidate, the malapportionment would be quite real, and might have considerable effect. (Mr. Nixon has said that proportional division of the electoral vote is what he would like to see done.) But as things now stand, we do not have a proportional system. The electoral votes of each state are cast by the unit rule—winner takes all. This is not constitutionally required, but it has been the uniformly followed practice for well over a century.

Owing to the operation of the unit rule, the malapportionment in the electoral college in favor of the small states is for the most part only apparent, not in practice real. The candidate who carries New York or Illinois by a 50,000 or even 5,000 plurality or majority gets a greater number of electoral votes than he can obtain by carrying several smaller states by larger popular majorities. For this reason, the system is malapportioned in favor of the big industrial states, in which party competition is vigorous, and which generally swing by relatively small percentages of the popular vote. Not only that; the system is in effect malapportioned in favor of cohesive interest, ethnic or racial groups within those big states, which often go very nearly en bloc for a candidate, and can swing the state's entire electoral vote.

Mr. John F. Banzhaff, III has expressed all this mathematically. Defining voting power as "the ability to affect decisions through the process of voting," he has concluded that voters in New York and California have over two and one-half times as much voting power (i.e., as much chance to affect the national result in a Presidential election) as voters in smaller states. Pennsylvania, Ohio, Michigan, Illinois, even Massachusetts are also substantially advantaged. This fact governs the strategy of modern Presidential campaigns and the decision of the nominating conventions, and has in our day resulted in the orientation of the Presidency, as a rule, toward an urban constituency. That orientation of the Presidency, countervailing a tendency in Congress toward more conservative, rural and small-town attitudes, would be less secure under a system of popular election. With popular elections, a hard campaign aimed at New York or California could get a candidate some few hundred thousand votes that he might not otherwise have obtained. So would a campaign designed to appeal to the Southern or the Mountain states, let us say. There is more paydirt now in large industrial states. If Presidents were elected by popular vote, there might be more to gain elsewhere.

On balance, therefore, the smaller states, especially those that are relatively homogeneous and nearly one-party, should prefer popular election over the present system. But that does not mean that some small-state Senators and Representatives may not also perceive possible advantages in the present system. There is first of all a symbolic value in play for the small states, since the electoral college, on its face, confirms the federal structure, and the equality, as in the Senate, of all states, large and small. Secondly, circumstances are conceivable in which tiny shifts of popular votes in a group of small states, combined with equally minor shifts in at least one big state, could swing the election, regardless of the total national popular vote. In 1960, small shifts of popular votes, totaling no more than some 11,000 in New Mexico, Hawaii and Nevada, as well as in Illinois and Missouri, could have put Nixon in office.

The possibility of such a decisive role falling to a group of small states is highly remote. Actually, it is small margins of the popular vote in the big states that have often been decisive, and in any event, this much greater likelihood exerts its powerful influence on the nominating process, and on the nature of Presidential campaigns. But some small-state Senators and Representatives may take comfort in the other possibility, however remote; they may think it worthwhile to retain the present system because circumstances are conceivable in which the apparent and generally ineffective malapportionment in favor of the small states may actually work out that way. This is a remote expectation, but it is not an irrational one, and those who entertain it are entitled to it. The fact that they may entertain it does not alter the realities that should control the judgment of Representatives from large states. It simply happens that the electoral college can satisfy, at once, the symbolic aspirations and remote hopes of the small states, and the present, practical needs of the large ones. Not many human institutions work out quite as artistically as that.

Whatever its other effects and consequences might be, a system of popular election would seriously endanger the two-party system, and hence the stability of our politics. The electoral college makes it impossible for a third-party candidacy to have any sort of an impact, to entertain any hopes of deadlocking the election and thus putting itself in a good bargaining position, unless it has a strong regional base. And even George Wallace, who did take five Southern states in '68 couldn't do it. For a third-party candidate can get up to 20 percent or more of the popular vote, and yet no or every few electoral votes. And so third-party candidates that have a general national appeal are effectively deterred. Popular election, on the other hand, would invite them; and it would do so without deterring the regional candidacies that are now possible. In order not to put plurality Presidents with weak mandates in office, the popular election amendment now before us provides for a run-off in the event that no candidate achieves 40 percent of the popular vote. One strong minor party candidate, or several weaker ones together, would stand an excellent chance of keeping anyone from getting 40 percent, and thus of putting themselves in a worthwhile bargaining position in the period between the first election and the run-off.

Candidates like Eugene McCarthy or Nelson Rockefeller gave little thought in 1968 to making an independent race after they lost the nomination, because a popular vote of even as much as 25 percent could well have left them with no electoral votes at all. But under a system of popular election, every consideration that brought forth issue-oriented candidates for the nomination would with equal or even greater force propel them into the general election. There is a strong possibility, if not probability, that under a system of popular election the run-off would be typical; the major party nomination would count for much less than it now does; there would be little inducement to unity in each party following the conventions; coalitions would be formed not at conventions but during the period between the general election and the run-off; and the dominant positions of the two major parties would not long be sustained. This sort of unstructured, volatile multi-party politics may look more open. So it would be—infinitely more open to demagogues, to quick-cure medicine men, and to fascists of left and right. Where a multi-party system has been tried, it has been found costly in just this way, and it has scarcely yielded the ultimate in participatory democracy or good government.

Another benefit of the present system, as Professor Ernest J. Brown of the Harvard Law School has pointed out, is that it "isolates and insulates charges of voting

irregularities." Most frequently, a shift in popular votes, even if it should change the result in a state, will not affect the national outcome. Claims of voting irregularity are consequently not often pursued. But if everything depended on the total popular vote, we would very likely face in each close election, as Professor Brown has said, "re-examination of every ballot box and voting machine in the country, not to mention also the records of registration and qualification of voters." We could not possibly continue to let the states run the elections as they now do. Centralized federal control of qualifications for voting very probably, and centralized federal control of the counting process certainly, would be essential. There is no call, perhaps, to be unduly alarmed at this prospect. We are not quite a South American republic yet. But there is no use blinking the fact, either, that central control of vote counting opens up opportunities for national manipulation. Nobody is likely to seize these opportunities in the near future, but surely it is better that they not be available.

To approve of the present electoral college system as in essence more equitable and safer than any substitute that has been proposed is not to say that it is perfect. It needs prompt improvement in at least two respects. There is no good reason why an elector should be free—as in theory the electors are now free—to vote his own personal preference and thus break the unit rule. To make sure that this cannot happen, the electors should be abolished as such, and the electoral vote of each state should be cast automatically for the popular winner.

Another fault of the present system—although it has actually manifested itself only once since passage of the 12th amendment in 1804—is that in the event that no one has a clear majority of the electoral vote, a President is chosen by the House of Representatives. But members of the House on such an occasion do not vote individually, in the usual fashion. Rather each state's delegation polls itself, and a majority of each delegation then casts its state's vote, one vote per state, whether New York or Alaska. This method has nothing to commend it. Election by a majority of the individual votes of members of the House would be infinitely preferable, as would election by a joint session of Congress, each Senator and Representative casting one equal vote. Representative Bingham of New York has proposed a run-off *within* the electoral college system, and that is also a possible cure. Otherwise, however, the electoral college needs no fundamental change. And as John F. Kennedy said in 1956, quoting Falkland, "When it is not necessary to change, it is necessary not to change."

SPEECH OF PRESIDENT NIXON ON VIETNAM WAR

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

(Mr. STEIGER of Arizona asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEIGER of Arizona. Mr. Speaker, I would like to join the obviously large ranks of those who wish to express confidence in the President's speech last night. I think what makes it acceptable to Members on both sides of the aisle is the fact that the President requested nothing that was not achievable and expressed the firmness and resolve in the hearts of all Americans, and promised nothing which could not be delivered.

I pray that all of us maintain the support that we have expressed here today throughout the trying times that are sure to come in the immediate future.

DEPARTMENT OF PEACE

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. RYAN. Mr. Speaker, more and more Americans in and out of government realize that the spiralling arms race must be brought under control and international tensions lessened. More and more of these concerned Americans are coming to the conclusion that, if peace is to be achieved, there must be strong institutions devoted to the development of policies which are calculated to promote peace.

I have received numerous letters and telegrams calling for the establishment of a Department of Peace. I introduced legislation in the 90th Congress; and I am currently cosponsoring legislation, H.R. 6501, which has 24 other cosponsors, that would create the first Department of Peace.

A Secretary of Peace would be able to devote his energies to pressing the need for peace upon the executive and legislative branches of the Government and would institutionalize a perspective which is sorely needed in our Government at this time. The Department of Peace would sponsor programs which bring about conditions conducive to peace.

In an article published in the April 2 edition of the Los Angeles Times, Arthur Larson, the director of the Rule of Law Research Center at Duke University, examines the possible role of a Department of Peace. I recommend this interesting and informative article to my colleagues:

PLAN FOR A U.S. PEACE DEPARTMENT

(By Arthur Larson)

The argument about whether to create a new Department of Peace is in danger of getting off on the wrong foot. Too much of the discussion is about what the department would symbolize, rather than what it might do. And, of course, whether a new department would do the job more efficiently than existing agencies.

The symbolic line of argument adopted by some proponents runs like this: Surely peace is important enough to deserve a department of its own. We have an enormous War Department, which is no less a War Department because it goes by the euphemism of Defense Department. Why not then a Peace Department?

The symbolic counter-argument, voiced by President Nixon among others, is that to create a new department and call it the Peace Department would be to imply that the State Department and Defense Deparment were themselves not interested in peace.

If the debate stays on this level, there is little likelihood that a Department of Peace would get President Nixon's support. But there is a different approach to the question that might well induce President Nixon to view the matter in a more favorable light.

The current bill, recently introduced in the House by Rep. Seymour Halpern (R-N.Y.) and 60 others, and in the Senate by Sen. Vance Hartke (D-Ind.) and 14 others, would transfer to the Department of Peace three principal operating agencies: the Peace Corps, the Arms Control and Disarmament Agency (ACDA), and the Agency for International Development (AID). It would transfer to the new department the functions of the secretary of state relating to specialized agencies affiliated with the United Nations. It would create a Peace Institute to train citizens for public service in the cause of peace. And it would establish a "Joint Committee of Congress for Peace."

PLAN WIDE IN SCOPE

When one looks at the components that would form the core of the proposed department, it becomes apparent that they have one characteristic in common: They are all agencies that would carry on everyday *operations* with a bearing on world peace. They are not engaged in the making of foreign policy nor, for the most part, in the carrying on of traditional diplomacy.

This distinction was viewed as fundamental by the best-known Republican secretary of state of modern times, John Foster Dulles. I first became aware of this when I assumed the directorship of the U.S. Information Agency in 1956. This agency, which by that time had become independent, had earlier been a part of the State Department, and there was a continuing controversy over whether it ought to be returned to the State Department.

In my first conversation with Secretary Dulles on this point, he began by explaining why he thought there should be a sharp line between the making and execution of foreign policy, on the one hand, and the carrying on of special operating programs, such as foreign aid and information programs, on the other. He had a strong conviction that he could not do his primary policy job if he had to be saddled also with these operational jobs. He climaxed our discussion of this point by exclaiming: "If I have to take on all these operating agencies, I will end up as nothing but a glorified office manager, like (Secretary of Defense) Charlie Wilson."

AGENCIES NOT ORGANIC

A glance at the organization chart of the State Department will reveal that the three existing agencies to be transferred to the Department of Peace do not appear as an organic part of the State Department structure on the same basis as the rest of the department.

The Arms Control and Disarmament Agency is, strictly speaking, not a part of the State Department at all, and in the Government Organization Manual is listed among the independent agencies. Its director, however, is subject to the policy direction of the secretary of state. The Peace Corps and AID are technically part of the State Department, but report directly to the secretary. All three of these agencies could be detached from the Department of State without any wounding of the main body of the department.

There remains the question of where to put them. It is by now clear that the Nixon Administration shares the aversion felt by President Eisenhower to having bits and pieces of agencies floating all over Washington. Wherever possible, independent operating agencies, such as those making up the poverty program, are being subsumed under major departments. There is no major department in existence suitable to take on the operations of the Peace Corps, the ACDA, and the AID, and so by this process of reasoning we finally come to the desirability of grouping them into a new Department of Peace.

There need be no threat in all this to the State Department's preeminence in foreign policy. It has always been clear, for example, that the U.S. Information Agency, an independent agency, takes its foreign policy guidance from the State Department. Similarly, if the ACDA were in the Peace Department,

direction on foreign policy aspects of disarmament negotiations would have to come from the Secretary of State, and the director of ACDA when acting as disarmament negotiator would have to be subordinate to the secretary of state.

Once it is accepted that the predominantly operating programs should be placed in the Department of Peace, it would logically follow that one more large operation should be added to the three listed in the current bill: the entire complex of educational, cultural, and other overseas programs and exchanges.

There is something incongruous about the secretary of state presiding over the routine tasks of dispatching jazz bands to Africa and athletes to Asia. For many years the administration of these programs has been kicked around between the State Department, the U.S. Information Agency, and other departments, and they are now mostly in the State Department. I recall that at one point on the eve of the U.S. exhibit in Moscow (which, incidentally, was mainly handled by the Department of Commerce), President Eisenhower called me in and said, "I can't possibly keep track of who is responsible for all these exhibits and exchanges and traveling sopranos, and so I am going to hold you responsible for them no matter what department they're in."

The same distinction between policy and operations also justifies the assignment to the Peace Department of relations with the U.N. specialized agencies, such as the Food and Agricultural Organization (FAO), the World Health Organization (WHO), the U.N. International Children's Emergency Fund (UNICEF), the International Bank for Reconstruction and Development, and the International Monetary Fund. Overall political relations with the United Nations, however, would remain the responsibility of the secretary of state.

I suspect that the key question in the Peace Department debate will be the one that President Nixon instantly raised when the matter was put to him: Why do you need a Peace Department when you have a State Department? An answer frequently given is that the mission of the State Department is not to foster peace as such, but rather to promote the national interests of the United States in its international relations. It is not difficult to predict what the State Department will reply to this. It will say that the highest national interest of the United States is peace, and that peace is the all-pervading purpose of our foreign policy. Certainly this is what is always said in public speeches.

The cynic may say it is just rhetoric, especially in view of the State Department's performance on Vietnam. But, rhetoric or not, it is certain to form an insurmountable barrier to any Peace Department proposal that bases its division of function on a distinction between promoting peace and promoting American interests.

No such barrier, however, need exist when the line is drawn between operational programs that help build the long-range conditions for a peaceful world, and the formulation and application of high foreign policy. To keep this division of labor clear, I would personally delete from the present bills a paragraph calling on the Peace Department to make recommendations to the President (not to the secretary of state) for the "pacific settlement of current international controversies." This seems to me to trespass too deeply into the policy function of the secretary of state who already has plenty of trespassing to worry about from the direction of the Defense Department and the office of the President's Special Assistant on National Security.

PEACE INSTITUTE URGED

This is not to say that the Peace Department should be no more than a consortium of operating programs. The broad purposes of the Department, to which these components would contribute, include developing plans and programs to foster peace, exercising leadership in coordinating governmental activities related to peace, and working with other governments and with private institutions in research and planning for the peaceful resolution of international conflict.

One of the most promising ideas in the current bills is the creation of a Peace Institute, which could afford plenty of scope for long-range activities not now adequately provided for elsewhere. As presently conceived, somewhat on the model of the military service academies, it would handle the training of personnel in the new skills and techniques needed by persons engaged in both public and private activities devoted to building peace.

But on the analogy of the U.N. Institute for Training and Research (UNITAR), the Peace Institute might also be made the focal point for the government's part in the fast-growing field called Peace Research. The ACDA has usually had a substantial budget for this type of work, and the placing of primary responsibility within the Peace Department for this kind of research could help to give this activity the prominence and support it deserves.

ACTIVITIES UNDER WAY

For example, for about a dozen years there has been growing throughout the world a movement among lawyers called World Peace Through Law. The World Peace Through Law Center, of which Charles Rhyne is president, has an elaborate blueprint for needed research in every aspect of international order and conflict where law might have any contribution to make.

Somewhat similar activities are on foot among other disciplines. The Peach Research Committee, under the co-chairmanship of Dr. Harold Taylor and myself, about 10 years ago published six "designs for research" in such fields as law, science, economics, and psychology, with about 550 specific projects described. The new Department of Peace could provide a much-needed point of contact within the government for this burgeoning effort on the part of private scholars and organizations.

In summary, the organization of a Department of Peace can be adequately justified on strict grounds of organizational efficiency. If, in addition to this, it is also a dramatic demonstration to the world of the importance we attach to building peace, that is a bonus, and a very fine one indeed.

THOUGH MANY, WE ARE ONE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. ROYBAL. Mr. Speaker, I am indebted to Commissioner Vicente T. Ximenes, of the U.S. Equal Employment Opportunity Commission, for bringing to my attention the following expression of pride in the heritage of an American citizen of Mexican descent written by Robert U. Barela, of the El Rancho Unified School District, Pico Rivera, Calif.:

THE AMERICAN-MEXICAN CREED

(By Robert U. Barela)

It is with great pride and dignity to say I am proud of being an American of Mexican descent.

The past has shown our contribution to American History and culture. We have served our country in conflict and in peace with valor and distinction. We have done this to conserve that freedom and liberty that makes America my home. Through education we can *all* strive for a better home for us and for generations to come.

America has given me a treasure. Closed for a while, because of discrimination and oppression from a few, but now it is reopened with priceless gems including jewels of freedom that sparkle with the right to think, speak, worship, and learn. This is mine, and I pledge myself to protect it from all injustices both foreign and domestic. As a loyal citizen I will nurture this seed of freedom so that others can share these rights given to me by birth.

I promise to abide by the United States Constitution; to respect her flag; to respect the rights and opinions of others; to obey the laws and courts, and uphold all the beliefs of the American way of life.

My country has now given me more opportunity to help myself, and I promise to promote the ideals of a democratic government, to contribute again toward a better and greater America for all. Though many, we are one, dedicated to that task of preserving our cultural heritage and the principles that will keep America free.

LONG BEACH MUNICIPAL BAND: A 60-YEAR TRADITION

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. HOSMER. Mr. Speaker, the city of Long Beach, Calif., will pay tribute to a most unique organization on Thursday, May 29, but I would like to get the jump on the city and pay my own tribute today.

The organization to which I refer is the Long Beach Municipal Band, an outstanding, 36-member musical contingent which holds at least two major distinctions. It is America's busiest band, plus it is the only full-time municipal band remaining in the United States.

Under the baton of Charles J. Payne since 1956, the Long Beach Municipal Band annually gives more than 600 performances, including 200 concerts a year in the Long Beach Unified School District. In addition, it holds a year-round series of free band concerts in the city parks.

The tradition of the municipal band is well honored by the city of Long Beach, which maintains the organization by providing sufficient municipal funds to make it possible for the musicians to make playing in the band a 12-month-per-year, full-time career.

Its first concert was given March 13, 1909, under the leadership of E. Harry Willey, then operator of a popular local ballroom. Willey so ardently advocated the formation of a civic band that the issue ultimately went on the ballot, where it was overwhelmingly approved. As recently as 1957, the issue of whether or not to continue support of the band again went on the ballot, and again the electorate approved expenditure of city funds for a full-time band.

Countless Navy and Coast Guard ships as well as military vessels from other nations have been musically greeted on arrival and departure from the port of Long Beach and the Long Beach Naval Base over the past six decades. The band likewise is a regular performer at civic functions.

The city and the Long Beach Regional

Arts Council will honor this great organization on May 29. And, as befits the organization's history, it will mark the occasion by performing in concert.

Mr. Speaker, the municipal band is a wonderful part of the city of Long Beach, and I am happy to pay tribute to its members on its 60th anniversary.

TAXICAB DRIVERS OPPOSED TO METERS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. CONYERS. Mr. Speaker, there has been consideration given to the possibility of installing meters in taxicabs in the District of Columbia. The question involves the repeal by Congress of the rider to the Appropriations Act which forbids the use of meters in cabs in the city.

It has been brought to my attention that many of the cabdrivers in the District of Columbia are unalterably opposed to the installation of meters. They feel that it will inevitably lead to controls and limitations inimical to the independent cabdriver-owner, and that it will pose a serious threat to taxi service available in the District.

Therefore, the taxi industry group is seriously concerned about and opposed to any effort to repeal the rider to the Appropriations Act. The group consists of 43 of the 62 associations and companies of taxi drivers in the District, thus it is broadly representative of approximately 80 percent of the industry. They have asked to testify before the Senate and House subcommittees on the District at the hearings on the subject.

For the benefit of my colleagues, I would like to share with you the following open letter from the taxicab industry group to the Honorable JOSEPH D. TYDINGS and JOHN L. MCMILLAN. The letter appeared in the March 27 issue of the Washington Daily News and presents the views of those most directly affected by the decisions concerning the meters:

[From the Washington Daily News, Mar. 27, 1969]

AN OPEN LETTER TO THE HONORABLE JOSPEH D. TYDINGS AND THE HONORABLE JOHN L. MCMILLAN, CONCERNING THE TAXICAB INDUSTRY IN WASHINGTON

Hon. JOSEPH D. TYDINGS,
Chairman, District of Columbia Commitee, U.S. Senate, Washington, D.C.
Hon. JOHN L. MCMILLAN,
Chairman, District of Columbia Committee, House of Representatives, Washington, D.C.

DEAR SIRS: We, the undersigned, wish to go on record as unalterably opposed to the installation of meters in the taxicabs of the District of Columbia as well as to a limitation on the number of taxicabs. We also urge that the Appropriations Bill Rider regarding the installation of meters remain a part of the Bill.

In other cities, meters have either followed or preceded a limitation on the number of cabs. You don't have one without the other. Limitations on cabs will force the independent cab driver out of business. The taxi business is unique here in that 90 percent of the cabs are owner-operated, therefore the passenger gets a better and safer ride because of the drivers' investment. This is not true in other big cities with meters and limitations. Because he is an independent business man, the owner-operator has better equipment and exercises greater care than one who is not an owner. It is the independent cab drivers in Washington, D.C., who have given our city the best taxi service of any city in the United States. This is a recognized fact, testified to by the many visitors who ride our cabs daily as well as the many Senators and Congressmen who travel worldwide and know first hand about good service.

Meters will drive thousands of passengers away from our cabs. Meters will bring higher fares. If we must judge from what other cities do, or have done, we will have poor service in the District of Columbia. Persons who now ride cabs and know the cost of a trip before telephoning or hailing a cab, will no longer know that cost. Nor will they be able to ascertain this information before the trip has been completed, for who knows what a meter trip will cost for one block or for one mile. The streets and traffic conditions play a major part in how long the shortest trip will take and the ultimate cost. So, the revenue from the passengers that the meters drive away will have to be made up by higher fares. The higher the fares, the more passengers the taxi industry will lose. Finally, only the rich will be able to afford to use a cab.

Let's set the record straight!

In the recent taxicab rate hearing, the Taxicab Industry Group, composed of 43 of the 62 associations and companies in the District of Columbia, representing approximately 80 percent of the cab drivers, petitioned for an increase in taxi fares.

The only available figures indicate that 42 percent of all the taxicab business is located in No. 1 Zone and we petitioned for a 33 percent increase there.

We further petitioned that straight fares would be paid by all passengers other than when two or more passengers enter at the same time and depart at the same destination. This would give us a substantial increase depending on the volume of additional pick-ups.

All petitioners for a fare increase endorsed the straight fare proposal made by The Taxicab Industry Group.

Contrary to the misinformation being circulated, of the 62 associations and companies in the District of Columbia, only 3 are in the insurance business and not more than 10 of that number are involved in selling cars.

At the recent taxicab hearing before the Public Service Commission, the representative of the Federation of Citizens Associations of the District of Columbia testified that the Federation was opposed to meters in taxicabs.

Recommendations to improve service:

We recommend that specially designated hack stands be established downtown during the evening rush hours for the convenience of the riding public and the taxi driver.

The adoption of our recommendation on straight fares would immediately improve service to the riding public because the drivers would have an added incentive to pick up additional fares.

In order to give further relief to the taxi industry, we take this opportunity to urge the Public Service Commission to hasten its conclusion on the additional fare increase. It is our desire that the rules and regulations governing the taxi industry remain such that we can all continue to make a living in this free enterprise system rather than turning the taxi industry over to a chosen few (monopolized by those few who have the financial resources to survive limitation).

Respectfully submitted.

Capitol Cab Cooperative Association, Inc., William K. Wright, Chairman, Board of Directors; Globe Cab Co., Inc., F. D. Matthews, President; Empire Cab Association, W. J. Brooks, President-Manager; East Side Association, R. B. Taylor, Manager; Lincoln Cab Association, William K. Wright, President; Coastline Cab Association, Chalmers Hamer, Vice President; Majestic Cab Association, Preston S. Hunderson, Vice President.

Crusader Cab Association, F. M. McCoy, President; Interstate Cab Service, Virgel Smith, President; Tel-Star Cab Co., Ashley Hines, Manager; Autorama, White Top, Gray Top, Skyview & Black & White Cab Companies, Hampton Ashley, Manager; Radio Flash Cab Association, Inc., Antonio E. Medina, President; Buffalo Cab Association, Inc., Antonio E. Medina, President; Palm Grove Cab Association, M. F. James, Vice President.

General Cab Association, Walter Lockard, Treasurer; Sur-Vus Cab Association, G. Lawson Clark, Secretary; Diplomat Cab Association, Inc., Paul E. Calhoun, Manager; Carlton Cab Association, Inc., Carl Reid, President; Mutual Cab-Association, Inc., Carl Reid, President; Bell Cab Co., Charles O. Lamb, Manager; Twentieth Century Cab Association, Inc., Charles O. Lamb, Manager.

American Cab Association, Inc., Dante P. Gentilucci, President; Missile Cab Association, Inc., Eldon "Pat" Kellogg, President; Potomac Cab, Eldon "Pat" Kellogg, President; Dupont Cab Association, Inc., Robert Williams, President; King Cole Cab Co., Wallace R. Cole, President; Bison Cab Association, Clinton E. Anderson, Chairman, Board of Directors; Super Cab Association, J. M. Johnson, Manager.

PRESIDENT NIXON'S VIETNAM MESSAGE

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1969

Mr. CHAMBERLAIN. Mr. Speaker, it is most encouraging that within the past few days, Hanoi has restated its position and that we have restated ours and that in doing so there appears to have been a faint, but still discernible, hint of movement by both sides. The new administration has taken a conciliatory position. We have recited again that we are not asking for bases—or military ties—and that we have no intention of imposing any form of government on the people of South Vietnam. We have indicated our willingness to accept self-determination by South Vietnam, the participation of all political groups, any government that is the result of the free choice of the people, and, reunification if that is what the people of the North and South both want.

It is my earnest hope that the President's plea that all of us, regardless of how we may feel about the war, will reunite behind this new quest for peace. There comes a time when we must have faith in something and this is a time when we must have faith in the President of the United States for this is just another way of saying that we must have faith in America, our citizens, and ourselves.