shark extorts exorbitant interest, or the grocer sells spoiled meat.

But how much more damaging it is when a reporter misquotes or misidentifies an innocent citizen, an editor vilifies a man with an unpopular cause, the publisher preaches hate of minorities, the television commentator degrades an honest public official by reporting with a certain smirk on his face. For these instances of malpractice, society has virtually no remedy.

Despite all these shortcomings, of course, there is another 99 percent of the journalistic profession which is honest, accurate and unbiased.

But there are danger signals. The power of the press rests on its credibility and when this is tarnished, even by a few reporters, not only journalism but our whole society suffers. When the average citizen can't believe what he reads, a free press is in jeopardy.

Last fall 1,200 college journalists gathered in New York City for a conference. A New York Times reporter interviewed some of these young people. This is the lead on that Times article: "Most newspapers are biased. Television is superficial. Most magazines are immature."

This is not the judgment of some congressman who claims he was treated unfairly by a reporter. These are criticisms of young men and women who aspire to join the honored ranks of great reporters and editors.

Earlier this year a national weekly news magazine wrote in an "inside story" that Secretary of State Dean Rusk had strongly opposed any bombing halt. The magazine said it took the Secretary of Defense and a White House Assistant to convince President Johnson that Rusk should be overruled.

The first problem is the article was wrong in its facts. I know that Mr. Rusk did not oppose the bombing halt as indicated in the article. The appalling fact, however, is that this magazine never bothered to call Mr. Rusk to ask his side of the story. That's not professional reporting.

These are the kinds of examples that prompted one of the fine reporters of our time, Howard K. Smith, last year to terminate his nationally syndicated column for an indefinite period. In his final column Mr. Smith explained why. He said he felt that the American press, by creating phony heroes or phony villains, might be contributing to the confusion and frustration now damaging the nation's spirit. He said that some journalists have turned reporting into image making.

Stokely Carmichael is a good case in point. A few years ago, he was unknown. Today he is a household word. Of course, this ordinarily might do no harm, but in this case Mr. Carmichael is a flagrant example of extremism. Therefore he is automatically good copy—or made to be good copy—and this has had a damaging effect on Negro leaders who are not extremists. It would seem that the only Negro some of the media wish to pay attention to is one holding a torch or honing a knife. There are many responsible Negro leaders—in fact, the overwhelming majority. Mr. Smith reported one responsible Negro leader as saying: "If I say no to Stokely, you fellows won't print it in one sentence on the back page. My people think I am doing nothing. But if I go see him, it's on the front page and my people think I am in there pitching."

I do not object to the free publicity given the Carmichaels and the H. Rap Browns. But I do object when it's not balanced reporting. For then it makes it harder for a President and Congress to do what needs to be done and get the funds for programs to meet the problems. It makes life difficult for responsible Negro leaders who aren't getting publicity and acclaim. And worst of all, it frightens a large segment of our society and decimates the ranks of those working for racial progress.

Mr. Smith's last column might remind us all that the Fourth Estate forms one of the most potent forces in this nation. He wrote that with this power, there must come responsibility, some restraint, some understanding, that the press quite literally can create movements and people and leaders and problems—and can make those stories come true.

My only quarrel with Howard Smith is that he didn't stay within the profession to try to correct the wrongs that exist. How do we right these wrongs?

This question bothered a group of high-level government officials last year. Here are some of their suggestions:

a) Journalism is one of the professions. Yet, it is the only profession that has no entrance examinations or requirements. The press might choose an examining board of distinguished journalists and require entrants to pass examinations showing that they understand the times and their circumstances.

b) This board of journalists should set high standards of professionalism and jealously keep watch to insure that reporters and editors live up to these standards. This should not be a board of censors. However, when injustices occur through inaccurate, unbalanced or false reporting, the board should be quick to correct the errors publicly.

c) Finally, it may be time to change the basic attitude of journalism. Perhaps more attention should be paid to the common, everyday problems that plague society, and to the efforts that succeed and therefore contain lessons we need to learn.

Many men are disturbed by the shortcomings of the few in journalism. But correction and change can only be meaningful when they come from within.

Just as no public official should rest with pride so long as one public servant is dishonest, just as no lawyer can take pride in his bar so long as one fellow barrister inadequately represents a client, so no responsible journalist should rest so long as any irresponsibility exists in his profession.

SENATE—*Friday, May 23, 1969*

The Senate met at 12 o'clock noon, and was called to order by the Vice President.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, from whom cometh every good and perfect gift, we lift our hearts to Thee in thanksgiving for life and health, for love and friendship, for work to do and strength to do it, for this good land and all its people. Come near to those who have special need of Thee—the poor, the infirmed, the unloved. Send out Thy light and truth through all who teach and heal and pray that the weak may be made strong and the strong kept pure and just.

Grant us in our daily duties here the higher wisdom which Thou dost bestow upon those who seek to serve Thee in spirit and in truth.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 20, 1969, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED SUPPLEMENTAL APPROPRIATION—COMMUNICATION FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1969 in the amount of $160,000,000, for payment of the first installment of the U.S. share of the 1969–71 increase in the resources of the International Development Association, which, with accompanying papers was referred to the Committee on Appropriations, and ordered to be printed.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 20, 1969, the Secretary of the Senate, on May 21 and 22, 1969, received messages in writing from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(For nominations received on May 21, and 22, 1969, see the end of the proceedings of today, May 23, 1969.)

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 20, 1969, the following favorable executive reports of nominations were submitted:

On May 21, 1969:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

William T. Pecora, of New Jersey, to be Director of the Geological Survey.

On May 22, 1969:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Francis J. Galbraith, of South Dakota, to be Ambassador to the Republic of Indonesia;

Sheldon B. Vance, of Minnesota, to be Ambassador to the Democratic Republic of the Congo;

Oliver L. Troxel, Jr., of Colorado, to be Ambassador to the Republic of Zambia;

John Davis Lodge, of Connecticut, to be Ambassador to Argentina;

Matthew J. Looram, Jr., of the District of Columbia, to be Ambassador to the Republic of Dahomey;

Francis E. Meloy, Jr., of the District of Columbia, to be Ambassador to the Dominican Republic;

Spencer M. King, of Maine, to be Ambassador to Guyana;

Armin H. Meyer, of Illinois to be Ambassador to Japan;

Jack Hood Vaughn, of Virginia, to be Ambassador to Colombia;

David H. Popper, of New York, to be Ambassador to the Republic of Cyprus;

Kingdon Gould, Jr., of Maryland, to be Ambassador to Luxembourg;

Bert M. Tollefson, Jr., of South Dakota, to be an Assistant Administrator of the Agency for International Development; and

James F. Leonard, Jr., of Maryland, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

Mr. STENNIS. From the Committee on Armed Services, I report favorably the nominations of two flag officers and one general officer in the Navy and Marine Corps. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations ordered to be placed on the Executive Calendar are as follows:

Rear Adm. Maurice F. Weisner, U.S. Navy, having been designated for commands and other duties determined by the President, for appointment to the grade of vice admiral while so serving;

Vice Adm. John B. Colwell, U.S. Navy, for appointment to the grade of vice admiral on the retired list; and

Lt. Gen. Lewis W. Walt, U.S. Marine Corps, for appointment to the grade of general while serving as Assistant Commandant of the Marine Corps.

Mr. STENNIS. Mr. President, in addition, I report favorably 5,162 nominations in the Navy in the grade of commander and below and 120 appointments in the Marine Corps in the grade of second lieutenant. Since these names have already been printed in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations ordered to lie on the desk, are as follows:

Jon F. Abel, and sundry other officers of the Navy, for permanent promotion to the grade of lieutenant;

Guy H. Able III, and sundry other midshipmen (Naval Academy) to be permanent ensigns in the line of staff corps of the Navy;

Richard S. Ploss, and sundry other U.S. Army cadets to be permanent ensigns in the line or staff corps of the Navy;

David V. Edling, and sundry other Naval Reserve Officers Corps candidates to be permanent ensigns in the line or staff corps of the Navy;

Bert M. Anderson, and sundry Naval enlisted scientific education program candidates to be permanent ensigns in the line or staff corps of the Navy;

Robert F. Birtcil, Jr., and sundry Naval Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy;

John F. Clymer and Robert D. Staub, Naval Reserve officers to be permanent lieutenant and temporary lieutenant commander in the Medical Corps of the Navy;

Jim D. Anderson, and sundry Naval Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy; and

Nocolas E. Walsh (Air Force cadet) to be a permanent ensign in the line of the Navy.

Kenneth D. Aanerud, and sundry other officers for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps of the Navy;

Lt. Comdr. Lowell J. Brown, Medical Corps, U.S. Navy, for temporary promotion to the grade of commander in the Medical Corps;

Stanley A. Bloustine, and sundry other officers, for temporary promotion to the grade of lieutenant commander in the Medical Corps, Navy;

Ervin A. Ashford, and sundry other officers, for temporary promotion to the grade of lieutenant in line and staff Corps, Navy;

Lt. (jg.) Joanne L. Schmitt, U.S. Navy, for permanent promotion to the grade of lieutenant;

Nathaniel S. Barbour, and sundry other U.S. Navy officers, for permanent promotion to the grade of lieutenant (junior grade);

Charles R. Jackson, U.S. Navy, for transfer to and appointment to the Judge Advocate General's Corps in the permanent grade of lieutenant and the temporary grade of lieutenant commander;

Lt. Carl H. Horst, U.S. Navy, for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant.

Thomas J. Jarosz, and sundry other Naval officers for transfer to and appointment in the Civil Engineer Corps in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant;

Seley E. Moore and George B. Reynolds, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps in the permanent grade of lieutenant (junior grade);

Larry A. Graves and William W. Weissner, U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of lieutenant (junior grade);

Lt. (jg.) Ray K. W. Hartzell, Supply Corps, U.S. Navy, for transfer to and appointment in the line of the Navy in the permanent grade of lieutenant (junior grade);

Ronald J. Frederick and R. K. M. Hartzell, U.S. Navy, for transfer to and appointment in the line of the U.S. Navy in the permanent grade of ensign;

Randall C. Allen, and sundry other Naval officers for transfer to and appointment in the Supply Corps in the permanent grade of ensign;

Harvey B. Lemon and Robert D. Mason, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps in the permanent grade of ensign;

John P. Budrenich, U.S. Navy, for promotion to chief warrant officer;

Marvin M. Aldrich, and sundry other U.S. Navy officers, for promotion to chief warrant officer;

Lt. (jg.) Joseph H. Frates, Chaplain Corps, U.S. Navy for temporary promotion to lieutenant commander;

Lt. (jg.) William R. Broadwell, U.S. Navy for permanent promotion to lieutenant (junior grade);

Michael R. Andrew and sundry other Naval Reserve Officer Training Corps candidates to be permanent ensigns;

Raymond F. Fike, and sundry naval enlisted scientific education program candidates to be permanent ensigns;

Howard A. Platt (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander;

Stephen H. McCoy (civilian college graduate) to be a permanent lieutenant (junior grade) and temporary lieutenant in the Medical Corps of the Navy;

John D. Berryman, and sundry other Naval Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants;

Adam E. Feret, Jr. and several Naval Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants;

Max A. Harrell, and several U.S. Navy officers to be reverted to permanent chief warrant officers;

Frank E. Kline, U.S. Navy retired officer, to be a lieutenant, limited duty only.

John E. Allen and sundry U.S. Naval Academy graduates, for permanent appointment to the grade of second lieutenant in the Marine Corps;

Perc L. Jones and Viet S. Reid, U.S. Air Force Academy graduates, for permanent appointment to the grades of second lieutenant in the Marine Corps;

Steven A. Bosshard, and several other U.S. Military Academy graduates, for permanent appointment to the grade of second lieutenant in the Marine Corps;

Ronald M. Gilbert and Harbert H. Markle, Naval Reserve Officer Training Corps, for permanent appointment to the grade of second lieutenant in the Marine Corps;

Allen L. Force, naval enlisted scientific education program, for permanent appointment to the grade of second lieutenant in the Marine Corps; and

Joseph H. Anderson, and sundry other staff noncommissioned officers for temporary appointment to the grade of second lieutenant in the Marine Corps.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the Senate of May 20, 1969, the following report of a committee was received on May 21, 1969:

Mr. SPARKMAN, from the Committee on Banking and Currency, reported an original bill (S. 2224) to amend the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to define the equitable standards governing relationships between investment companies and their investment advisers and principal underwriters, and for other purposes, and submitted a report (No. 91–184) thereon, which was printed.

Under authority of the Senate of May 20, 1969, the following reports of committees were received on May 22, 1969:

Mr. MAGNUSON, from the Committee on Commerce, without amendment, the bill (S. 1373) to amend the Federal Aviation Act of 1958, and submitted a report (No. 91–185) thereon, together with individual views of Mr. PEARSON, which report was printed.

Mr. PELL, from the Committee on Labor and Public Welfare, with amendments, the bill (S. 1611) to amend Public Law 80–905 to provide for a National Center on Educational Media and Materials for the Handicapped and for other purposes and submitted a report (No. 91–195) thereon, together with individual views of Mr. DOMINICK, Mr. PROUTY, and Mr. MURPHY, which was printed.

By Mr. ALLOTT, from the Committee on Interior and Insular Affairs, without amendment:

S. 574. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments (Rept. No. 91–186).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S. Res. 177. A resolution authorizing the printing of a manuscript entitled "The First Army in Europe" as a Senate Document (Rept. No. 91–193);

S. Res. 195. A resolution authorizing the printing of additional copies of Senate Document 91–13 entitled "Review of U.S. Foreign Policy and Operations, 1968" (Rept. No. 91–192);

S. Con. Res. 21. A concurrent resolution to print additional copies of parts 1 and 2, thermal pollution 1968 hearings (Rept. No. 91–191);

H. Con. Res. 35. A concurrent resolution authorizing the printing of additional copies of a Veteran's Benefits Calculator (Rept. No. 91–187); and

H. Con. Res. 95. A concurrent resolution authorizing certain printing for the Committee on Veterans' Affairs (Rept. No. 91–188).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, with an amendment:

H. Con. Res. 192. A concurrent resolution to reprint brochure entitled "How Our Laws Are Made" (Rept. No. 91–190).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, with amendments:

H. Con. Res. 162. A concurrent resolution authorizing the printing of the book "Our American Government," as a House document (Rept. No. 91–189).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 126. A bill to designate certain lands in the Pelican Island National Wildlife Refuge, Indian River County, Fla., as wilderness (Rept. No. 91–197); and

S. 1652. A bill to designate certain lands in the Monomoy National Wildlife Refuge, Mass., as wilderness (Rept. No. 91–198).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

S. 1519. A bill to establish a National Commission on Libraries and Information Science, and for other purposes (Rept. No. 91–196).

By Mr. PASTORE, from the Committee on Commerce, with amendments:

S. 1046. A bill to protect consumers by providing a civil remedy for misrepresentation of the quality of articles composed in whole or in part of gold or silver, and for other purposes (Rept. No. 91–194).

KATHLEEN T. O'LEARY—REPORT OF AN ORIGINAL RESOLUTION

Under the authority of the Senate of May 20, 1969, Mr. JORDAN of North Carolina, reported on May 22, 1969, from the Committee on Rules and Administration, the following original resolution (S. Res. 202) to pay a gratuity to Kathleen T. O'Leary:

S. RES. 202

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Kathleen T. O'Leary, widow of Jeremiah A. O'Leary, Senior, an employee of the Senate at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

DORA L. DOWNING—REPORT OF AN ORIGINAL RESOLUTION

Under the authority of the Senate of May 20, 1969, Mr. JORDAN of North Carolina, reported on May 22, 1969, from the Committee on Rules and Administration, the following original resolution (S. Res. 203) to pay a gratuity to Dora L. Downing:

S. RES. 203

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Dora L. Downing, widow of Carl Downing, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RESOLUTION TO CONSERVE OIL AND GAS

Under authority of the Senate of May 20, 1969, the following report of a committee was received on May 23, 1969:

By Mr. MOSS, from the Committee on Interior and Insular Affairs, without amendment:

S.J. Res. 54. A joint resolution consenting to an extension and renewal of the interstate compact to conserve oil and gas (Rept. No. 91–199).

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 20, 1969, the Secretary of the Senate, on May 21, 1969, received the following message from the House of Representatives:

That the House had passed, without amendment, the bill (S. 256) to confer U.S. citizenship posthumously upon L. Cpl. Theodore Daniel Van Staveren.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 256. An act to confer U.S. citizenship posthumously upon L. Cpl. Theodore Daniel Van Staveren;

H.R. 2948. An act for the relief of Maria Prescilla Caramanzana;

H.R. 3464. An act for the relief of Maria Balluardo Frasca;

H.R. 8188. An act to provide for the striking of medals in commemoration of the one hundredth anniversary of the founding of the city of Wichita, Kans.; and

S.J. Res. 104. To authorize the President to reappoint as Chairman of the Joint Chiefs of Staff, for an additional term of 1 year, the officer serving in that position on April 1, 1969.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, informed the Senate that pursuant to the provisions of section 1, Public Law 86–42, the Speaker had appointed as a member of the U.S. delegation of the Canada-United States Interparliamentary Group the gentleman from Florida, Mr. PEPPER, vice Mr. GIBBONS of Florida.

The message also informed the Senate that pursuant to the provisions of section 1, Public Law 86–42, the Speaker had appointed as a member of the U.S. delegation of the Canada-United States Interparliamentary Group, the gentleman from New York, Mr. STRATTON, vice Mr. KEE of West Virginia.

The message announced that the House had passed the joint resolution (S.J. Res. 99) to authorize the President to issue annually a proclamation designating the first week in June of each year as "Helen Keller Memorial Week," with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H.R. 1749. An act for the relief of Eagle Lake Timber Co., a partnership, of Susanville, Calif.;

H.R. 1948. An act to confer U.S. citizenship posthumously upon Pfc. Joseph Anthony Snitko;

H.R. 2238. An act to provide for the relief of certain civilian employees paid by the Air Force at Tachikawa Air Base, Japan;

H.R. 5615. An act for the relief of Maria Camilla Giuliani Niro;

H.R. 6400. An act for the relief of Reddick B. Still, Jr., and Richard Carpenter;

H.R. 6581. An act for the relief of Bernard A. Hegemann;

H.R. 8136. An act for the relief of Anthony Smilko;

H.R. 9088. An act for the relief of Clifford L. Petty;

H.R. 10060. An act for the relief of L. Cpl. Peter M. Nee, 2465662;

H.R. 10149. An act for the relief of Jack W. Herbstreit;

H.R. 10153. An act for the relief of Frances von Wedel;

H.R. 10595. An act to amend the act of August 7, 1956 (70 Stat. 1115), as amended, providing for a Great Plains conservation program; and

H.R. 11400. An act making supplemental appropriations for the fiscal year ending June 30, 1969, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 10595. An act to amend the act of August 7, 1956 (70 Stat. 1115), as amended, providing for a Great Plains conservation program; to the Committee on Agriculture and Forestry.

H.R. 11400. An act making supplemental appropriations for the fiscal year ending June 30, 1969, and for other purposes; to the Committee on Appropriations.

H.R. 1749. An act for the relief of Eagle Lake Timber Co., a partnership, of Susanville, Calif.;

H.R. 1948. An act to confer U.S. citizenship posthumously upon Pfc. Joseph Anthony Snitko;

H.R. 2238. An act to provide for the relief of certain civilian employees paid by the Air Force at Tachikawa Air Base, Japan;

H.R. 5615. An act for the relief of Maria Camilla Giuliani Niro;

H.R. 6400. An act for the relief of Reddick B. Still, Jr., and Richard Carpenter;

H.R. 6581. An act for the relief of Bernard A. Hagemann;

H.R. 8136. An act for the relief of Anthony Smilko;

H.R. 9088. An act for the relief of Clifford L. Petty;

H.R. 10060. An act for the relief of L. Cpl. Peter M. Nee, 2465662;

H.R. 10149. An act for the relief of Jack W. Herbstreit; and

H.R. 10153. An act for the relief of Frances von Wedel; to the Committee on the Judiciary.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar, beginning with "new reports."

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. The nominations on the Executive Calendar will be stated, as requested by the Senator from Montana.

OFFICE OF ECONOMIC OPPORTUNITY

The bill clerk read the nomination of DONALD RUMSFELD, of Illinois, to be Director of the Office of Economic Opportunity.

Mr. MANSFIELD. Mr. President, may I say that I, personally, am pleased that this nomination has been reported by the Committee on Labor and Public Welfare—unanimously, I understand.

It is my belief that Mr. RUMSFELD, a colleague of ours in the House, will do a good job as the Chief of the OEO. He of course, has indicated opposition to certain aspects of the poverty program in the past, but it is my belief that, on the basis of the questioning approach he has taken, he will do a better job as a result. I wish him well in his difficult endeavors.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, when this nomination went to the Committee on Labor and Public Welfare, I appeared in behalf of the nominee. I have known DON RUMSFELD for a long time, and I have watched his legislative career as well as his career before he came to Congress.

For a young man of his age, he has done extremely well, and he is in his fourth term in the House of Representatives. He has made his presence felt in many fields of endeavor, and I share with the majority leader the belief that he will do an excellent and forthright job in giving direction to this very important and sometimes highly controversial agency.

Mr. PERCY. Mr. President, I wish to commend the administration on its appointment of the Honorable DONALD RUMSFELD, of Illinois, as the Director of the Office of Economic Opportunity. He has, since 1962, been the able Representative from my own congressional district, and has rendered great service to the United States in that post. I know full well he has given up one of the safest seats in the Congress in order to take up a position—I might say a perilous position, in the opinion of some—as head of the Office of Economic Opportunity. But he is man of courage, a man of great dedication, a man of concern for his fellow man, and a man who is committed to fulfill the broad sweep of authority of this office, and carry out the mandate that has been given to him by the President of the United States to care and to show concern for the underprivileged in this country.

I know that the administration is well aware of the sacrifice Representative RUMSFELD has made, and I think this is full evidence of the degree of dedication of the Nixon administration in appointing men of great competence, ability, and proven skill, with particularly great emphasis on the administrative skill that the men might have, and also the innovative skill that they might possess in pioneering new programs to break through, to find new answers for the old problem of poverty.

In recent weeks there has been criticism of a supposed lack of commitment of the Nixon administration to the problems of poverty and hunger in the United States. These criticisms have focused on hunger and the Job Corps. Yet the record clearly shows that President Nixon has now recommended the most ambitious and far-reaching program ever advanced by any administration in the field of hunger. Moreover, the Labor Department has revamped and consolidated manpower training programs so that a far more effective overall manpower training program can be undertaken.

At the same time, perhaps the most sweeping proposal ever made to fight the problems of poverty goes almost ignored by the same congressional critics—a proposal that means real dollar help to millions of Americans. I refer to the low-income allowance which would exempt 2.2 million families below the official Federal poverty standard from paying Federal income taxes. The Nation's poor will be completely relieved of income tax liability as well as the burden of making out returns. It lets poor people keep what they most need—their own hard-earned cash.

How simple, how logical, yet it could not be thought of in the past 8 years. It only took the new administration and Edwin Cohen, Assistant Secretary of the Treasury for Tax Policy, 6 weeks to work out the plan. For the first time the American Government recognizes the fact that it is an inequitous system that forces people to pay taxes when they cannot afford adequate food and clothing for their children or a decent place to live.

The low-income allowance is a simple plan. It is a variable amount that when added to the minimum standard deduction would total $1,100. When added to the $600 personal exemption, the total almost exactly matches the Federal poverty standard for each family size. A single individual would have no Federal tax liability up to $1,700; for a couple the cutoff would be $2,300; for a family of four $3,500.

Above the cutoff point, the low-income allowance would be reduced by $1 for each $2 of added income, thus phasing out gradually. It would not be reduced dollar for dollar of added income as so many welfare schemes today are established.

At one stroke the President has improved the economic situation of millions of Americans. I hope critics of this administration will give credit where credit is due. This is a brilliant step in the right direction.

If the President's plan had been introduced by administration critics and had been labeled a modified guaranteed annual income plan or a negative income tax plan these same critics might have hailed it as a major step forward. Never mind that the tired rhetoric of the past would have stirred unnecessary controversy and probably killed the idea. To many critics of the President a slogan that fails seems more important and worthwhile than a workable plan capable of being enacted into law. We now have a plan before us that will work. It does not have a fancy title but for those concerned with substance rather than veneer there should be no question of its far-reaching end results to improve the lot of million of America's less fortunate low-income individuals and families.

A look at the overall policies of the President to date in the field of poverty deserves a resounding commendation. I congratulate the President for this magnificent forward step, and for his appointment of Hon. DONALD RUMSFELD as the Director of the Office of Economic Opportunity.

Mr. BYRD of Virginia. Mr. President, I am sorry to report that the Office of Economic Opportunity once again is in the subsidized propaganda business.

A revealing article on this subject was written by Shirley Scheibla and published in the April 14 edition of Barron's magazine. I ask unanimous consent that Miss Scheibla's article, entitled "Subsidized Press," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BYRD of Virginia. Mr. President, in 1967, the Senate approved an amendment which I offered to a supplementary appropriations bill which provided that none of the money furnished in that bill could be used "for establishing or operating a general coverage newspaper, magazine, radio station, or television station." Of course, that amendment does not affect the use of currently appropriated funds.

But the intent of Congress is plain. Thus, tax funds are being used in a way not intended by Congress.

I hope that former Representative RUMSFELD, whose nomination will be confirmed today, will give this matter prime attention as he takes over as Director of the Office of Economic Opportunity.

Among the publications to which Miss Scheibla calls attention is the Spokesman, published by the Office of Economic Opportunity Council, 1449 Mendell Street, San Francisco, Calif.

The February 1969 edition of the Spokesman includes a "News Sketch" column including datelines from New York, Sacramento, Washington, Memphis, Chicago, and Jacksonville, Fla. Nearly all of these so-called news sketches have a black racist theme.

The quality of the journalism is suggested by the fact that the senior Senator from California is described as "right-wing conservative dancer MURPHY."

The item from Memphis reports as follows:

MEMPHIS, TENN.—A committee of the National Council of Churches has reported violence is an acceptable tool for use by the victims of injustice. It further stated that there is a vast difference between the violence used in oppressions and violence used by the oppressed. And, that violence may be justified to seek social justice if nonviolent means fail.

The same page of the Spokesman includes an announcement of a birthday celebration for Huey P. Newton, the Black Panther leader jailed for murder. This announcement states that some of the proceeds from the celebration were to go to the Eldridge Cleaver bail fund. Mr. Cleaver, of course, is the Black Panther leader missing since late last year after his bail was revoked.

The same page of the Spokesman also advertises the Malcolm X Educational Center, which is called "a black school for black children operated by black people in the total black community."

The Spokesman is only one extreme example of a large number of publications subsidized by OEO. The "Marin City Memo," issued by the Marin City Economic Opportunity Council Area Office, 630 Drake Avenue, Marin City, Calif., is a similar propaganda sheet.

The August 15, 1968, issue quotes Dick Gregory as saying:

Riots are nothing new. They're just a ghetto version of a fire sale.

Another OEO-backed publication is the Crusader, published by United Community Corp., 449 Central Avenue, Newark, N.J. The September 1968, issue of the Crusader had an editorial entitled, "Communications and the Poor," which said in part:

The federally-supported war against poverty has given new hope to the poor, the disinherited, the neglected and the abused. The poor have come to recognize that their demand for a free and equal access to the mass media is an intrinsic part of their being able to succeed in the struggle for freedom from hunger, from privation, from exclusion. They have come to understand that generic to their struggle is the battle for men's minds, a battle that must be won also if our democratic process is to survive intact, not be torn by divisiveness . . . No one outside believes that what is happening here is important enough to assign any priority to . . . We need a voice now. That is clearly indicated. We need access to mass communications capability now to save and rebuild our cities now, not when it becomes convenient to consider it.

The May–June 1968, issue of the same publication carried a story on an investigation of the antipoverty program in Newark by the senior Senator from Arkansas who called it a witch hunt and a shocking misuse of public funds.

In Utica, N.Y., the Inner City Opportunity Center publishes the Voice of INCO, which recently published a solicitation for teen members for the Congress of Racial Equality.

The source of many of these publications is a manual in newspaper form issued by the New Jersey Community Action Training Institute last year. This publication, called News Man, advises how to launch a community action newspaper.

Clearly, the antipoverty agency seems to be in the propaganda business in a big way.

EXHIBIT 1

SUBSIDIZED PRESS: THE POVERTY PROGRAM IS BUILDING ITS OWN PROPAGANDA MACHINE

(By Shirley Scheibla)

"When the press is supported or subsidized by federal funds, it is disabled to perform its rightful function as a great interpreter between the government and the people. This is so because the press is no longer free. On the contrary, it is enslaved and enslavement of the press will inevitably be followed by enslavement of the people." (Senator SAM J. ERVIN, Jr., Democrat, of North Carolina).

WASHINGTON.—Commenting on the violence-ridden strike at San Francisco State College, a leading story in a San Francisco newspaper in February ran as follows: "The only reason the strike was called was as a last resort to bring out into the open their (the students') grievances and the present injustices and irrelevances on the campus of a school which belongs to this community. . . . The basic truth of the strike is the freedom of self-determination of students in their education versus the present misuse of the schools by irrelevant and outside political forces such as the office of the governor, state superintendent of schools and the like in trustees and such boards of directors who are totally alien to the needs and desires of Black and Third World students. The activities and grievances of the students deserve the sympathy of the local community."

CIVIL DISRUPTION

The publication which featured the story is The Spokesman, one of a growing number of newspapers published with the encouragement and financial support of the Office of Economic Opportunity. Issued by community action groups all over the country, many of the newspapers are promoting black militance, racial hatred, civil disruption, the cry of police brutality, community control of schools and colleges, and, not least, the war on poverty and all its works.

Congress has prohibited the use of federal anti-poverty funds for establishing or operating general coverage newspapers. However, OEO claims that the publications really are "newsletters," aimed at bridging "the communication gap often existing between the community action program and the people it serves."

According to a Public Affairs Handbook, The Printed Word, published by OEO last year and distributed to community action agencies, a publication is a "newsletter" if it "has a specific information objective and a limited audience," is not sold for profit, carries no paid advertising and is run by the local anti-poverty program. "Grantees," the Handbook declares, "are encouraged to publish newsletters or house organs which assist local anti-poverty efforts. These publications are generally financed under the administrative budget of the local agency."

Pictured in the Handbook, to illustrate what OEO means, is the front page of a "newsletter" called The Crusader, a product of the United Community Corp., top community action agency of Newark, N.J., which says it is "a free city-wide community newspaper for the promotion of community action." Looking remarkably like a tabloid newspaper, the page carries a story about Newark citizens marching in front of the White House. In another issue The Crusader called the McClellan Committee's investigation of the role of anti-poverty workers in Newark's riots, "a witch hunt and a shocking misuse of public funds."

The OEO Handbook also includes elementary instructions for publishing "newsletters." With OEO funding, the Community Action Training Institute at Trenton, N.J., has gone a step further by publishing The CATI News Man, which the subheading identifies as "A Manual—In Newspaper Form—On How To Produce A Community Action Newspaper." The essentials, it says, are community problems, angry people and publishing facilities. A good community action newspaper, it declares, "makes people mad."

Enlarging on the Handbook's idea of not selling the newspapers for profit, the manual advises soliciting donations. "Be sure you don't ask people to buy a subscription to your paper, since this will cause difficulties with income tax and licensing laws," it explains.

The Office of Economic Opportunity is so pleased with the work of CATI that it has asked the Institute to provide assistance to communtiy action training centers all over the country, at federal expense, of course. (There are 10 training centers to serve over 1,000 community action centers.) While the exact number and circulation of community action newspapers in existence are unknown, it is abundantly clear that they constitute a vast propaganda network.

Specifically, anti-poverty newsletters churn out vast quantities of propaganda for the war on poverty. For instance, the TEOC News, published by the Tampa (Fla.) Economic Opportunity Council, Inc., recently declared that an independent OEO is an absolute necessity.

CHRISTMAS ISSUE

Referring to OEO, Community Action News, a monthly publication of the Knox County Economic Opportunity Council at Barbourville, Ky., said in its Christmas issue: "Our country cannot afford to risk an interruption of a program experiment which is the last link of communication between the poor and non-poor." An offer to fund the 1969 anti-poverty programs of Wayne County, Mich., at the same level as 1968 is unacceptable, according to a front page story in the Wayne County OEO Newsletter, a slick, printed publication of the Economic Opportunity Committee of Eloise, Mich.

"Do not panic with the coming of the Nixon Administration," said a recent Community Action Newsletter published by the Ninth District Opportunity, Inc., of Gainesville, Ga. "America," it declared, "is a country of compassionate people, and humanitarian programs will not be stopped by any administration."

Publications which have lavished praise on OEO projects include With the People, issued by half-a-dozen community action agencies in Chicago; the Neighborhood Journal, by Community Progress, Inc. of New Haven, Conn.; STOP Newsletter, by the Southeastern Tidewater Opportunity Project of Norfolk, Va., and The Advisor, by the Charleston County Economic Opportunity Commission at Charleston, S.C.

HAPPY BIRTHDAY, HUEY

Black power and race hatred are also favorite themes of OEO-subsidized journalism. On this score, the story on the San Francisco State College strike was not the only one worthy of notice in the February issue of The Spokesman. It also carried an announcement of a birthday celebration in honor of Black Panther leader Huey P. New-

ton, now jailed for allegedly killing a man in California.

Scheduled as a speaker at the Black Panther celebration was Kathleen Cleaver, wife of Black Panther Eldridge Cleaver. (Mr. Cleaver was jailed in 1958 after conviction for assault with intent to commit murder. He was paroled in 1966, but had his parole revoked in connection with a gun battle with Oakland police officers. Subsequently he was released by a judge who ruled Mr. Cleaver was "a political prisoner." This action subsequently was overruled; both California and federal authorities have been seeking Mr. Cleaver since December 27, 1968.)

According to The Spokesman, tickets for the affair were available at Black Panther Party Headquarters at 1419 Fillmore and More's Books, 1435 Fillmore, and for $2.50 at the door. It added that part of the proceeds would be used for the Newton-Cleaver Defense Committee and the Eldridge Cleaver Bail Fund.

The same issue sought contributions to the Malcolm X Educational Center, advised its readers to write or call the Black Draft Counseling Union and join the Welfare Rights Movement. In addition, it announced a community meeting to "amend the city charter to forbid the creation of para-military squads (by the San Francisco police). . . ."

Such inflammatory contents are nothing new for The Spokesman. In 1968, the February-March issue decried the jailing of Huey Newton for alleged murder and reported "some very significant ideas" of the Black Panthers, which included freeing Mr. Newton or bringing about "retribution," freeing of imprisoned black men not tried by their peers and exempting all Negroes from military service.

(The latest word on the Black Panthers came on April 2, when a New York grand jury indicted 21 members for conspiring to bomb five department stores, a police station and a railroad.)

A front-page story in the March-April 1968 issue of The Spokesman said, "Black people wake up; we are all in prison; we are all Huey Newtons. He may be doing time in jail but we are doing it in the ghetto." Signed by Adam Rogers, it declared, "If you want action, come join me in my fight for identity, equality, not civil rights, but human rights."

The Spokesman has accused the nation's cities or arming to carry out plans of genocide against black people, and said the U.S. is preparing concentration camps for blacks. It also quoted Richard Robers, executive director of the San Francisco Family Service Agency, as saying, "A civil war is almost inevitable unless the powers of white America face up to the fact that they have a responsibility to see that all children have some guarantee—decent economic income, housing, education and health assurances that exist for their own children."

Copies of all the aforementioned issues of The Spokesman are in the files at OEO headquarters.

In the same vein, the August 15, 1968, issue of the Marin City (Calif.) Memo, published by the Marin City Economic Opportunity Council, printed an editorial by Area Director James W. Coleman, who, after visits to Chicago, Detroit and Cleveland, found: "The social revolution continues to move across this nation. . . . There must be drastic social changes in the society now. . . . I talked to many black youths who still had anger and revenge for the white power structure." The same issue quoted black activist Dick Gregory as saying, "Riots are nothing new. They're just a ghetto version of a fire sale."

NEED POWER

"Power is the essential for the poor," according to the tabloid newspaper, The New Day, published by the Human Development Corp. of St. Louis. "If you want to beat the small store cheating you. If you want to keep 'the man' off your back. If you want to get a job. If you want to get decent housing out of the slum lord. You have to have power," proclaimed the March 1968 issue of The New Day.

From a sister publication in Elizabeth, N.J., comes a similar theme. The May 1968 Community Action News, published by Community Action for Economic Opportunity, Inc., carried a letter to the editor signed by Josephine Nieves, acting director of the Northeast Regional Office of OEO in New York, which said, "Jobs alone will not necessarily solve the problems of the poor in America since it is to a large extent a question of power."

The same issue featured a story which said that a teenage community action group had petitioned the city to incorporate black history into the regular school curriculum. Another story said, "The Black Power Conference held July 20 through July 23 was an inspirational and educational gathering." Among the proposals reported were "developing Liberation Schools, setting up a Black Teachers Union—Separate From The White Summer Camps for Blacks only, development of Black Political Power. . . ." The Washington Evening Star called that same conference "a festival of hate."

The tabloid newspaper, The Neighborhood Journal, states in its masthead that it is owned and operated by the five Denver community action councils and "funded by a grant from the Office of Economic Opportunity." The September 20, 1968, issue devotes half a page to the views of "resident participants" in the Model Cities program. It charges that minority persons are abused when arrested, charged, jailed and sentenced, and calls for "greater protection from unjust police and judicial action" to command top priority after planning in the Model Cities program.

WASHINGTON DOESN'T KNOW

No one in Washington seems to know how many anti-poverty, "newsletters" are being published, or how many more will be launched in response to OEO's Handbook. Besides those mentioned, others have come out of Long Beach, Calif.; Bridgeport, Conn.; Miami and Pensacola, Fla.; New York; Columbus, Ohio, and many Indian reservations. OEO headquarters have three filing cabinet drawers packed with samples of the newsletters.

Almost unbelievably, they are being distributed in slums all over the country without the knowledge of Congress. That body thought it had made its intent amply clear when it set up the Small Business Administration. Congress banned SBA loans to newspapers to avoid government interference with the press. In 1967 an amendment to the second supplemental appropriation act said flatly: "None of the federal government anti-poverty funds may be used for establishing or operating a general coverage newspaper, magazine, radio station or television station."

When he introduced the amendment, Senator Harry F. Byrd, Jr. (D., Va.) stated: "I am unalterably opposed to government ownership or control of newspapers because it leads inevitably to government control of the news. I believe we have too much government management of the news already without this additional weapon being put into the hands of federal officials."

Enactment followed disclosure that WAMY-Community Action, Inc., of Boone, N.C., proposed to establish a newspaper and radio station with $179,000 from OEO in response to OEO pressure to emphasize communications instead of job training. At the time, Senator Ervin commented that the proposal was wholly "incompatible with the free enterprise system and a free press."

Senator Strom Thurmond (R., S.C.) declared: "If every poverty agency were to get a 100% subsidy for the publication of its own propaganda—freed from the responsibility of business losses and restrictions—then a medium would be created to promote social unrest and dissatisfaction on a nationwide scale."

As noted, OEO maintains that the publications it now subsidizes are "newsletters" which do not engage in "general coverage," cited in the wording of the 1967 ban on subsidized newspapers. Newsletters or newspapers, the publications are only one segment of a vast OEO-subsidized propaganda network—encompassing television, radio, films and even speakers' bureaus—now in operation and growing daily.

Mr. PROUTY. Mr. President, in the 4 months since his inauguration, President Nixon has moved purposefully to reform and revitalize the Federal Government's delivery system for the vast expanse of Federal programs intended to alleviate poverty.

President Nixon's positive steps have, I trust, allayed the unfounded fears of some who had foretold of a premature end of the war on poverty. The President's actions affirm my contention that while there has been almost complete accord on the need for and intent of poverty programs, though well-intentioned differences have arisen over the methods.

The President has, during the brief period of incumbency, done much toward the goal of matching performance with promise.

For the first time, an Urban Affairs Council has been established to provide a unified approach to the problems of our cities. This domestic equivalent to our National Security Council is developing a national urban policy to allocate resources on a priority basis.

For the first time the President has established an office of intergovernmental relations to provide a single service center for State, municipal, and county governments.

For the first time Federal agencies' field offices will serve uniform regions and the field offices of the Department of Health, Education, and Welfare; Housing and Urban Development; Labor; the Office of Economic Opportunity, and the Small Business Administration will operate from a single city. Wednesday, the President added two regional offices to the eight set up 2 months ago making a total of 10 such offices.

For the first time regional councils combining their interrelated Federal agencies have been established to maximize program coordinating in the field.

For the first time the President of the United States has directed the many Federal departments, bureaus, and agencies working with State and local governments to come up with a plan to decentralize decisionmaking authority to expedite Federal assistance to community projects.

For the first time an office of minority entrepreneurship has been established in the Department of Commerce to give enterprising individuals a special solid start in business.

For the first time the OEO is to be freed of some of its program responsibilities to better fulfill its intended function as an "incubator" or ideas. OEO's successful Headstart program will be op-

erated in the new Bureau of Child Development within HEW, where the lessons of Headstart can be applied within a comprehensive program for this Nation's children. The Job Corps will be realined within the Labor Department's manpower training programs.

Attendant with this revamping of the machinery for delivery of these programs has been the sweeping evaluations of the programs at the highest levels of administration.

But machinery and studies cannot by themselves bring performance to the level of our promises. Dedicated men are needed to manage this essential governmental machinery. I am pleased that President Nixon has paid such close attention to the "human factor." The nomination of Representative DONALD RUMSFELD to be Director of the Office of Economic Opportunity is in keeping with President Nixon's pursuit of excellence at all levels of government. I am further encouraged by the President's designating the Director of OEO as assistant to the President and by according the position full cabinet status. This affirms President Nixon's oft-stated intent to revitalize, not as some would say to demolish, the OEO.

In his testimony before the Labor and Public Welfare Committee, Congressman RUMSFELD was perfectly candid in explaining why he had voted against the Economic Opportunity Act of 1964. At the time, he, like many of us, questioned not the intent but the methods outlined in the original act. Since then there have been successes, failures, and modifications in these programs. We have learned much and Representative RUMSFELD shares the President's determination to build upon our knowledge without letting up our efforts against poverty.

As I admire his candor I also have deep respect for Representative RUMSFELD's courage in leaving a "safe" seat in the House of Representatives for a position which seems certain to be a center of controversy. If it were to be free of controversy that to me might indicate that the OEO was not assuming the dynamic innovative role that Congress has mandated for it.

The President has nominated a man of candor, courage, and dedication to be the next Director of the Office of Economic Opportunity. I urge my colleagues to confirm the nomination of Representative DONALD RUMSFELD.

Mr. DIRKSEN. Mr. President, on behalf of the Senator from New York (Mr. JAVITS), I ask unanimous consent to have printed in the RECORD a statement by him in support of the nomination of DONALD RUMSFELD, of Illinois, to be Director of the Office of Economic Opportunity.

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

STATEMENT OF SENATOR JAVITS

When Representative Rumsfeld appeared before the Committee on Labor and Public Welfare, he made it clear that as director of the Office of Economic Opportunity he would feel it his duty to be "counsel for the poor."

The word "counsel" is very significant because it reflects, in my opinion, an understanding of the proper role that the director should play at the highest level of government. In designating Representative Rumsfeld, the President indicated that he would serve not only as director, but also as a special assistant to the President with cabinet rank. Representative Rumsfeld has indicated that he would be willing to disagree with any Cabinet officer or the President himself if need be in order to carry out the special responsibility given to him. There are still more than 22 million poor in our Nation, and we need no reminders that although this group has been "rediscovered" in recent years, its voice has still not been effectively heard.

The word "counsel" is important in another respect because it emphasizes the role of the director as an advisor to rather than a guardian of the poor. There are many programs for the poor. But there is only one agency where the emphasis is so clearly on action *by* the poor.

We have failed to deliver on promises based upon direct assistance. But in moving away from old approaches, we have made new promises. We have promised the poor that they are to participate in their own flight from poverty, but we are unfairly critical of the exercise of local initiative through community action agencies. The poor are told that they should establish their own businesses, but loans under the Economic Opportunity Loan Program totalled only 1,700 last year, considerably short of the 10,000 goal. The disadvantaged are encouraged to work their way out of poverty, but only recently have resources been channeled into training programs meaningfully related to actual jobs.

I am pleased with the sincerity of purpose displayed by Representative Rumsfeld and his commitment to a continued role for the community action agencies. I have every expectation that under his strong leadership these concepts of which I have spoken will be translated into reality, and new initiatives will be taken on behalf of the poor.

The President has indicated that he will soon submit comprehensive recommendations for the future of the poverty program. With Representative Rumfeld's confirmation, we must move quickly and conscientiously from the broad outlines to a specific course of action for the coming years.

The VICE PRESIDENT. The question is: Will the Senate advise and consent to this nomination? [Putting the question.]

The nomination was confirmed.

COMMISSION ON AGING

The bill clerk read the nomination of John B. Martin, Jr., of Michigan, to be Commissioner on Aging.

Mr. PROUTY. Mr. President, the needs of 20 million older Americans are many. Eight million of them are poor or near poor with failing health, little education, few jobs, and inadequate housing.

The plight of these elderly should be a source of deep concern to all Americans. Remedies should be sought without delay.

Amidst the needs of the elderly is one need which can be met today by our action. This is the need for a strong advocate for the elderly. John B. Martin is eminently qualified for this role.

With him as Commissioner on Aging, I am confident that our elderly Americans will receive the voice they need at all levels of Government. He has a full grasp of the needs of our older citizens, a complete dedication to meeting these needs, and a proven ability to get things done. I urge my colleagues to favorably consider the President's nomination of John B. Martin as Commissioner on Aging.

The VICE PRESIDENT. The question is: Will the Senate advise and consent to the nomination?

The nomination was confirmed.

GEOLOGICAL SURVEY

The bill clerk read the nomination of William T. Pecora, of New Jersey, to be Director of the Geological Survey.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

AMBASSADORS

The bill clerk proceeded to read sundry nominations of Ambassadors.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of Ambassadors be considered en bloc.

I do this reluctantly, because it is an extraordinarily good list of nominees. As a matter of fact, among them are friends of many of us in the Senate. I note, for example, the names of Matthew J. Looram, Jr., who will be our next Ambassador to the Republic of Dahomey; John Davis Lodge, who will be our Ambassador to Argentina; Francis E. Meloy, Jr., our next Ambassador to the Dominican Republic—a promotion which in my opinion is long overdue; Armin H. Meyer to Japan, where I am confident he will do an outstanding job; and our old friend Jack Hood Vaughn, born in Montana, who will now become our Ambassador to Colombia.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The bill clerk read the nomination of Bert M. Tollefson, Jr., of South Dakota, to be an Assistant Administrator of the Agency for International Development.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The bill clerk read the nomination of James F. Leonard, Jr., of Maryland, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The bill clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The bill clerk read the nomination of Lt. Gen. Lewis W. Walt to be general.

The VICE PRESIDENT. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—NAVY AND MARINE CORPS

The bill clerk proceeded to read sundry nominations in the Navy and Marine Corps which had been placed on the Secretary's desk.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected to items on the calendar, beginning with Calendar No. 170, and after that has been disposed of, proceed to the consideration of Calendar No. 174 and the succeeding measures in sequence.

The VICE PRESIDENT. Without objection, it is so ordered.

SPECIAL PAY FOR CERTAIN NUCLEAR QUALIFIED SUBMARINE OFFICERS

The bill (H.R. 9328) to amend title 37, United States Code, to provide special pay to naval officers, qualified in submarines who have the current technical qualification for duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants, who agree to remain in active submarine service for one period of 4 years beyond any other obligated active service, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McINTYRE. Mr. President, I would like to briefly discuss the pending business, H.R. 9328, which would authorize a new system of special pay for junior nuclear-trained submarine officers.

WHAT THE BILL DOES

First, Mr. President, I would like to outline the provisions of the bill. It provides that naval officers who are both technically qualified in submarines and technically qualified in the operation of naval nuclear propulsion plants, and who have not completed 10 years of commissioned service, will receive special pay in the amount of $3,750 per year on a 4-year basis, if they voluntarily agree to remain in active service for an additional 4 years beyond any period of obligated service. In effect, this legislation is temporary since it applies only to officers who execute active service agreements on or before June 30, 1973.

NECESSITY FOR BILL

Mr. President, I would like to comment briefly on the necessity for this legislation which singles out a small group of officers for special military compensation. The fact of the matter is that the resignation rate for nuclear-qualified junior naval officers has reached the point that the readiness and safety of our nuclear submarines could be affected if this rate is not reversed. The adverse effect would be caused by the lowering of the experience and qualification level of this small group of officers. As we all know, Mr. President, the survival of this Nation and of the free world depends to significant degree on the effectiveness of the nuclear deterrent provided by the nuclear submarine force of the U.S. Navy. This problem is therefore very critical and necessitates the additional pay provided by this bill as a means of attempting to reverse this alarming trend.

Up through 1968, Mr. President, the retention percentage for junior nuclear-trained officers had been approximately 75 percent, but based on resignations already applied for it appears that the retention rate for fiscal year 1970 will be only 38 percent. The Navy presently has on hand approximately 440 applications for resignation and the overwhelming portion of these officers are regulars, some of which have already been involuntarily extended on active duty for 1 year beyond their normal required period of active service.

I would interject at this point, Mr. President, that there are other activities in the Navy which have a much less retention rate than 38 percent. These other groups, such as the surface fleet, however, are able to tolerate much lesser retention percentages, and still remain effective, than the nuclear submarine force.

Mr. President, I should note that the total nuclear submarine officer community is rather small, consisting of only about 1,900 officers. About 950 of this total are in the grade of lieutenant. The total number of officers who would be affected over the course of this legislation until June 30, 1973, is about 1,100 officers.

COST OF LEGISLATION

Mr. President, the estimated cost of this legislation is relatively modest, the estimate being around $2.4 million in fiscal year 1970 and increasing thereafter to $3.8 million in fiscal year 1973.

COMMITTEE OBSERVATIONS

Mr. President, I would call the attention of the Senate to the Committee Report No. 182 on this bill, which discusses not only the pay provisions, but some of the other problems associated with the entire matter of having an adequate officer force for our nuclear submarines. Let me first say that as a form of military pay this special bonus poses a number of problems. There will be some pay inversions, that is, situations where junior officers as a result of receiving this annual bonus will have a total compensation in excess of some of their superiors. Moreover, there are junior officers in the other services of comparable rank serving under varying conditions of hardship throughout the world who will likewise feel that they should be compensated for the particular hardships or conditions under which they serve.

The committee does recognize, Mr. President, that we do have other forms of special pay, such as the continuation pay for medical officers and the variable reenlistment bonus for enlisted personnel with critical skills.

The committee was also concerned that this special submarine pay would be used as an excuse or precedent for the military departments to seek general legislation under which any number of groups could be brought under this same type of system. The committee report is emphatic that the department should not consider this bill as an argument for other legislation.

Despite all these foregoing reservations, Mr. President, the committee felt that the criticality of our nuclear submarine force makes it essential that we enact this bill in order to provide one means of reversing this alarming resignation rate.

Mr. President, I would also like to note that the committee realizes that while pay may be an essential element, compensation alone is not likely to solve this problem. The committee report goes into some detail on other measures the Navy should also consider, including the creation of a larger force of nuclear officers to permit greater shore rotation and opportunities for this group. The Navy should also intensify its efforts to relieve the pressures and other drawbacks of nuclear submarine officers. The committee also hopes, Mr. President, that the Navy will do all in its power to seek public recognition of the importance of the nuclear fleet to the security of the Nation and thereby expand the public image of this essential element of our national security.

Mr. President, I trust that the foregoing remarks have summarized the provisions and problems of this legislation and I urge the Senate to enact H.R. 9328.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

RECLAMATION PROJECT FEASIBILITY STUDIES—1969

The bill (S. 574) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 574

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following proposals:

(1) Missouri River Basin project, Oregon Trail division, Corn Creek unit, in south-central Goshen County, in the vicinity of Hawk Springs, Wyoming;

(2) Missouri River Basin project, Longs Peak division, Front Range unit, in Cache la Poudre River and Saint Vrain Creek Basins and adjacent areas in the general vicinity of Boulder, Colorado; and

(3) Missouri River Basin project, Upper Republican division, Armel unit, on the South Fork of the Republican River in the vicinity of Hale, Colorado.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–186), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of this measure is to authorize the Secretary of the Interior to undertake feasibility investigations of three Federal reclamation projects. This authority is required to permit the orderly continuation of the Bureau of Reclamation's program of investigations leading to recommendations for authorization of water resource development projects.

BACKGROUND OF MEASURE

Section 8 of Federal Water Project Recreation Act (Public Law 89–72, 79 Stat. 213) provides:

SEC. 8. Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding.

The first measure to authorize such feasibility projects was enacted on September 7, 1966, and became Public Law 89–561 (80 Stat. 707). Because it was the first legislation submitted under the new requirement found in the Federal Water Project Recreation Act set out above, it involved a very extensive list of projects. The list included a number of new planning starts as well as authority to continue feasibility studies which were already underway at that time.

A second measure was enacted on February 13, 1968, and became Public Law 90–254 (82 Stat. 5). It authorized six additional studies to provide for the continuation of the Bureau's investigation program. Additional measures will be necessary from time to time as projects are identified by reconnaissance studies and feasibility studies are found to be warranted.

PRESENT LEGISLATION

The present bill was submitted to the Congress by the Department of the Interior by letter of January 18, 1969, and was introduced by Senator Jackson, by request, on January 23, 1969, and became S. 574. It will authorize feasibility studies of three projects as follows:

(1) Missouri River Basin project, Oregon Trail division, Corn Creek unit, in south-central Goshen County, in the vicinity of Hawk Springs, Wyo.;

(2) Missouri River Basin project, Longs Peak division, Front Range unit, in Cache la Poudre River and St. Vrain Creek basins and adjacent areas in the general vicinity of Boulder, Colo.;

(3) Missouri River Basin project, Upper Republican division, Armel unit, on the South Fork of the Republican River in the vicinity of Hale, Colo.

Feasibility studies of all three projects have been shown to be warranted by favorable reconnaissance reports. The Bureau of the Budget has expressed no objection to enactment of the measure.

COMMITTEE RECOMMENDATIONS

The Interior and Insular Affairs Committee recommends S. 574 as introduced, be enacted.

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF A VETERANS' BENEFITS CALCULATOR

The concurrent resolution (H. Con. Res. 35) authorizing the printing of additional copies of a Veterans' Benefits Calculator was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–187), explaining the purposes of the concurrent resolution.

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

REPT. 91–187

House Concurrent Resolution 35 would provide that after the conclusion of the second session of the Ninety-first Congress there be printed 50,070 copies of a Veterans' Benefits Calculator prepared by the House Veterans' Affairs Committee, of which 2,000 copies would be for the use of that committee, 2,000 copies for the use of the Committee on Finance, 37,315 copies for the use of the House of Representatives (85 per Member), and 8,755 copies for the use of the Senate (85 per Member). Copies of the document would be prorated to Members of the House of Representatives and Senate for a period of 60 days, after which the unused balances would be distributed by the respective Senate and House document rooms.

The printing-cost estimate is as follows:

Printing-cost estimate

1st 1,000 copies	$288.75
49,070 additional copies, at $105 per thousand	5,152.35
Total estimated cost, H. Con. Res. 35	5,441.10

AUTHORIZATION FOR CERTAIN PRINTING FOR THE USE OF THE HOUSE COMMITTEE ON VETERANS' AFFAIRS

The concurrent resolution (H. Con. Res. 95) authorizing certain printing for the Committee on Veterans' Affairs was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–188), explaining the purposes of the concurrent resolution.

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

REPT. 91–188

House Concurrent Resolution 95 would provide that there be printed for the use of the House Committee on Veterans' Affairs 56,100 copies of a publication entitled "Summary of Veterans Legislation Reported, Ninety-first Congress, First Session," with an additional 43,900 copies for the use of Members of the House of Representatives (100 per Member). Copies of the document would be prorated to Members of the House of Representatives for a period of 60 days, after which the unused balance would be distributed by the House document room.

The printing-cost estimate is as follows:

Printing-cost estimate

1st 1,000 copies	$2,401.19
99,000 additional copies, at $44.65 per thousand	4,420.35
Total estimated cost, H. Con. Res. 95	6,821.54

AUTHORIZATION FOR PRINTING OF A REVISED EDITION OF THE PAMPHLET "OUR AMERICAN GOVERNMENT" AS A HOUSE DOCUMENT

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 162) authorizing the printing of the book "Our American Government," as a House document which had been reported from the Committee on Rules and Administration, with amendments, on page 1, line 10, after the word "printed" strike out "one million eighty-four thousand" and insert "nine hundred and twenty-nine thousand five hundred"; and in line 12, after the word "which" strike out "two hundred and six thousand" and insert "fifty-one thousand five hundred".

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

H. CON. RES. 162

Resolved by the House of Representatives (the Senate concurring), That,

SECTION 1. With the permission of the copyright owner of the book, "Our American Government and How It Works: 1001 Questions and Answers by Wright Patman, Member of Congress", published by Bantam Books, Incorporated, there shall be printed as a House document, with emendations, the pamphlet entitled "Our American Government. What Is It? How Does It Function?"; and that there shall be printed nine hundred and twenty-nine thousand five hundred additional copies of such document, of which fifty-one thousand five hundred copies shall be for the use of the Senate, and eight hundred and seventy-eight thousand copies shall be for the use of the House of Representatives.

SEC. 2. Copies of such document shall be prorated to Members of the Senate and House of Representatives for a period of sixty days, after which the unused balance shall revert to the respective Senate and House document rooms.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–189), explaining the purposes of the resolution.

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

House Concurrent Resolution 162 would provide that (with the permission of the copyright owner of the book, "Our American Government and How It Works: 1001 Questions and Answers by Wright Patman, Member of Congress," published by Bantam Books, Inc.) there be printed as a House document, with emendations, the pamphlet entitled "Our American Government. What is it? How Does It Function?" and that there be printed 1,084,000 additional copies of such document, of which 206,000 copies would be for the use of the Senate (2,000 per Member) and 878,000 copies would be for the use of the House of Representatives (2,000 per Member). Copies of the document would be prorated to Members of the Senate and House of Representatives for a period of 60 days, after which the unused balances would

be distributed by the respective Senate and House document rooms.

The printing-cost estimate of House Concurrent Resolution 162 as approved by the House of Representatives, is as follows:

To print as a document (1,500 copies)	$4,297.59
1,084,000 additional copies, at $50.27 per thousand	54,492.68
Total estimated cost	58,790.27

AUTHORIZATION FOR PRINTING OF A REVISED EDITION OF "HOW OUR LAWS ARE MADE" AS A HOUSE DOCUMENT

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 192) to reprint brochure entitled "How Our Laws Are Made" which had been reported from the Committee on Rules and Administration with an amendment, on page 2, at the beginning of line 1, insert a new section, as follows:

SEC. 2. There shall be printed fifty-one thousand five hundred additional copies of the document specified in section 1 of this concurrent resolution for the use of the Senate.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", by Doctor Charles J. Zinn, law revision counsel of the House of Representatives Committee on the Judiciary, as set out in House Document 125 of the Ninetieth Congress, be printed as a House document, with emendations by the author and with a foreword by the Honorable Emanuel Celler; and that there be printed two hundred and thirty-nine thousand five hundred additional copies, of which twenty thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

SEC. 2. There shall be printed fifty-one thousand five hundred additional copies of the document specified in section 1 of this concurrent resolution for the use of the Senate.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–190), explaining the purposes of the resolution.

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

House Concurrent Resolution 192 would provide that the brochure entitled "How Our Laws Are Made," by Dr. Charles J. Zinn, law revision counsel of the House of Representatives Committee on the Judiciary, as set out in House Document 125 of the 90th Congress, be printed as a House document, with emendations by the author and with a foreword by the Honorable Emanuel Celler; and that there be printed 239,500 additional copies of such document, of which 20,000 would be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives (500 per Member).

The Senate Committee on Rules and Administration has amended House Concurrent Resolution 192 to authorize the printing of 51,500 additional copies of the document for the use of the Senate. This would provide Members of the Senate with the same quantity as House Members (500 each) for distribution to their constituents.

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ENTITLED "THERMAL POLLUTION—1968"

The concurrent resolution (S. Con. Res. 21) to print additional copies of parts 1 and 2, thermal pollution 1968 hearings was considered and agreed to, as follows:

S. CON. RES. 21

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Public Works, one thousand additional copies of part 1, and seven hundred additional copies of part 2, thermal pollution, 1968 hearings, held during the second session of the Ninetieth Congress.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–191), explaining the purposes of the concurrent resolution.

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

Senate Concurrent Resolution 21 would authorize the printing for the use of the Senate Committee on Public Works of 1,000 additional copies of part 1 and 700 additional copies of part 2 of its hearings entitled "Thermal Pollution—1968," held during the second session of the 90th Congress.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Part 1, 1,000 copies	$3,744.85
Part 2, 700 copies	1,985.73
Total estimated cost	5,730.58

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT 91–13, ENTITLED "REVIEW OF U.S. FOREIGN POLICY AND OPERATIONS, 1968"

The resolution (S. Res. 195) authorizing the printing of additional copies of Senate Document 91–13 entitled "Review of U.S. Foreign Policy and Operations, 1968," was considered and agreed to, as follows:

S. RES. 195

Resolved, That there be printed for the use of the Committee on Appropriations eight hundred additional copies of Senate Document 91–13, entitled "Review of United States Foreign Policy and Operations, 1968", by the Honorable Allen J. Ellender, United States Senator from the State of Louisiana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–192), explaining the purposes of the resolution.

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

Senate Resolution 195 would authorize the printing for the use of the Committee on Appropriations of 800 additional copies of Senate Document 91–13, entitled "Review of United States Foreign Policy and Operations, 1968," by Hon. Allen J. Ellender, a U.S. Senator from the State of Louisiana.

The printing-cost estimate, supplied by the Public Printer is as follows:

Printing-cost estimate

Back to press, 800 copies	$1,200

AUTHORIZATION FOR THE PRINTING OF THE MANUSCRIPT ENTITLED "THE FIRST ARMY IN EUROPE" AS A SENATE DOCUMENT

The resolution (S. Res. 177) authorizing the printing of a manuscript entitled "The First Army in Europe" as a Senate document was considered and agreed to, as follows:

S. RES. 177

Resolved, That the manuscript entitled "The First Army in Europe," written by Colonel Elbridge Colby, be printed with one map as a Senate document, and that one thousand five hundred additional copies of such document be printed for the use of the Senate Committee on Armed Services.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–193), explaining the purposes of the bill.

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

Senate Resolution 177 would provide that the manuscript entitled "The First Army in Europe," written by Col. Elbridge Colby, be printed with one map as a Senate document, and that 1,500 additional copies of such document be printed for the use of the Senate Committee on Armed Services.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$4,115.11
1,500 additional copies, at $398.04 per thousand	597.04
Total estimated cost, S. Res. 177	4,712.15

KATHLEEN T. O'LEARY

The resolution (S. Res. 202) to pay a gratuity to Kathleen T. O'Leary was considered and agreed to, as follows:

S. RES. 202

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Kathleen T. O'Leary, widow of Jeremiah A. O'Leary, Senior, an employee of the Senate at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

DORA L. DOWNING

The resolution (S. Res. 203) to pay a gratuity to Dora L. Downing was considered and agreed to, as follows:

S. RES. 203

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Dora L. Downing, widow of Carl Downing, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

GOLD AND SILVER CONTENT MANUFACTURED ARTICLES

The Senate proceeded to consider the bill (S. 1046) to protect consumers by providing a civil remedy for misrepresentation of the quality of articles composed in whole or in part of gold or silver and for other purposes which had been reported from the Committee on Commerce, with amendments, on page 1, line 3, after the quotation mark strike out "an" and insert "An"; in line 5, after the word "falsely" insert "or spuriously"; in line 7, after the word "amended" strike out "October 4, 1961 (75 Stat. 776; 15 U.S.C. 294 et seq.)" and insert "(15 U.S.C. 294–300)"; on page 2, at the beginning of line 1, strike out "(a) Inserting" and insert "(1) inserting"; in the same line after the word "after" strike out "the section number"; in line 2, after the word "designation" strike out "'(a)'." and insert "'(a)';"; at the beginning of line 3, strike out "(b) Adding" and insert "(2) adding"; in line 4, after the word "subsection" strike out "'Sec. 5(a)'" at the beginning of line 6, strike out "(b) Any competitor, customer, or competitor of a customer of any person in violation of sections 1, 2, 3, or 4 of this Act, or any subsequent purchaser of an article of merchandise which has been the subject of a violation of section 1, 2, 3, or 4 of this Act," and insert "(b)(1) Any competitor, customer, or competitor of a customer of any person who has mismarked or caused to be mismarked any article of merchandise, or any competitor, customer, or competitor of a customer of any person who has imported or caused to be imported any mismarked article of merchandise,"; in line 16, after the word "restraining" insert "such person from".

After line 21, insert:

(2) For the purposes of this subsection, the term 'customer' refers to the first purchaser or any subsequent purchaser of an article of merchandise.

After line 24, strike out "(c) Any duly organized and existing jewelry trade association shall be entitled to injunctive relief restraining any person in violation of section 1, 2, 3, or 4 of this Act" and insert "(c) Any duly organized jewelry trade association shall be entitled to injunctive relief restraining any person who has mismarked or caused to be mismarked any article of merchandise, or who has imported or caused to be imported any mismarked article of merchandise,"; in line 18, after the word "Act." insert "In addition, if the court determines that such action has been brought frivolously, for purposes of harassment, or in implementation of any scheme in restraint of trade, it may award punitive damages to the defendant."

In line 25, after the word "this" strike out "Act.'" and insert "Act.';"; on page 4, at the beginning of line 1, strike out "(c) Inserting" and insert "(3) inserting"; in the same line after the word "after" strike out "the section number" and insert "'Sec. 6.'" and insert "'(a)';"; at the beginning of line 3, strike out "(d) Adding" and insert "(4) adding"; in line 4, after the word "subsection" strike out "'Sec. 6. (a)'" and insert "(a)"; in line 6, after the word "'person'", insert "as used in this Act,"; in line 9, after the word "association'," insert "as used in this Act," at the beginning of line 14, strike out the word "businesses.'" and insert "businesses"; after line 14, insert:

(d) The term 'mismarked' as used in this Act, means having stamped, branded, engraved, or printed upon any part of any article of merchandise, or upon any tag, card, or label attached thereto, or upon any box, package, cover, or wrapper in which such article is incased or inclosed, any mark in violation of section 1, 2, 3, or 4 of this Act.;.

At the beginning of line 21, strike out "(c) Changing paragraph (A), subsection (b)," and insert "(5) amending clause A"; in line 22 after "4" insert "(b)"; at the beginning of line 23, after "(A)" strike out "Apply" and insert "apply"; on page 5, line 3, after the word "person;" strike out "and'" and insert "and'."; and in line 5, after the word "any" strike out "person, as that term is herein defined," and insert "person"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act forbidding the importation, exportation, or carriage in interstate commerce of falsely or spuriously stamped articles of merchandise made of gold or silver or their alloys, and for other purposes", approved June 13, 1906 (34 Stat. 260), as amended (15 U.S.C. 294–300), is amended by—

(1) inserting immediately after "SEC. 5." the subsection designation "(a)";

(2) adding at the end of the newly designated subsection (a) the following new subsections:

"(b)(1) Any competitor, customer, or competitor of a customer of any person who has mismarked or caused to be mismarked any article of merchandise, or any competitor, customer, or competitor of a customer of any person who has imported or caused to be imported any mismarked article of merchandise, shall be entitled to injunctive relief restraining such person from further violation of this Act and may sue therefor in any district court of the United States in the district in which the defendant resides or has an agent, without respect to the amount in controversy, and shall recover damages and the cost of suit, including a reasonable attorney's fee.

"(2) For the purposes of this subsection, the term 'customer' refers to the first purchaser or any subsequent purchaser of an article of merchandise.

"(c) Any duly organized jewelry trade association shall be entitled to injunctive relief restraining any person who has mismarked or caused to be mismarked any article of merchandise, or who has imported or caused to be imported any mismarked article of merchandise, from further violation of this Act and may sue therefore as the real party in interest in any district court of the United States in the district in which the defendant resides or has an agent, without respect to the amount in controversy, and if successful shall recover the cost of suit, including a reasonable attorney's fee.

"(d) Any defendant against whom a civil action is brought under the provisions of this Act shall be entitled to recover the cost of defending the suit, including a reasonable attorney's fee, in the event such action is terminated without a finding by the court that such defendant is or has been in violation of this Act. In addition, if the court determines that such action has been brought frivolously, for purposes of harassment, or in implementation of any scheme in restraint of trade, it may award punitive damages to the defendant.

"(e) The district courts shall have exclusive original jurisdiction of any civil action arising under the provisions of this Act.";

(3) Inserting immediately after "SEC. 6." the subsection designation "(a)";

(4) Adding at the end of the newly designated subsection (a) the following new subsections:

"(b) The term 'person', as used in this Act, means an individual, partnership, corporation, or any other form of business enterprise, capable of being in violation of this Act.

"(c) The term 'jewelry trade association', as used in this Act, means an organization, consisting primarily of persons actively engaged in the jewelry or a related business, the purposes and activities of which are primarily directed to the improvement of business conditions in the jewelry or related businesses.

"(d) The term 'mismarked' as used in this Act, means having stamped, branded engraved, or printed upon any part of any article of merchandise, or upon any tag, card, or label attached thereto, or upon any box, package, cover, or wrapper in which such article is incased or inclosed, any mark in violation of section 1, 2, 3, or 4 of this Act.";

(5) Amending clause A of section 4(b) to read as follows:

"(A) Apply or cause to be applied to that article a trademark of such person, which has been duly registered or applied for registration under the laws of the United States within thirty days after an article bearing the trademark is placed in commerce or imported into the United States, or the name of such person; and".

SEC. 2. If any provision of this Act or any amendment made thereby, or the application thereof to any person is held invalid, the remainder of the Act or amendment and the application of the remaining provisions of the Act or amendment to any person shall not be affected thereby.

SEC. 3. The provisions of this Act and amendments made thereby shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of the United States.

SEC. 4. This Act shall take effect three months after enactment.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–194), explaining the purposes of the bill.

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

PURPOSE

S. 1046, as amended, would amend the National Gold and Silver Stamping Act of 1906 to provide a civil remedy for misrepresentation of the quality of articles made from gold and silver. It would enable consumers who have purchased falsely marked gold or silver, and any competitor, customer, or competitor of a customer of anyone violating the marketing act, as well as jewelry trade associations, to seek civil relief. A successful plaintiff would be able to obtain an injunction and could recover his court costs and a reasonable attorney's fee. In addition, persons and firms, other than trade associations, could recover for any actual monetary damage which they may have suffered as a result of the false marking. Conversely, an unsuccessful plaintiff would be

liable to the defendant for the defendant's costs and attorney's fee, and if the action was brought "frivolously, for purposes of harassment, or in implementation of any scheme in restraint of trade," the defendant could also recover punitive damages. Finally the bill would make a technical change to correct a drafting error in the 1961 amendment to this statute.

NEED

The National Gold and Silver Stamping Act of 1906, requires that any article of merchandise made in whole or in part of gold or silver, which is shipped in interstate commerce, must be properly marked as to its actual fineness. That act contains criminal sanctions for any violations of its provisions. However, despite indications of constant and substantial violations of the act, the Department of Justice has never brought a suit to enforce this statute.

At hearings before the Commerce Committee representatives of the Jewelers Vigilance Committee testified that in 1967 they purchased 15 quality marked items in nine different stores and tested them for the accuracy of their markings. Ten of these 15 items were found to be falsely marked as to gold or silver content. In a similar recent test, 26 items selling for less than $5 each were purchased. All of these items were in violation of the National Gold and Silver Stamping Act. Only four of the items were correctly stamped as to quality, but these items failed to carry the identifying trademark required under the law.

In purchasing items made from gold or silver, the consumer must rely entirely upon the honesty of both the manufacturer who makes the item and the retailer who sells it to properly disclose its quality. Yet consumers who shop for jewelry are apparently frequently receiving much less than they think they are buying. In order to help these consumers receive full value for their purchasing dollars, and in order to protect the many ethical members of the jewelry industry from the unfair competition of those who are mismarking the quality of their merchandise, it is essential that a method be devised to insure adequate enforcement of the Gold and Silver Stamping Act. This bill, by authorizing civil injunctive relief, should create an enforcement mechanism which will deter the unscrupulous from mismarking their goods.

BILL PASSED OVER

The bill (S. 1611) to amend Public Law 80–905 to provide for a National Center on Educational Media and Materials for the Handicapped and for other purposes was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE ACT

The Senate proceeded to consider the bill (S. 1519) to establish a National Commission on Libraries and Information Science and for other purposes which had been reported from the Committee on Labor and Public Welfare, with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "National Commission on Libraries and Information Science Act".

POLICY

SEC. 2. The Congress hereby affirms that library and information services adequate to meet the needs of the people of the United States are essential to achieve national goals and to utilize most effectively the Nation's educational resources and that the Federal Government will cooperate with State and local governments and public and private agencies in assuring optimum provision of such services.

ESTABLISHMENT

SEC. 3 (a) There is hereby established, in the Office of the Secretary of the Department of Health, Education, and Welfare, a National Commission on Libraries and Information Science (hereinafter referred to as the "Commission").

(b) The Department of Health, Education, and Welfare shall provide the Commission with necessary administrative services.

CONTRIBUTIONS

SEC. 4. The Commission shall have authority to accept in the name of the United States grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Commission. Such grants, gifts, or bequests, after acceptance by the Commission, shall be paid by the donor or his representative to the Treasurer of the United States, whose receipts shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the National Commission on Libraries and Information Science for the purposes in each case specified.

FUNCTIONS

SEC. 5. (a) The Commission shall have the primary responsibility for developing or recommending overall plans for, and advising the appropriate governments and agencies on, the policy set forth in section 2. In carrying out that responsibility, the Commission shall—

(1) advise the President and the Congress on the implementation of national policy by such statements, presentations, and reports as it deems appropriate;

(2) conduct studies, surveys, and analyses of the library and informational needs of the Nation, including the special library and informational needs of rural areas and of economically, socially, or culturally deprived persons, and the means by which these needs may be met through information centers, through the libraries of elementary and secondary schools, and institutions of higher education, and through public, research, special and other types of libraries;

(3) appraise the adequacy of library and information resources and services and evaluate the effectiveness of library and information science programs;

(4) develop or recommend overall plans for meeting national library and informational needs and for the coordination of activities at the Federal, State, and local levels taking into consideration all of the library and information resources of the Nation to meet those needs;

(5) advise Federal, State, local, and private agencies regarding library and information sciences;

(6) promote research and development activities which will extend and improve the Nation's library and information-handling capability as essential links in the national communications networks; and

(7) submit through the Secretary of Health, Education, and Welfare to the President and the Congress (not later than January 31 of each year) a report on its activities during the preceding fiscal year.

(b) The Commission is authorized (1) to contract with Federal agencies and other public and private agencies to carry out any of its functions under subsection (a) and (2) to publish and disseminate such reports, findings, studies, and records as it deems appropriate.

(c) The Commission is further authorized to conduct such hearings at such times and places as it deems appropriate for carrying out the purposes of this Act.

(d) The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the Commission in carrying out the purposes of this Act.

MEMBERSHIP

SEC. 6. (a) The Commission shall be composed of the Librarian of Congress and fourteen members appointed by the President, by and with the advice and consent of the Senate. Not less than five members of the Commission shall be professional librarians or information specialists, and the remainder shall be persons having special competence or interest in the needs of our society for library and information services, at least one of whom shall be knowledgeable with respect to the technological aspects of library and information services and sciences. One of the members of the Commission shall be designated by the President as Chairman of the Commission. The terms of office of members of the Commission shall be five years, except that (1) the terms of office of the members first appointed shall commence on the date of enactment of this Act and shall expire three at the end of one year, three at the end of two years, three at the end of three years, three at the end of four years, and three at the end of five years, as designated by the President at the time of appointment, and (2) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

(b) Members of the Commission who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Commission or otherwise engaged in the business of the Commission, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Commission away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, and authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(c)(1) The Commission is authorized to appoint, without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, such professional and technical personnel as may be necessary to enable it to carry out its function under this Act.

(2) The Commission may procure, without regard to the civil service or classification laws, temporary and intermittant services of such personnel as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Commission away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are hereby authorized to be appropriated $500,000 for the fiscal year ending June 30, 1970, $750,000 for the fiscal year ending June 30, 1971, and for each succeeding fiscal year for the purposes of carrying out the provisions of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement prepared by the Senator from Texas (Mr. YARBOROUGH), be printed in the RECORD.

There being no objection, the state-

ment was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YARBOROUGH

Mr. President, I support S. 1519. This bill would authorize the appointment of a 15-member National Commission on Libraries and Information Science which would have responsibility for recommending improved services and improved coordination of services and resources.

In plain terms, what do we intend this Commission to accomplish? Why do we need it?

We know there has been a so-called knowledge explosion. We know there is more to know now than ever before, and the amount of this knowledge, in every conceivable field, is indeed increasing explosively.

We know our educational system is expanding at every level, now that higher levels of skill and knowledge are required for virtually every job in the economy. There is not only more than is known, but there is also more that must be learned.

In the middle of this knowledge explosion and transformation of education and training are the libraries and information systems. More and more, they take advantage of technology. The wisdom of the ages is now as likely to be on a tiny bit of film, access to which is through a computer, as it is to be in a musty volume on a back shelf.

The cost of acquiring the materials of scholarship and research and education is also increasing steadily. But our resources are not unlimited. Our schools, our colleges and universities, our Federal agencies, our research centers, our business enterprises—all must operate within budgets and all must make do with less than they would consider ideal.

It is therefore necessary to find ways of cutting costs without impairing service. As one avenue to greater efficiency, libraries voluntarily agree to specialize in various fields instead of competing with one another. We anticipate that the National Commission on Libraries and Information Science will study this and other expedients, evaluate them, and recommend wider use of those that offer greater effectiveness at lower cost.

There is the question of unmet needs and the priority in which they should be met. Our libraries and information services span the entire range of human experience and activity. In the light of the needs of the Nation as a whole, the improvement of some of these activities are undoubtedly more important than are others. Those of us in positions of responsibility in the Federal Government and elsewhere, want to know what an authoritative, independent group such as the Commission considers to be the more important needs that should be addressed without delay.

Next, there is the vital question of technology. New machinery, new methods are coming on the market and into use in the libraries and information services. Are they compatible? Can the computer of one library, in effect, talk to the computer of another? Without attempting to impose unwanted standardization on industry, I believe the National Commission can nevertheless do a great deal by pointing out the necessity for harmonization and compatibility among these devices and systems, and by encouraging the designers and the purchasers and users of the new equipment and services to insist upon compatibility.

There are many other topics that will perhaps be of urgent concern to the National Commission on Libraries and Information Science. One is the question of manpower. Are the needs for specialized personnel being met? If now, how can the capacity of the training institutions be expanded? How many trained people will be needed to staff our libraries and information systems? Where will they be obtained?

There is also the question of the Federal Government itself as a publisher and as proprietor of some of the world's greatest libraries, and as a substantial contributor to the support of libraries, especially in the schools and colleges of the Nation. I venture to assert that no one can now state with precision the amount that the Federal Government is spending in its various library and information activities. If the cost can not be counted, I doubt that the vital contribution of the Federal Government to the support of libraries is a coordinated, balanced program. Surely, the National Commission on Libraries and Information Science can make a start at developing a rational Federal program. The Federal Library Committee, an inter-agency unit under the auspices of the Bureau of the Budget and the Library of Congress, has endorsed the establishment of a National Commission on Libraries and Information Science.

For these reasons, Mr. President, I urge enactment of S. 1519, and I hope that the National Commission on Libraries and Information Science can get an early start on its important work. With this measure, we are not only conserving our vital resources in the fields of librarianship and information science and enhancing their productivity and efficiency.

Mr. President, the Committee on Labor and Public Welfare significantly amended S. 1519, the National Commission on Libraries and Information Science Act, before reporting it, and so that the legislative history may be completely clear, I shall briefly explain the changes made in the bill as it was introduced.

The National Commission on Libraries and Information Science that would be authorized by the bill is to be established in the Office of the Secretary of Health, Education, and Welfare, and that Department is authorized and directed to provide the Commission with necessary administrative services.

As the bill makes clear, the Commission is to have the primary responsibility for developing or recommending overall plans that will assure library and information services adequate to meet the needs of the people of the United States, and to utilize most effectively the Nation's educational resources. To this end, the policy declared in the bill is that the Federal Government will cooperate with State and local governments and public and private agencies to assure optimum provision of library and information service.

It is clear, Mr. President, that we intend the Commission to have a mandate and a field of influence that is far broader than the Federal Government alone, and broader than that of public library and information services alone. The Commission is to be charged with responsibility for developing and fostering national planning and policies which will gain voluntary adherence and execution by public and private libraries and information services alike.

The fact that S. 1519 locates the National Commission in the Office of the Secretary of Health, Education, and Welfare should be construed as a matter of administrative convenience only. The Commission is not intended to concern itself solely or even primarily with the many programs and activities of interest to libraries that are conducted in the Department of Health, Education, and Welfare, nor is the Secretary intended to have any more influence in the deliberations and recommendations of the Commission than any other Cabinet officer or other official of the Federal Government.

The bill provides that the Commission is to submit its annual report to the President and the Congress through the Secretary of Health, Education, and Welfare, but the Committee's intention is that this and the other reports, surveys and studies of the Commission are to be wholly independent. We seek through this legislation the most comprehensive, and cogent advice with respect to libraries and information science that we can secure. For this reason, we wish to assure that the National Commission on Libraries and Information Science will be independent and impartial as it appraises the adequacy of present services, evaluates their effectiveness, and recommends steps that can be taken to overcome deficiencies, coordinate activities, and meet needs to improve the Nation's library and information-handling capability.

As a further assurance that the Commission will avail itself of the best and most comprehensive data available, the bill provides that the Commission may hold hearings in various parts of the Nation from time to time, and all heads of Federal agencies are directed to cooperate with it.

The independence and high calibre of the National Commission on Libraries and Information Science is safeguarded, also, by the provisions of the bill requiring that its membership be composed of the Librarian of Congress and 14 other persons, and that at least 5 of the Commission's members shall be professional librarians. Although the other members of the Commission are to be persons having special competence or interest in the needs of our society for library and information services, at least one of these persons is to be knowledgeable with respect to the technological aspects of library and information services. We seek here a balanced approach, in which the views of the most competent and knowledgeable are heard, but the needs of the public are also kept in perspective at all times.

The National Commission on Libraries and Information Science would also be authorized, under the bill, to accept grants, gifts or bequests of money for the support or conduct of its activities, which include the possibility of research and development work. With the many contracts and relationships that the Commission will undoubtedly develop with many libraries and information systems and organizations and institutions of many kinds, public and private, it is expected that there will be some opportunities for appropriate activities on the part of the Commission that cannot be carried out with the Government funds available to it. For this reason, the Committee has amended the bill to give the Commission explicit authority to accept private funds if these should be offered and if, in the wisdom of the Commission's distinguished members, they should be accepted by the Government.

Mr. JAVITS. Mr. President, as a sponsor of S. 1519, together with my distinguished colleague from Texas, I should like to urge support by my fellow Senators on both sides of the aisle of this bill which is a milestone in the field of library and information science, and which will affect every citizen of the United States. This bill declares as national policy that the American people should be provided with library and informational services adequate to their needs, and that the Federal Government, in collaboration with State and local governments and private agencies, should exercise leadership in assuring the provision of such services.

The information explosion is producing tons of materials on the world's presses—about 1,000 new books daily. The citizen is overwhelmed, and libraries are so burdened with the problems of selecting and storing information that they are hard pressed to meet the demands, even with the aid of computers. The goal of library adequacy will be achieved only as a consequence of immediate broad planning and coordina-

tion which would be provided by the National Commission on Libraries and Information Science.

The bill would establish such a permanent National Commission on Libraries and Information Services which would have the primary responsibility for developing overall plans to meet the needs of the American people for library and information services and for advising public and private agencies of the recommended policies it has developed.

The National Commission would carry out these responsibilities by analyzing the information needs of the Nation, including the special needs for library and informational services of rural areas and of the economically, socially, and culturally disadvantaged; by determining how these needs may best be met; by evaluating current resources and programs; by promoting necessary research and development activities; by developing overall plans for meeting needs for library and information services, which would include coordination of activities at the Federal, State, and local levels; and by advising Congress and the President of the extent to which national policies are being effected.

As stated in the report of the temporary National Advisory Commission on Libraries:

It is now clear that library services are needed, to greater or less extent, directly or indirectly, by the entire citizenry of the country. Such services are increasingly essential for education, scholarship, and private inquiry; for research, development, commerce, industry, national defense, and the arts; for individual and community enrichment; for knowledge alike of the natural world and of man—in short, for the continuity of civilization on the one hand and increasingly for the preservation of man's place in nature on the other.

In a message to the Senate committee on May 5, Dan Lacy of New York, a distinguished member of the temporary National Advisory Commission on Libraries, told us:

Library activities support in one way or another almost every national objective and they are scattered through numerous agencies of the government. What is needed above all is some continuing, competent, distinguished, neutral body, in itself, not responsible for any library operations or grant programs, that can bring into focus our diverse library needs and our varied programs to meet them. This is as essential for economy and efficiency in the identification of duplicating or ineffective programs as is the great task of identifying our critical needs and devising the means to meet them.

These library needs cover the range of our national responsibilities from the preschool training of children in Head Start and similar programs, the attack on functional illiteracy, the provision of new educational and social services in urban ghettos and other poverty areas and the improvement of education throughout our school and university systems to the maintenance and support of advanced research programs in medicine, scientific technology, international relations, social studies, and the humanities, and the nurture of an independently informed citizenry.

The crushing library appropriation cuts just proposed by the Administration coming, as they do, in the midst of a nationwide crisis in the state and local support of educational and library services, threaten summarily to choke off the promising new developments in library services so desperately needed. Yet they probably reflect no intention on the part of the Administration to bring about so drastic an effect. Rather, we have stumbled into this position because we have no agency that can survey the entire national picture of library needs and activities, assess the result of particular actions, and make informed recommendations for priorities and programs. There could be no more urgent and emphatic demonstration of the need for S. 1519.

Mr. President, I concur with the opinions of these outstanding citizens whose views I have cited. I urge enactment of S. 1519, and I especially urge its early implementation by the administration. I would hope that the President would appoint the National Commission on Libraries and Information Science at his earliest convenience so that it may begin its very important duties as soon as possible.

Mr. PROUTY. Mr. President, in the last Congress we made immense strides in meeting the challenges of the "information explosion." We considered and approved amendments extending title II of the Higher Education Act, which continues for 3 years Federal assistance to bolster college library resources, training and research in librarianship, and cooperative cataloging by the Library of Congress. In addition, we considered and approved various programs such as the Public Broadcasting Act, Inter-Library Cooperation and the new Networks of Knowledge.

Toward the end of the last session of the 90th Congress this momentum for progress was further highlighted by the comprehensive report of the National Advisory Commission on Libraries, which was established in September 1966.

The Commission made a number of notable recommendations. Foremost among these recommendations was the establishment of a National Commission on Libraries and Information Sciences. The bill now before us for consideration follows this recommendation by establishing such a commission within the office of the Secretary of Health, Education, and Welfare.

The challenges to this National Commission on Libraries and Information Sciences will be vast but the bill clearly specifies a Commission membership that will be equal to these challenges.

As the bill delineates a membership with the required expertise, it also enunciates a congressional mandate that the Commission's studies, surveys and analyses of the library and informational needs of the Nation include "the special library and informational needs of rural areas and of economically, socially, or culturally deprived persons."

This language was added to the bill as a result of two amendments, one mine and one offered by the minority members of the Education Subcommittee upon the recommendation of the administration.

My amendment to include the language "rural areas" in this mandative section rounds out the administration recommendation adopted by the committee that the Commission concern itself with the library and informational needs of the "economically, socially or culturally deprived persons."

The "information explosion" is heard only as a distant echo by many of our citizens whose place of residence or economic circumstances place them out of the mainstream of libraries and informational services.

The language of these two amendments clearly encourages the Commission to undertake a comprehensive advisory and coordinating role to insure that the aspirations of all Americans for knowledge will be met.

The need for this legislation has been clearly enunciated in the report of the National Advisory Commission on Libraries and the unanimous favorable action of the Committee on Labor and Public Welfare. As a cosponsor of this measure, I urge my distinguished colleagues to favorably consider this measure.

Mr. MONDALE. Mr. President, one of the issues of paramount importance in our time is that of providing a decent life and full opportunity for all our people. I believe that we wholeheartedly agree that education is the stepping stone to that fundamental goal.

In that connection and as a cosponsor of S. 1519, I am particularly urging unanimous approval of this bill to establish a permanent National Commission on Libraries and Information Science. If one examines the policy we have set forth in this measure, I think it is immediately evident that the basic objective of the Commission—its overall reason for being—is ultimately to help every man, woman, and child to achieve his full potential by helping the Nation's libraries to provide the necessary informational, cultural, and recreational resources.

In section 2 of S. 1519, we affirm:

Library and information services adequate to meet the needs of the people of the United States are essential to achieve national goals and to utilize most effectively the Nation's educational resources and that the Federal Government will cooperate with State and local governments and public and private agencies in assuring optimum provision of such services.

Many people do not understand the various kinds of libraries there are, even though they may be library users. They may not realize the extent to which they benefit directly and indirectly, from these sources of information. All of society can benefit from the improvement of library and information sources which are currently fragmented and inadequate. The users are multiple and diverse; scholars, scientists, business, professional, students at all levels as well as the public at large.

The report of the temporary National Advisory Commission on Libraries, which recommended establishment of the permanent Commission we are considering today, states:

We should look at the value to our people and our culture that accrues from the activities of the user whose functions are to be enhanced by the improved availability of library and information services. A library can be understood only as it enhances a socially valuable function, one of which—and one that all libraries can enhance—is the personal intellectual and ethical development of every individual in our society. The variety of the other socially valuable functions de-

termines the need for variety in kinds of libraries.

The goal of library adequacy will be achieved only as a consequence of long-range planning and fostering of the evolutionary process of library development, but we cannot wait—we have to start where we are and solve the short range, immediate problems at the same time that we are working on the long range. The need for planning, in its broadest sense, is a primary need identified by the Advisory Commission which proposed this function for an ongoing permanent Commission.

Effective multidisciplinary research and activity can be hampered by the growth of too many incompatible informational services, and the development of anything approaching a national library network can encounter great difficulties without uniformity of standards. The need for coordination of multiple efforts through a system of interlocking bodies—a built-in flexibility and adaptability to continual change—was an obvious conclusion of the Advisory Commission. The ongoing National Commission on Libraries and Information Science was conceived not as an authoritarian body, but rather as an advisory agency for broad planning—a communications switching point, an essential structure in the coordination of diversity. The broad outlook is evolutionary rather than revolutionary—the goal is to foster evolving responsiveness to user needs.

We cannot afford the waste of our basic resources—men, money, and materials. We must plan constructively and wisely. When these potentials are brought to fruition, our Nation will reap the benefits and in years ahead this fuller utilization of our resources will benefit all of mankind.

The United States can demonstrate to the world that we support our convictions regarding intellectual freedom by providing free access to all types of information and all shades of opinion for all citizens. Our libraries can strive to become a vital positive force in the social and intellectual reconstruction of a broadening and changing society. (From the Report of the NACL.)

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–196), explaining the purposes of the bill.

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

BACKGROUND

On September 2, 1966, the President established, by Executive Order 11301, a National Advisory Commission on Libraries, which was directed—

(1) to make a comprehensive study and appraisal of the role of libraries as resources for scholarly pursuits, and centers for the dissemination of knowledge, and as components of the evolving national information systems;

(2) to appraise the policies, programs, and practices of public agencies and private institutions and organizations, together with other factors, which have a bearing on the role and effective utilization of libraries;

(3) to appraise library funding, including Federal support of libraries to determine how funds available for the construction and support of libraries and library services can be more effectively and efficiently utilized; and

(4) to develop recommendations for action by Government or private institutions and organizations designed to ensure an effective and efficient system for the Nation.

The recommendations of the Commission were submitted as a report to the President on October 15, 1968. The report recommended the establishment of a National Commission on Libraries and Information Science. The following are excerpts from the report:

* * * * *

"According to figures supplied to the Commission by the U.S. Office of Education in June 1968, it would require a lump sum expenditure in 1968 of $1.6 billion to stock school libraries optimally. Just to make up the backlog of space required to construct centralized public school libraries where they did not exist in 1961 would require $2.145 billion. Space requirements for replacement and new growth for public libraries have been estimated at $1.132 billion for the period 1962–75. As for the academic libraries, available figures compare present trend with optimum trend over the total period 1962–75: $1.945 billion compared with $9.891 billion for books and materials, $120 million compared with $360 million for new construction.

"Obviously such large amounts are beyond immediate achievement, but the estimates afford some general measure of the magnitude of the financial problem that lies ahead in the development of library resources.

"It already seems perfectly clear, however, that the need for additional financial support for our libraries is great at present and will grow rapidly in the future.

* * * * *

"* * * The present Commisison has not attempted to make its own specific estimate of the dollar needs of libraries—in part because the members have not found it possible to evaluate existing standards and do not believe an adequate factual basis for a reliable estimate exists; and in part because any estimate would quickly be made obsolete by changing needs and costs—but primarily because the principal need is to create machinery for continuing examination of changing library needs for devising means of meeting them, and for determining priorities and costs. This would be the task of the permanent National Commission on Libraries and Information Science proposed in this report.

* * * * *

"* * * Finally, it should be stated here that the tasks of analyzing the needs, planning, setting standards, allocating resources, measuring performance, and coordinating efforts will be difficult and complex in the years ahead. Effective progress will require the sustained effort of the present Commission's recommended ongoing National Commission on Libraries and Information Science working with Federal agencies, the national libraries, and many other institutions, groups, and individuals."

S. 1519 implements the major provisions of this recommendation.

SUMMARY

S. 1519, if enacted as amended by the committee, would—

(1) affirm it to be the policy of the United States that library and information services adequate to meet the needs of the people of the United States are essential to achieve national goals and to utilize most effectively the Nation's educational resources and that the Federal Government will cooperate with State and local governments and public and private agencies in assuring optimum provision of such services; and

(2) establish a National Commission on Libraries and Information Science as an independent component of the Office of the Secretary of Health, Education, and Welfare.

ROLE OF THE COMMISSION

The Commission would have the primary responsibility for developing and recommending overall plans for carrying out the national policy with respect to libraries and information science and for advising appropriate governmental agencies at all levels with respect to the means of carrying out those plans. The Commission shall—

(1) advise the President and the Congress on the implementation of the national policy;

(2) conduct studies, surveys, analyses of the library and informational needs of the Nation and the means by which those needs may be met;

(3) appraise the adequacy of library and information resources and services and evaluate the effectiveness of library and information science programs;

(4) develop and recommend overall plans for meeting national library and informational needs and for coordinating the activities of the Federal, State, and local levels;

(5) advise Federal, State, local, and private agencies with respect to library and information sciences, services and programs;

(6) promote research and development activities; and

(7) submit to the President and the Congress a report on its activities.

The Commission would be authorized to contract to carry out its functions, publish and disseminate reports, and conduct hearings.

The Commission will not take over any of the programs now being administered by the Library of Congress, the Department of Health, Education, and Welfare, the Department of Agriculture, the National Science Foundation, or any other Federal agency. The Commission is solely a planning and coordinating body. The planning which the Commission is to carry out is overall planning involving the establishment of goals and the recommendation to Federal and non-Federal public library and information science centers the means by which those goals may be obtained.

The Commission will not seek to replace the detailed planning now being undertaken by the various operating agencies. The Commission is given authority to promote research. The committee intends that the Commission within the limits of its authority and its small budget be able to conduct surveys and research on questions which merit such activities. The committee notes that the Commission does not have grant authority; therefore, all its research activities would be conducted either by contracting under section 5(b)(1) or by in-house research and survey activities under section 6(c). The research conducted by the Commission ought not to duplicate the research now being carried out by the operating agencies. However, the committee expects all agencies conducting research in the library and information science areas to cooperate with the Commission by providing it with the information the Commission needs to carry out its mission.

Although the Commission has been placed within the Office of the Secretary of Health, Education, and Welfare, the committee wishes to stress the fact that the Commission has independent status and that the Secretary does not have authority to direct the activities of the Commission or to edit any of the reports or materials published by the Commission. The committee understands that the National Advisory Commission set up under the Executive order was delayed by the fact that each agency had to clear those aspects of its report which dealt with that agency. The committee wishes to make clear that the National Commission established in this bill is not responsible to any department or agency with respect to the content of its reports. Of course, any department may comment on the activities of

the Commission but no department has the authority to change or withhold reports the Commission wishes to make to the President and to the Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

DESIGNATION OF CERTAIN LANDS IN THE PELICAN ISLAND NATIONAL WILDLIFE REFUGE AS WILDERNESS

The bill (S. 126) to designate certain lands in the Pelican Island National Wildlife Refuge, Indian River County, Fla., as wilderness was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 126

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132 (c)), certain lands in the Pelican Island National Wildlife Refuge, Florida, which comprise about four hundred and three acres and which are depicted on a map entitled "Pelican Island Wilderness—Proposed" and dated July 1967 are hereby designated as wilderness. The map shall be on file and available for public inspection in the offices of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 2. The area designated by this Act as wilderness shall be known as the "Pelican Island Wilderness" and shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act.

Mr. MANSFIELD. Mr. President I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–197), explaining the purposes of the bill.

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

PURPOSE

This bill, S. 126, is identical to S. 3343 of the 90th Congress which was favorably reported by the committee and unanimously passed by the Senate, but which did not receive House consideration. S. 126 would designate a wilderness area of about 403 acres of the Pelican Island, National Wildlife Refuge in Florida as part of the National Wilderness Preservation System.

BACKGROUND

President Theodore Roosevelt, by an Executive order of March 13, 1903, established the Pelican Island National Wildlife Refuge—the first refuge of a system that has since grown to be the most far-reaching and comprehensive wildlife resource management program in the history of mankind. It is located in Indian River County, Fla., between the towns of Sebastian and Wabasso, some 75 miles north of West Palm Beach. The refuge area islands extend for several miles along the east side of the Indian River north of the Wabasso Bridge.

Visitor use of the islands proper must be held to a minimum throughout the year to avoid conflict with colonial bird nesting, which is the primary refuge objective. Opportunities for public enjoyment of the wildlife resources and water oriented recreation will be provided in the surrounding waters.

A public hearing proposal was conducted by the Bureau of Sport Fisheries and Wildlife in Vero Beach, Fla., on April 5, 1967. Testimony was unanimously in favor of the wilderness proposal. The primary reason given for supporting the wilderness proposal included protection of colonial birds and their nesting and feeding habitat; protection of estuarine and fisheries resources; long-range preservation of natural areas for scenic, esthetic, and ecological values; preservation vital to long-range social and economic interests of citizens of Indian River County; and preservation of Pelican Island Refuge because of its historical value as the Nation's first national wildlife refuge.

DESCRIPTION

The wilderness area proposal includes all islands within Pelican Island National Wildlife Refuge within T. 31 S., R. 39 E., Tallahassee meridian. The islands are Roseate, Pelican, Roosevelt, Horseshoe, North Horseshoe, Long, David, Plug, North, and South Oyster, Preachers, Middle, Nelson, Pauls, and the four small islands designated as Egret Island.

A portion of the refuge is on the mainland, but this part was cut up by a mosquito control project before being added to the refuge. It contains numerous roads and is, therefore, not included in the proposal.

RECOMMENDATION

The Senate Interior and Insular Affairs Committee reports favorably on S. 126 and recommends early enactment.

COST

No additional budgetary expenditures are involved in enactment of S. 126.

DESIGNATION OF CERTAIN LANDS IN THE MONOMOY NATIONAL WILDLIFE REFUGE AS WILDERNESS

The bill (S. 1652) to designate certain lands in the Monomoy National Wildlife Refuge, Mass., as wilderness was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Monomoy National Wildlife Refuge, Massachusetts, which comprise about two thousand six hundred acres and which are depicted on a map entitled "Monomoy Wilderness—Proposed" and dated August 1967, are hereby designated as wilderness. The map shall be on file and available for public inspection in the office of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 2. The area designated by this Act as wilderness shall be known as the "Monomoy Wilderness" and shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–198), explaining the purposes of the bill.

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

PURPOSE

This bill, S. 1652, is the same as S. 3425 of the 90th Congress which the committee favorably reported and the Senate passed without opposition. The bill did not receive House consideration. S. 1652 would designate the 2,600-acre Monomoy Island, located in the Monomoy National Wildlife Refuge in Barnstable County, Mass., as part of the National Wilderness Preservation System.

BACKGROUND

Monomoy is a roadless island extending about 9 miles south from the elbow of Cape Cod, in the town of Chatham, Barnstable County, Mass. It was established on June 1, 1944, as part of the Monomoy National Wildlife Refuge, all but some 4 acres of the island having been acquired by the Secretary of the Interior under authority of the Migratory Bird Conservation Act (45 Stat. 1222), as amended (16 U.S.C. 715 et seq.). Boston, Mass., and Providence, R.I., are about 100 miles from Monomoy Island.

DESCRIPTION

The Monomoy Wilderness proposal is a barrier beach island located 9 miles south of Cape Cod in the town of Chatham, Barnstable County, Mass. Bounded on the west by Nantucket Sound and on the east by the Atlantic Ocean, the island varies from one-fourth to 1½ miles in width and is separated from the mainland by a shallow waterway about one-half mile wide. The exterior boundaries of the wilderness proposal are all lands on Monomoy Island to the line of mean low tide which coincides with the national wildlife refuge boundary around the island.

MANAGEMENT REQUIREMENTS

The Monomoy National Wildlife Refuge has been managed as a wild area since its establishment. There are not improved roads on the island. No changes in management are envisioned if the island is designated as wilderness. The laws and regulations of the Secretary of the Interior governing the management and administration of the island as a national wildlife refuge will continue to apply. Such laws and regulations provide for public uses such as hunting and other wildlife oriented forms of outdoor enjoyment, as well as other necessary wildlife refuge management programs.

The Department of the Army is currently studying the feasibility of a project for navigation for Pleasant Bay and tributary waters, Massachusetts. The proposed project would include the closing of the gap between Monomoy Island and Nauset Beach. The wilderness proposal would not preclude the planning and construction of this project. The Department of the Interior would expect to work closely with the Department of the Army if the project is authorized.

Of the approximately 4 acres of Monomoy Island in private ownership, 2 acres contain private summer camps and 2 acres are owned by the Massachusetts Audubon Society. These inholdings will be acquired. Until they are acquired it will be necessary to allow access to the inholdings via over-the-sand vehicles. National wildlife refuge administration of the island will require the retention of two existing buildings and the use of an over-the-sand vehicle for administrative and public safety purposes.

A permanent staff is required to administer the Monomoy National Wildlife Refuge. Present and future staffing requirements for the refuges will not be adjusted because of designation of Monomoy Island as wilderness.

If the island should join the mainland at some future date, the Monomoy Wilderness would be delineated by a fence.

THE HORSE IS KICKING STILL

Mr. METCALF. Mr. President, since the Nixon administration decided to close 59 Job Corps centers, including the Kicking Horse Center near Ronan, Mont., and pledged to provide "constructive alternatives" for the trainees affected, the senior

Senator from Montana (Mr. MANSFIELD) and I have been working hard to insure that the alternative in Montana is "constructive."

The Kicking Horse Job Corps center is the only Job Corps center truly oriented to the training of Indian youth. Montanans were happy with it and it seemed to be on the threshold of its greatest contribution. Either the administration did not know that, or, if it knew, did not choose to consider it when the order was issued to close the centers. Kicking Horse will be "phased out" as a Job Corps center on June 30.

Senator MANSFIELD and I felt that the decision was unacceptable. So did hundreds of Montanans, including the Confederated Salish and Kootenai Tribes of the Flathead Reservation on which the center is located. We began to convey the concern of Montanans to the authorities.

As a result, the Department of Labor has proposed to establish the "Northwest Indian Manpower Skills Center" to operate in the Kicking Horse facilities. Senator MANSFIELD and I still are concerned about the proposal and we want now to enter into the RECORD communications that express our concern and in which we receive certain assurances.

I ask unanimous consent that copies of correspondence between Senator MANSFIELD, me, and the Labor Department be printed in the RECORD.

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

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., April 10, 1969.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I was deeply disturbed to read in today's newspapers, April 10, that the Administration plans to close a large number of Job Corps camps on very short notice. If these reports are accurate, and this is the only source of information I have, the action seems to have been taken without proper consultation with the Congress and the personnel in the field who are responsible for administering the Job Corps camps.

Sudden closing of the three camps in my State has brought immediate pleas from Anaconda, Hamilton, Ronan, and other points in western Montana. This sudden decision will spread disillusionment among recruits whose training is abruptly terminated and will be a disappointment and economic blow to thousands of communities not only in Montana but the entire Nation. These people have worked hard to make camps in their area a success. What started out in many instances to be a rather difficult situation has developed into a fine working relationship between all concerned.

I urge that all three Montana Job Corps Camps be retained in any revision which is adopted as a result of the transfer of jurisdiction over the program. All three, Anaconda, Trapper Creek, and Kicking Horse, are successful and vital camps.

I share your concern that this and other poverty programs be efficient and effective as possible. This can be done and must be done, but through a cooperative effort on the part of all concerned.

In the beginning I had serious reservations about certain aspects of the Job Corps program, but experience, refinements and still more changes have impressed me as to the value of this aspect of our war on poverty.

I would hope the the Administration would delay any final decision on closing Job Corps camps until Congress has had an opportunity to work with the Administration. I share the view expressed by many of my colleagues expressing the hope that some solution be developed which would not abruptly terminate the training of those already enrolled and send them back to their disadvantaged environments. Such action would be consistent with your message of February 19 recommending a temporary extension of the anti-poverty program to give the Administration and Congress an opportunity to consider long range improvements with "full debate and discussion."

Your personal consideration in this matter will be sincerely appreciated by the people of Montana and all others concerned.

With best personal wishes, I am
Respectfully yours,
MIKE MANSFIELD.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., April 15, 1969.

Hon. GEORGE P. SCHULTZ,
Secretary, Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: The announced closing of the Kicking Horse Job Corps Camp in Montana has generated a great deal of opposition and concern about the Administration's attitude towards programs designed to assist the unfortunate and economically deprived.

In the past year, the Kicking Horse Camp has been converted into a predominately Indian camp serving young Indians from Montana and neighboring states. This facility has just begun to fill a real need among Indians. It has also been enthusiastically supported by the various tribal governments. Many within the Administration and the Congress have supported a variety of programs to assist the Indian people in developing their own personal resources. This Job Corps Camp seems to be one of the most successful. The closing of the facility at the end of this fiscal year would be in my estimate a serious mistake. If the administration persists in this decision, I would suggest that it be converted to a vocational or technical training center for Indians. It would seem that this could be done through the cooperation of both the Department of Labor and the Bureau of Indian Affairs.

The Secretary and Manager of the Polson Chamber of Commerce, Fred Mauley, has suggested that Washington personnel be sent to Montana to discuss this situation with both State and local officials. I concur in this suggestion and I hope that in the near future you can assign personnel to work closely with the Kicking Horse Job Corps Camp to see that its resources are not dissipated and that this camp can continue to serve Indian youth.

With best personal wishes, I am
Sincerely yours,
MIKE MANSFIELD.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 24, 1969.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Thank you for your letter of April 15, concerning the Kicking Horse Job Corps Center.

We are concerned about providing training opportunities for Indian youth and have already discussed with representatives from the Departments of Interior and Agriculture the use of the Trapper Creek Job Corp Center as a training facility for Indian youth. I am very hopeful that this can be done so that there will be *no decrease* in the services provided Indian youth. We are working on arrangements to send a team from the Job Corps and the Departments of Labor, Interior, and Agriculture to Montana to make an on-site appraisal of the situation. We will keep you closely advised of our plans as they develop.

I will also discuss your letter with Department of Interior officials to ascertain the possibility of using the Kicking Horse facility in a productive way that will benefit the residents of the area. Contact has already been made with the Secretaries of Interior and Agriculture concerning the constructive disposition of Job Corps camps designated for closure.

I am keenly aware that a change in the structure of the Job Corps may create transitional problems; but we will bend our best efforts to minimize any difficulties and to develop more effective manpower programs.

Sincerely,
GEORGE P. SHULTZ,
Secretary of Labor.

APRIL 25, 1969.

Hon. GEORGE P. SCHULTZ,
Secretary of Labor, Department of Labor,
Washington, D.C.:

Thank you for your letter concerning the Kicking Horse Job Corps Center. Reports of early dismantling of this center, demoralization of staff and Indian youth at Kicking Horse needs a much more detailed explanation of decision to close this center. I strongly request that no further action be taken on status of Kicking Horse Job Corps Center until such time as realistic on-site appraisal of situation can be made, with full consultation with Montana congressional delegation and the appropriate committees of Congress. Please answer following questions, inadequately answered to date.

Why was Kicking Horse Job Corps Center selected from three Montana camps as one to be closed?

What purpose can be accomplished by moving a highly successful Job Corps camp (Kicking Horse) with predominately Indian enrollees, located on an Indian reservation with strong Indian tribal support to a Job Corps Center (Trapper Creek) administered by the U.S. Forest Service and in area whose response to such action is unknown?

What other use can be made of the Kicking Horse Job Corps camp when the property must revert to the original ownership when it no longer is used for its intended purpose?

I find it extremely difficult to understand why a very successful program of assisting disadvantaged Indian youth in responsive climate and fully supported by Indian groups should be disrupted and confused. I have expressed similar sentiments to the President and I would appreciate your giving this matter your immediate and sympathetic consideration. Regards.

MIKE MANSFIELD,
Majority Leader, U.S. Senate.

MAY 5, 1969.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Following a visit of a Department of Labor evaluation team to Montana, we have developed a plan for the constructive disposition of the Kicking Horse Job Corps facility:

1. The Kicking Horse Job Corps facility will be phased out as of the end of June 1969.

2. The existing facilities will be used to establish a new Northwest Indian Manpower Skills Center. This Center will be funded from the MDTA account administered by the Department of Labor. We hope that the Center will be administered by the Bureau of Indian Affairs in cooperation with the Department of Labor.

3. The new Center will have a capacity of 150. It will be devoted to the training of Indians. The clientele will be drawn from the

Northwest region, coextensive with Region VI of the Manpower Administration. (The regional headquarters currently is located in Kansas City, but is scheduled to move to Denver.)

4. It is expected that the program will be developed so that the Center will serve adults as well as Indian youth.

5. I have directed the Regional Manpower Administrator, in cooperation with the various States, to initiate an extensive survey of occupational needs in the areas to which the trainees plan to return following training. This survey will then be used to change the range of skills for which training is presently offered at the Center. Currently, the Center offers only a few skills and provides access to only limited opportunities in the labor market.

6. I have directed my staff to commence discussions with the Concentrated Employment Program (CEP) in Butte, Montana to modify the boundaries of the CEP to incorporate the Blackfoot and Flathead reservations. This will permit the training center to draw upon the facilities of the CEP in providing orientation and placement support.

7. I have directed our staff to conduct discussions with officials of the Bureau of Indian Affairs to determine the willingness of the Bureau to administer the new Northwest Regional Indian Manpower Skills Center. In addition, by establishing a Center designed to serve the needs of Indians, I understand that the BIA will be able to utilize resources that are available for relocation assistance to trainees when they leave the Center and choose to move to labor markets where job opportunities are available.

8. It is significant to note that the planned Northwest Center draws on the experience of the Department of Labor in working with BIA for the establishment of a training center for Indians at Ft. Lincoln, North Dakota, and other locales. However, the Ft. Lincoln project is designed to serve Indian families as a unit, while the new Center would focus on the needs and occupational requirements of Indian males.

I will keep you posted as our plans are moved forward, but the above spells out the specific approach that we intend to follow in providing a contructive program to serve a group that has been characterized by major problems of employment in the past.

Sincerely,

ARNOLD R. WEBER,
Assistant Secretary for Manpower.

May 15, 1969.

Hon. ARNOLD R. WEBER,
Assistant Secretary for Manpower, Department of Labor, Labor Building, Washington, D.C.

DEAR SECRETARY WEBER: We would like to convey to you certain misgivings that have been expressed to us by persons who attended your staff planning sessions for the development of the Northwest Indian Manpower Skills Center.

You will recall that the Skills Center is an MDTA program proposed by your department to be conducted in the facilities of the Kicking Horse Job Corps Center, near Ronan, Montana, after the Job Corps Center is phased out on June 30.

We share the misgivings. Chiefly, we understand, it as the Department of Labor's intention to fund the Manpower Skills Center for only one year.

Question. Are we to understand from this that the center is to operate for only one year?

Question. If not, what does the Department of Labor propose as future sources of revenue?

We have been told that the Department of Labor has been considering turning over the operation of the Skills Center to the Bureau of Indian Affairs after the first year.

Question. If that is true, why can't the Bureau of Indian Affairs become the planning and administering agency at once?

Secondly, the Kicking Horse Job Corps Center was geared to the training of a specific age group, ranging from late teens to early twenties. We understand the new center would be open to all ages. It seems to us to be a highly inappropriate policy to mix hardened unemployables with young men of high school age embarking on a training program.

Question. Is it not possible to direct your recruitment policies to young men?

Thirdly, there were mutual benefits from the program operated at the Kicking Horse Job Corps Center. For example, youth being trained in the operation of heavy equipment performed useful road and trail clearing and conservation work on the Flathead Indian Reservation, where the Center is located.

Question. Will this policy of mutual benefit continue at the Northwest Indian Manpower Skills Center?

From what we have heard of the planning sessions, we have the impression that there are men in your department who have little stake in whether the Northwest Indian Manpower Skills Center succeeds. We would like to impress upon you our high hopes for the development of a continuing program, acceptable to the community, and devoted to the training of Indian youth in an environment they understand and in which they feel comfortable.

That was the unique benefit of the Job Corps Center that the Administration has seen fit to close. We want very much for the Northwest Indian Manpower Skills Center to fill this critical need. We trust that you will be able to reply favorably and in detail to our questions and hope that you will keep us informed as the Center takes shape.

Thank you.

Very truly yours,

MIKE MANSFIELD,
U.S. Senate.
LEE METCALF,
U.S. Senate.

U.S. DEPARTMENT OF LABOR, OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER,
Washington, D.C., May 20, 1969.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: I hope this letter will serve to answer the questions you raised in your letter of May 15, and to allay some of the concerns expressed.

First, it is our intention to operate the Northwest Indian Manpower Skills Center at Ronan, Montana on a continuing basis. Initially, we discussed with the Bureau of Indian Affairs the possibility of that agency assuming some of the financial responsibility after one year. This is a procedure that we have followed in other corporative activities with BIA, particularly in Ft. Lincoln, North Dakota. BIA informed us that while the idea was attractive, they doubted that such an arrangement could be carried out because of budgetary considerations. Therefore, I directed our representatives to indicate to BIA that we would continue to assume the cost of operation beyond the first year. This information has been conveyed to BIA by the Acting Associate Manpower Administrator of the United States Training and Employment Service.

Second, the Department of Labor will support the Northwest Indian Manpower Skills Center from MDTA funds or other manpower funds, as appropriate. It is not unusual to provide support for a particular project from several different accounts when the project serves several objectives. For example, the JOBS (Job Opportunities in the Public Sector) and (Concentrated Employment Program) are supported by both MDTA and EOA funds.

Third, we have informed the Bureau of Indian Affairs that we want that agency to continue in its administrative role with respect to the Skills Center. We think that we should retain planning authority in view of our responsibilities in the manpower area. However, we recognize that BIA has special competence in dealing with Indians and will continue to draw this expertise in the planning process. We have followed this course of action in our current meetings dealing with the Skills Center and in previous projects as well.

Fourth, the Northwest Indian Manpower Skills Center will emphasize training opportunities for younger workers. However, we do not think that enrollment should be bound by rigid age standards. In our other manpower centers we have enrolled both young workers and older workers without any difficulty. We agree that great care should be exercised in order to avoid any deleterious effect, and this will be taken into account in the screening and counseling process. But we are also concerned that the facilities be utilized so as to provide the maximum opportunity for benefiting individuals within the area to be served.

Fifth, with respect to the mutual benefits associated with the operation of the Center, we intend to maintain this situation where possible. However, we believe that such elements of mutual benefit should be related to the training requirements of enrollees. For example, where there are training courses in heavy equipment, no doubt there will be the opportunity to use the training for constructive work activities in the area. In other instances involving other skills, this may not be possible. While we agree that such work projects may be desirable, we believe that the interests of the enrollees will be best served in the long run by equipping them with skills that will meet the requirements of the labor market.

I hope that I have answered the questions you have raised. I have given the Northwest Indian Manpower Skills Center my personal attention and have checked on its progress with considerable frequency. I understand that the project is now under consideration in the BIA and that such consideration will be favorable. BIA has also agreed to utilize some of its additional resources in the areas of education, relocation, and placement to support the program.

I appreciate your interest in our manpower programs, and if you have any additional questions, please feel free to contact me directly. An identical letter is being sent to Senator Mansfield.

Sincerely,

ARNOLD R. WEBER,
Assistant Secretary for Manpower.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. METCALF. I am glad to yield to the senior Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to join in what my distinguished colleague has said about the establishment of the Northwest Indian Manpower Skill Center on the Flathead Reservation in western Montana.

Thanks to the initiative shown by my distinguished colleague from Montana (Mr. METCALF), it appears to me that in conjunction with the Department of Labor and the Bureau of Indian Affairs, we have been able to work out a situation that will be of tremendous benefit to our Indian population, and in so doing the only real "all Indian center" in the United States will be kept alive on

an expanded basis, with its life assured over years to come.

On the basis of correspondence which my colleague has had printed in the RECORD, this is not to be a one-shot affair but it will have continuity and hope and will take into account the needs of at least a small segment of our Indian population, which in our opinion is the most neglected minority in the United States.

Mr. President, the future and the administration of the Job Corps program has generated a great deal of discussion here in the Halls of Congress, as well as among our constituents. The transfer of jurisdiction over the program to the Department of Labor is a matter which has been accomplished by executive authority. There are some compelling arguments both for and against this decision.

The more recent announcement about the closing and realining of many Job Corps centers generated a considerable opposition. The Job Corps was one of the programs under the Office of Economic Opportunity which got off to a rocky start. Most of the centers have now become popular and well accepted by local communities and they have done a great deal for a number of disadvantaged youth. Montana had three Job Corps centers, two under the jurisdiction of the Forest Service and one under the Bureau of Indian Affairs. Quite frankly, in the face of the severe cutback, I anticipated Montana might lose one of its centers. However, when the announcement was made, my colleagues, Senator LEE METCALF and Representative ARNOLD OLSEN and I were distressed to learn that the one to be closed in Montana was the Kicking Horse Job Corps Center at Ronan. This is a very unique center, in that a majority of its enrollees are Indian youth, being trained on an Indian reservation. It is the only center which was concentrating on Indian youth, a group deserving of all the help they can get. The center has a very good record of cost per trainee, and its placement record competes favorably with all other camps.

Since the original announcement about the closing, there have been a number of discussions with the Department of Labor, and I believe that they are now convinced that this unique center should not be abandoned. This Job Corps center has now been converted to the Northwest Indian Manpower Skills Center. The center will be funded through the Department of Labor in cooperation with the Bureau of Indian Affairs and the State of Montana. This center will serve the educational and training needs of Indians in my State and the surrounding area. The center will provide a unique opportunity to assist Indians who are in need of employable skills. This center will be operated within the Indian community, thus making the program more attractive and successful to the Indian youth. I am convinced this center can make a major contribution, and the Montana congressional delegation wants to see it succeed, as I am sure all interested Federal agencies do. This is a rare opportunity on which we can expand and improve a program of assistance which is long overdue, insofar as our Indian people are concerned. My colleague, Senator METCALF, has had printed in the CONGRESSIONAL RECORD a series of letters which document the establishment of the Northwest Indian Manpower Skills Center, a program which, I am assured, will be operated on a continuing basis.

Mr. METCALF. Mr. President, as the Senator has pointed out, this center is going to be an all-Indian center, a center that is above and beyond some of the Job Corps prospectives. We have been assured this is not to be a 1-year affair or a phasing out program, but that it will be a permanent and continuous training area for the long neglected Indian population of America.

FRIGHTENING BOMBAST FROM DEFENSE SECRETARY LAIRD

Mr. YOUNG of Ohio. Mr. President, Secretary of Defense Laird made a frightening statement that even after the Vietnam war is ended there will be no significant cutback in defense spending. How many Senators and how many Members of the other body will tolerate this kind of nonsense?

Secretary Laird should be informed that instead of yielding subservience to the powerful profiteering military-industrial complex and yielding to power and promotion hungry generals, we in the United States have real wars to fight—wars against disease, poverty, malnutrition, and the hopelessness of millions presently living in rat-infested slums and some 20 million men, women, and children living on the verge of starvation. We must wage battles in behalf of youngsters who have been denied an opportunity to acquire work skills. We must win the war which confronts us, to better the lives of little children who go to sleep hungry night after night.

We must rebuke Secretary of Defense Laird and his collaborators in the Pentagon and in war production industries. As matters now stand, too many top officials in the Pentagon continuously seek more and more taxpayers' money for more and more armaments that are not necessary for our national security, weapons that are nothing more than the playthings of the Joint Chiefs of Staff and other admirals and generals. They constitute a real threat to this Nation and the general welfare of the rank and file of our citizens.

Unless the greed of war profiteers and the influence of the military-industrial complex against which the late President Eisenhower warned is curbed, every aspect of American life is likely to be affected adversely.

The arrogant campaign to install the ABM whether the American people need it or not and whether or not this fantastic boondoggle costs taxpayers many billions of dollars seems of no concern to the wheeler-dealers in the Pentagon and power and promotion hungry generals.

The rank and file of Americans in every part of our country are really concerned and fearful over the direction these leaders temporarily in power in the Pentagon are taking us. Instead of opposing any cutback in defense spending, Secretary Laird and his advisers should be working on a program to bring hundreds of thousands of our boys home from Vietnam. They should start bringing them home without any further delay, bringing at least 100,000 home before next September and in the same way they went over to Vietnam, by ships and planes.

BEST KEPT SECRET OF THE VIETNAM WAR

Mr. YOUNG of Ohio. Mr. President, General Westmoreland is the author of an amazing book. My purpose in speaking out in the Senate today is not to provide a book review, although it is my conclusion that General Westmoreland's literary achievements in writing this book are far superior to his military achievements as a general commanding more than half a million fighting men in South Vietnam.

His book, entitled "Report on the War in Vietnam," and embellished with charts and photographs and printed on expensive paper, occupies more than 300 pages. I think every Senator would do well to read this book.

Section I of this report is authored by Adm. U. S. G. Sharp, U.S. Navy, then naval commander in chief, Pacific. Section II of this report, consisting of 276 pages, is a most interesting document, authored by General Westmoreland.

We are indebted to I. F. Stone's Weekly for calling special attention to revealing disclosures in General Westmoreland's report. General Westmoreland is in position to know the facts. He was the supreme commander of the U.S. ground and air forces involved in the civil war in Vietnam throughout the years of its greatest escalation by our Government. His account is not only interesting, but as I. F. Stone pointed out, he is a complacent author reporting his own achievements. His leadership and our involvement in Vietnam according to his book was a continuous triumph, a military marvel, in which any shortcomings and the surprising lack of a final devastating defeat to the VC, or forces of the National Liberation Front, were all due to other factors and eliminating himself altogether from any blame. He attributes any failure to the limitations imposed on him by civilian superiors in Washington and the impatience of the U.S. public.

General Westmoreland became supreme commander in 1965. He was commanding in Vietnam in June of that year when the duly elected government in Saigon was overturned in a nighttime coup by 10 generals, nine of whom, including President Thieu and Vice President Ky, were born in North Vietnam. Vice President Ky, a flambuoyant and boastful air marshal of South Vietnam, was the first Prime Minister of the Saigon military junta. Then, following that rigged election in September 1967, and since, he has functioned as Vice President.

Americans have been told that Presi-

dent Johnson committed our troops in large numbers to a land war in South Vietnam, due entirely to commitments made to save the Saigon government from defeat. Not so, writes General Westmoreland. His narrative states that the commitment of U.S. combat troops in large numbers and the bombing of North Vietnam, which commenced in 1965, were not at the request of the Saigon militarist regime to save it from defeat. No, indeed. According to his narrative, that commitment was a unilateral decision by our military leadership. It could be by no other than by the Joint Chiefs of Staff of our Armed Forces. General Westmoreland states in his report that the South Vietnamese were not only reluctant to permit our combat troops to enter South Vietnam in great numbers, but when our Armed Forces did arrive in South Vietnam they tried to restrict their deployment and keep them as far as possible from Saigon and other populated areas in South Vietnam.

The direct inference from this detailed report of General Westmoreland is that leaders of the Saigon regime feared Americanization of the war. If this statement of General Westmoreland, who should know what he is writing about, is true, then back in 1965 we Americans should have urged that the Saigon government negotiate for a cease-fire and an armistice instead of escalating the war as we did at that time.

Now, finally following 4 years of futile fighting and bloodshed, and more than 270,000 American GI's killed or wounded in combat in fighting an unwinnable war, the President of the United States, who is the Commander in Chief of the Armed Forces of our country, is finally getting around to negotiating for a withdrawal of Americans and ending the bloodletting.

Mr. President, I wish President Nixon every success in that endeavor.

It is noteworthy and heartbreaking, as was reported by I. F. Stone, that up to February 1, 1965, just before President Johnson and General Westmoreland drastically escalated the war, only 258 Americans had been killed in combat in Vietnam. The number now exceeds 41,000. Their average age was 20. General Westmoreland wrote that by the late spring of 1965 he was convinced that the Saigon government could not survive for more than 6 months unless the United States put in "substantial numbers" of combat troops. This is reported on pages 98–99 of his book.

Nowhere in his book does he say that the leaders of the Saigon regime asked for additional troops—only that he, General Westmoreland, became convinced of their need.

General Westmoreland discloses in his report that officials of the Saigon government requested that all U.S. combat troops be concentrated in the central highlands of South Vietnam near Pleiku and in the areas north of that, distant from Vietnamese cities and far distant from Saigon. General Westmoreland, who throughout his book takes the position that he is a great general, disclosed with some disdain that Saigon authorities suggested that all U.S. combat forces be deployed and concentrated in comparatively remote areas well away from Saigon and other cities "in order to minimize the impact of the South Vietnam economy and populace." In other words, leaders of the Saigon militarist regime were less fearful of defeat by the Vietcong than of an American invasion.

General Westmoreland stated he decided to override Saigon objections. In his wisdom, he felt it was "essential" that U.S. combat units be available to reinforce and stiffen South Vietnamese forces in the critical areas of high population density. Consequently, he reports that he not only overruled the requests coming from Saigon rulers, but his combat plan was "to build up U.S. forces in an arc around Saigon and in the populous coastal bases and not to restrict U.S. troops to the central highlands." In other words, U.S. leadership in Washington and Vietnam rejected the wishes of the Saigon rulers. No wonder 80 percent of the Vietnamese living in South Vietnam regard the United States to be the successors to their French colonial oppressors.

Rejecting their wishes as General Westmoreland did was clearly to treat South Vietnam as a colonial possession with final decisions made by Americans, just as those final decisions were made by the French before Dienbienphu.

This did not prevent General Westmoreland later in his report from referring blandly, as I. F. Stone said, to "the enemy's absurd claim that the United States was no more than a colonial power."

It will be remembered that in 1965 there was a strong sentiment for peace in South Vietnam. At that time the Buddhists launched a campaign for a negotiated settlement with the National Liberation Front. They demanded withdrawal of both the United States and Communist forces from South Vietnam. In fact, just before the last civilian government of Saigon was overturned by the generals in a nighttime coup, the claim was made by the militant minority opposing the civilian government of Phan Huy Quat that he was secretly conspiring with the Buddhists to purge the military in Saigon and negotiate peace. This leads to the conclusion that General Westmoreland at that time placed U.S. troops around and in Saigon to be ready to intervene if a South Vietnamese Government committed to negotiating peace came into power.

General Westmoreland admitted that there was a conflict in his strategy as contrasted with the strategy of Saigon leaders. In telling how he positioned American troops around Saigon he said that Secretary McNamara, visiting Saigon, supported him "in my opposition to yet another South Vietnamese suggestion that the U.S. forces be deployed only to remote areas such as the central highlands."

Admittedly Saigon government authorities desired then as they desire now that the tremendous U.S. firepower should be deployed in remote unpopulated areas trying to have the VC give battle there. General Westmoreland admitted:

> This would enable a full U.S. fire potential to be employed without the danger of civilian casualties.

Jonathan Schell, the New Yorker correspondent, in his book on Vietnam reported:

> The overriding fantastic fact that we are destroying, simply by inadvertence, the very country we are supposedly protecting.

Admittedly, this was the report attributed to an American correspondent Schell, who spent some weeks flying over Quang Ngai Province in South Vietnam in 1967 in aircraft seeking to find targets for air strikes. He reported that 70 percent of the villages in the province had been destroyed by our firepower, and that 40 percent of the population had been moved to refugee camps and that the survivors who remained lived underground beneath their destroyed homes in areas that we shelled regularly.

General Westmoreland and also Admiral Sharp who was in charge of naval bombardment termed our method of warfare Operation Bulldozer making use of overwhelming firepower to terrorize the men, women, and children of South Vietnam into submission.

In General Westmoreland's report, there is no mention whatever of the No. 1 problem occupying the minds of men and women of South Vietnam—land reform and the distribution of land from the absentee landlords and the French to the peasants. In South Vietnam 80 percent of all arable land under cultivation has been throughout the past 20 years cultivated by peasants, men and women, who own no land whatever. These peasants are supporting the National Liberation Front because they are convinced that its victory against the Saigon regime of Thieu and Ky will mean that the absentee landlords will be dispossessed of their stranglehold on the people.

Nevertheless, former Secretary of Agriculture Orville Freeman recently revealed that in 1966 the U.S. Embassy in Saigon "informed Washington it opposed land reform on the grounds that it would create political instability."

In reality General Westmoreland wrote a repulsive report on the war he waged, even adverting to body counts as his primary index of military progress. He voiced with pride the body count estimate, which was used for the first time in any war fought anywhere in the world, that the VC lost 5⅔ men killed for each American and South Vietnamese soldier.

I. F. Stone makes the statement that General Westmoreland figures body count the same as a baseball fan would figure a baseball box score. With that sort of body count warfare he adds the thought that if we Americans are going to continue to fight a ground war in Southeast Asia in the long run we could run out of American bodies, even at a 4-to-1 or 5-to-1 or 6-to-1 ratio in our favor, in view of the fact that teeming of millions of Asians are on the other side.

APPOINTMENT BY VICE PRESIDENT

The VICE PRESIDENT. Pursuant to Public Law 84–372, the Chair appoints the Senator from Hawaii (Mr. INOUYE) to the Franklin D. Roosevelt Memorial Commission, in lieu of the Senator from Maryland (Mr. TYDINGS), resigned.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination at the desk, having to do with the Tennessee Valley Authority. The nomination which was reported unanimously by the committee earlier today and has been cleared by the leadership on both sides.

The PRESIDING OFFICER (Mr SPONG in the chair). Without objection it is so ordered.

TENNESSEE VALLEY AUTHORITY

The legislative clerk read the nomination of Aubrey J. Wagner, of Tennessee, to be a member of the board of directors of the Tennessee Valley Authority for the term expiring May 18, 1978. (Reappointment.)

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified as requested.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

INVESTMENT COMPANY AMENDMENTS ACT OF 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of morning business the Senate proceed to the consideration of Calendar No. 172, S. 2224.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask that the bill be read by title now.

The PRESIDING OFFICER. The clerk will read the title.

The LEGISLATIVE CLERK. A bill (S. 2224) to amend the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to define the equitable standards governing relationships between investment companies and their investment advisers and principal underwriters, and for other purposes.

The PRESIDING OFFICER. Without objection, at the end of the morning business, the Senate will proceed to the consideration of the bill.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in adjournment until 12 o'clock noon Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTROL OF THE MILITARY

Mr. COOK. Mr. President, I ask unanimous consent to proceed for not to exceed 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, as a Republican, it is not often that I find myself in the unlikely position of commending John Kenneth Galbraith and inserting in the RECORD an article from Harper's, which recently referred to me as "a hard-core reactionary." However, as improbable as it may be, I am compelled to call to the attention of my colleagues an article by Galbraith in the June 1969 edition on a subject of great concern to me and to many Americans—"How To Control the Military." In a truly constructive fashion, the author dwells as much on suggestions for reducing the unparalleled influence of the Military Establishment as he does in criticizing it. Our military services have done a magnificent job throughout our history in protecting our country. By keeping our criticism within the realm of constructive proposals, as Galbraith has in this article, we shall be better able to present this issue clearly, and not in a demagogic fashion, to the American people. I ask unanimous consent that the article appear in the RECORD at this point.

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

[From Harper's magazine, June 1969]

HOW TO CONTROL THE MILITARY

(By John Kenneth Galbraith)

(NOTE.—J. K. Galbraith has written more than one man's share of the influential books of this era, including "American Capitalism" and "The Affluent Society" (just reissued in a new edition by Houghton Mifflin). He was a supporter of Adlai Stevenson and John F. Kennedy, was Ambassador to India 1961–63, and continues to teach at Harvard as Paul M. Warburg Professor of Economics.)

I

In January as he was about to leave office, Lyndon Johnson sent his last report on the economic prospect to the Congress. It was assumed that, in one way or another, the Vietnam war, by which he and his Administration had been destroyed, would come gradually to an end. The question considered by his economists was whether this would bring a decrease or an increase in military spending. The military budget for fiscal 1969 was $78.4 billions; for the next year, including pay increases, it was scheduled to be about three billions higher. Thereafter, assuming peace and a general withdrawal from Asia, there would be a reduction of some six or seven billions. But this was only on the assumption that the Pentagon did not get any major new weapons—that it was content with what had already been authorized. No one really thought this possible. The President's economists noted that plans already existed for "a package" consisting of new aircraft, modern naval vessels, defense installations, and "advanced strategic and general purpose weapons systems" which would cost many billions. This would wipe out any savings from getting out of Vietnam. Peace would now be far more expensive than war.

With Richard Nixon the prospect for increased arms spending would seem superficially to be better. During the election campaign he promised to establish a clear military superiority over the Soviets, an effort that he could not believe would escape their attention. Their response would also be predictable and would require a yet larger effort here. (At his first press conference Mr. Nixon retreated from "superiority" to "sufficiency.")

Melvin Laird, the new Secretary of Defense, while in the Congress was an ardent spokesman for the military viewpoint, which is to say for military spending. And his Under Secretary of Defense, David Packard, though the rare case of a defense contractor who had spoken for arms control, was recruited from the very heart of the military-industrial complex.

Just prior to Mr. Nixon's inauguration the Air Force Association, the most eager spokesman for the military and its suppliers, said happily that "If the new Administration is willing to put its money where its mouth is in national defense some welcome changes are in the offing." And speaking to a reporter, J. Leland Atwood, president and chief executive officer of North American Rockwell, one of the half-dozen biggest defense firms, sized up the prospect as follows: "All of Mr. Nixon's statements on weapons and space are very positive. I think he has perhaps a little more awareness of these things than some people we've seen in the White House." Since no one had previously noticed the slightest unawareness, Mr. Atwood considered the prospect very positive indeed.

Yet he could be wrong. Browning observed of Jove that he strikes the Titans down when they reach the peak—"when another rock would crown the work." When I started work on this paper some months ago, I hazarded the guess that the military power was by way of provoking the same public reaction as did the Vietnam war. Now this is no longer in doubt. If he remains *positive*, the military power will almost certainly do for President Nixon what Vietnam did for his predecessor. But it might also lead him to a strenuous effort to avoid the Johnson fate. Mr. Nixon has not, in the past, been notably indifferent to his political career. The result in either case would be an eventual curb on the military power—either from Mr. Nixon or his successor.

Or so it would seem. What is clear is that a drastic change is occurring in public attitudes toward the military and its industrial allies which will not for long be ignored by politicians who are sensitive to the public mood. And from this new political climate will come the chance for reasserting control.

The purpose of this article is to see the nature of the military power, assess its strength and weaknesses, and suggest the guidelines for regaining control. For no one can doubt the need for doing so.

II

The problem of the military power is not unique; it is merely a rather formidable example of the tendency of our time. That is for organization, in an age of organization, to develop a life and purpose and truth of its own. This tendency holds for all great bureaucracies, both public and private. And their action is not what serves a larger public interest, their belief does not reflect the reality of life. What is done and what is believed are, first and naturally, what serve the goals of the bureaucracy itself. Action

in the organization interest, or in response to the bureaucratic truth, can thus be a formula for public disservice or even public disaster.

There is nothing academic about this possibility. There have been many explanations of how we got into the Vietnam war, and action on which even the greatest of the early enthusiasts have now lapsed into discretion. But all explanations come back to one. It was the result of a long series of steps taken in response to a bureaucratic view of the world—a view to which a President willingly or unwillingly yielded and which, until much too late, was unchecked by any legislative or public opposition. This view was of a planet threatened by an imminent takeover by the unified and masterful forces of the Communist world, directed from Moscow (or later and with less assurance from Peking) and coming to a focus, however improbably, some thousands of miles away in the activities of a few thousand guerrillas against the markedly regressive government of South Vietnam.

The further bureaucratic truths that were developed to support this proposition are especially sobering. What was essentially a civil war between the Vietnamese was converted into an international conflict with rich ideological portent for all mankind. South Vietnamese dictators became incipient Jeffersonians holding aloft the banners of an Asian democracy. Wholesale graft in Saigon became an indispenable aspect of free institutions. An elaborately rigged election became a further portent of democracy. One of the world's most desultory and impermanent armies became, always potentially, a paragon of martial vigor. Airplanes episodically bombing open acreage or dense jungle became an impenetrable barrier to men walking along the ground. An infinity of reverses, losses, and defeats became victories deeply in disguise. Such is the capacity of bureaucracy to create its own truth.

There was nothing, or certainly not much, that was cynical in this effort. Most of the men responsibly involved accepted the myth in which they lived a part. For from the inside it is the world outside which looks uninformed, perverse, and very wrong. Throughout the course of the war there was bitter anger in Washington and Saigon over the inability of numerous journalists to see military operations, the Saigon government, the pacification program, the South Vietnam army in the same rosy light as did the bureaucracy. Why couldn't they be indignant instruments of the official belief—like Joseph Alsop?

As many others have observed, the epitome of the organization man in our time was Secretary of State Dean Rusk. Few have served organization with such uncritical devotion. A note of mystification, even honest despair, was present in his public expression over the inability of the outside world to accept the bureaucratic truths just listed. Only the eccentrics, undisciplined or naive, failed to accept what the State Department said was true. His despair was still evident as he left office, his career in ruins, and the Administration of which he was the ranking officer destroyed by action in pursuit of these beliefs. There could be no more dramatic—or tragic—illustration of the way organization captures men for its truths.

But Vietnam was not the first time men were so captured—and the country suffered. Within this same decade there was the Bay of Pigs, now a textbook case of bureaucratic self-deception. Organization needed to believe that Castro was toppling on the edge. Communism was an international conspiracy; hence it could have no popular local roots; hence the Cuban people would welcome the efforts to overthrow it. Intelligence was made to confirm these beliefs, for if it didn't it was, by definition, defective information. And, as an unpopular tyranny, the Castro government should be overthrown. Hence the action, thus the disaster. The same beliefs played a part in the military descent, against largely nonexistent Communists, on the Dominican Republic.

But the most spectacular examples of bureaucratic truth are those that serve the military power—and its weapons procurement. These have not yet produced anything so dramatic as the Vietnam, Bay of Pigs, or Dominican misadventures but their potential for disaster is far greater. These beliefs and their consequences are worth specifying in some detail.

There is first the military belief that whatever the dangers of a continued weapons race with the Soviet Union these are less than those of any agreement that offers any perceptible opening for violation. If there is such an opening the Soviets will exploit it. Since no agreement can be watertight this goes far to protect the weapons race from any effort at control.

Secondly, there is the belief that the conflict with Communism is man's ultimate battle. Accordingly, one would not hesitate to destroy all life if Communism seems seriously a threat. This belief allows acceptance of the arms race no matter how dangerous. The present ideological differences between industrial systems will almost certainly look very different and possibly rather trivial from a perspective of fifty or a hundred years hence if we survive. Such thoughts are eccentric.

Third, the national interest is total, that of man inconsequential. So even the prospect of total death and destruction does not deter us from developing new weapons systems if some thread of national interest can be identified in the outcome. We can accept 75 million casualties if it forces the opposition to accept 150 million. This is the unsentimental calculation. Even more unsentimentally, Senator Richard Russell, the leading Senate spokesman of the military power, argued on behalf of the Army's Sentinel Anti-Ballistic Missile System (ABM) that, if only one man and one woman are to be left on earth, it was his deep desire that they be Americans. It was part of the case for the Manned Orbiting Laboratory (MOL) that it would maintain the national position in the event of extensive destruction down below.

Such, not secretly but as they have been articulated, are the organization truths of the military power. The beliefs that got us into (and keep us in) Vietnam in their potential for disaster pale as compared with these doctrines. We shall obviously have accomplished little if we get out of Vietnam but leave unchecked in the government the capacity for this kind of bureaucratic truth. What, in tangible form, is the organization which avows these truths?

III

It is an organization or a complex of organizations and not a conspiracy. Although Americans are probably the world's least competent conspirators—partly because no other country so handsomely rewards in cash and notoriety the man who blows the whistle on those with whom he is conspiring—we have a strong instinct for so explaining that of which we disapprove. In the conspiratorial view, the military power is a collation of generals and conniving industrialists. The goal is mutual enrichment; they arrange elaborately to feather each other's nest. The industrialists are the *deus ex machina;* their agents make their way around Washington arranging the payoff. If money is too dangerous, then alcohol, compatible women, more prosaic forms of entertainment or the promise of future jobs to generals and admirals will serve.

There is such enrichment and some graft. Insiders do well. H. L. Nieburg has told the fascinating story of how in 1954 two modestly paid aerospace scientists, Dr. Simon Ramo and Dr. Dean Wooldridge, attached themselves influentially to the Air Force as consultants and in four fine years (with no known dishonesty) ran a shoe-string of $6,750 apiece into a multimillion-dollar fortune and a position of major industrial prominence.[1] (In 1967 their firm held defense contracts totaling $121 million.) Senator William Proxmire, a man whom many in the defense industries have come to compare unfavorably to typhus, has recently come up with a fascinating contractual arrangement between the Air Force and Lockheed for the new C–5A jet transport. It makes the profits of the company greater the greater its costs in filling the first part of the order, with interesting incentive effects. A recent Department of Defense study reached the depressing conclusions that firms with the poorest performance in designing highly technical electronic systems—and the failure rate was appalling—have regularly received the highest profits. In 1960, 691 retired generals, admirals, naval captains, and colonels were employed by the ten largest defense contractors—186 by General Dynamics alone. A recent study made at the behest of Senator Proxmire found 2,072 employed in major defense firms with an especially heavy concentration in the specialized defense firms.[2] It would be idle to suppose that presently serving officers—those for example on assignment to defense plants—never have their real income improved by the wealthy contractors with whom they are working, forswear all favors, entertain themselves, and sleep austerely alone. Nor are those public servants who show zeal in searching out undue profits or graft reliably rewarded by a grateful public. Mr. A. E. Fitzgerald, the Pentagon management expert who became disturbed over the C–5A contract with Lockheed and communicated his unease and its causes to the Proxmire Committee, had his recently acquired civil-service status removed and was the subject of a fascinating memorandum (which found its way to Proxmire) outlining the sanctions appropriate to his excess of zeal. Pentagon officials explained that Mr. Fitzgerald had been given his civil-service tenure as the result of a computer error (the first of its kind) and the memorandum on appropriate punishment was a benign gesture of purely scholarly intent designed to specify those punishments against which such a sound public servant should be protected.

Nonetheless the notion of a conspiracy to enrich and corrupt is gravely damaging to an understanding of the military power. It causes men to look for solutions in issuing regulations, enforcing laws, or sending people to jail. It also, as a practical matter, exaggerates the role of the defense industries in the military power—since they are the people who make the most money, they are assumed to be the ones who, in the manner of the classical capitalist, pull the strings. The armed services are assumed to be in some measure their puppets. The reality is far less dramatic and far more difficult of solution. The reality is a complex of organizations pursuing their sometimes diverse but generally common goals: The participants in these or-

---

[1] *In the Name of Science* (Chicago, Quadrangle Press, 1966). This is a book of first-rate importance which the author was so unwise as to publish some three years before concern for the problems he discusses became general. But perhaps he made it so.

[2] General Dynamics 113, Lockheed 210, Boeing 169, McDonnell Douglas 141, North American Rockwell 104, Ling-Temco-Vought 69. All of these firms are heavily specialized to military business; General Dynamics, Lockheed, McDonnell Douglas and North American Rockwell almost completely so.

ganizations are mostly honest men whose public and private behavior would withstand public scrutiny as well as most. They live on their military pay or their salaries as engineers, scientists, or managers or their pay and profits as executives and would not dream of offering or accepting a bribe.

The organizations that comprise the military power are the four Armed Services, and especially their procurement branches. And the military power encompasses the specialized defense contractors—General Dynamics, McDonnell Douglas, Lockheed, or the defense firms of the agglomerates—of Ling-Temco-Vought or Litton Industries. (About half of all defense contracts are with firms that do relatively little other business.) And it embraces the defense division of primarily civilian firms such as General Electric or AT&T. It draws moral and valuable political support from the unions. Men serve these organizations in many, if not most, instances, because they believe in what they are doing—because they have committed themselves to the bureaucratic truth. To find and scourge a few malefactors is to ignore this far more important commitment.

The military power is not confined to the Services and their contractors—what has come to be called the military-industrial complex. Associate membership is held by the intelligence agencies which assess Soviet (or Chinese) actions or intentions. These provide more often by selection than by any dishonesty, the justification for what the Services would like to have and what their contractors would like to supply. Associated also are Foreign Service Officers who provide a civilian or diplomatic gloss to the foreign-policy positions which serve the military need. The country desks at the State Department, a greatly experienced former official and ambassador has observed, are often "in the hip pocket of the Pentagon—lock, stock, and barrel, ideologically owned by the Pentagon."[3]

Also a part of the military power are the university scientists and those in such defense-oriented organizations as RAND, the Institute for Defense Analysis, and Hudson Institute who think professionally about weapons and weapons systems and the strategy of their use. And last, but by no means least, there is the organized voice of the military in the Congress, most notably on the Armed Services Committees of the Senate and House of Representatives. These are the organizations which comprise the military power.

The men who comprise these organizations call each other on the phone, meet at committee hearings, serve together on teams or task forces, work in neighboring offices in Washington or San Diego. They naturally make their decisions in accordance with their view of the world—the view of the bureaucracy of which they are a part. The problem is not conspiracy or corruption but unchecked rule. And being unchecked, this rule reflects not the national need but the bureaucratic need—not what is best for the United States but what the Air Force, Army, Navy, General Dynamics, North American Rockwell, Grumman Aircraft, State Department representatives, intelligence officers, and Mendel Rivers and Richard Russell believe to be best.

In recent years Air Force generals, perhaps the most compulsively literate warriors since Caesar, have made their views of the world scene a part of the American folklore. These in all cases serve admirably the goals of their Service and the military power in general. Similarly with the other participants.

Not long ago, Bernard Nossiter, the brilliant economics reporter of the Washington *Post*, made the rounds of some of the major defense contractors to get their views of the post-Vietnam prospect. All, without exception, saw profitable tension and conflict. Edward J. Lefevre, the vice-president in charge of General Dynamics' Washington office, said "One must believe in the long-term threat." James J. Ling, the head of Ling-Temco-Vought, reported that "Defense spending has to increase in our area because there has been a failure to initiate—if we are not going to be overtaken by the Soviets." Samuel F. Downer, one of Mr. Ling's vice-presidents, was more outspoken. "We're going to increase defense budgets as long as those bastards in Russia are ahead of us." A study of the Electronics Industries Association also dug up by Mr. Nossiter (to whom I shall return in a moment) discounted the danger of arms control, decided that the "likelihood of limited war will increase" and concluded that "for the electronic firms, the outlook is good in spite [sic] of [the end of hostilities in] Vietnam."

From the foregoing beliefs, in turn, comes the decision on weapons and weapons systems and military policy generally. No one can tell where the action originates—whether the Services or the contractors initiate decisions on weapons—nor can the two be sharply distinguished. Much of the plant of the specialized defense contractors is owned by the government. Most of their working capital is supplied by the government through progress payments—payments made in advance of completion of the contract. The government specifies what the firm can and cannot charge to the government. The Armed Services Procurement Regulation states that "Although the government does not expect to participate *in every management* decision, it may reserve the right to review the contractor's management efforts. . . ." (Italics added.)

In this kind of association some proposals will come across the table from the military. Some will come back from the captive contractors. Nossiter asked leading contractors, as well as people at the Pentagon, about this. Here are some of the answers.

From John W. Bessire, General Manager for Pricing, General Dynamics, Fort Worth: "We try to foresee the requirements the military is going to have three years off. We work with their requirements people and therefore get new business."

From Richard E. Adams, Director of Advanced Projects, Fort Worth Division of General Dynamics, who through the source was the military: "Things are too systematized at the Pentagon for us to invent weapons systems and sell them on a need."

On the influence of the military he added: "We know where the power is [on Capitol Hill and among Executive Departments]. There's going to be a lot of defense business and we're going to get our share of it."

From John R. Moore, President of Aerospace and Systems Group of North American Rockwell: "A new system usually starts with a couple of military and industry people getting together to discuss common problems."

After noting that most of his business came from requirements "established by the Defense Department and NASA," he concluded: "But it isn't a case of industry here and the government here. They are interacting continuously at the engineering level."

And finally from a high civilian in the Pentagon: "Pressures to spend more. . . . In part they come from the industry selling new weapons ideas and in part from the military here. Each military guy has his own piece, tactical, antisubmarine, strategic. Each guy gets where he is by pushing his particular thing."

He added: "Don't forget, too, part of it is based on the perception of needs by people in Congress."

The important thing is not where the action originates but in the fact that it serves the common goals of the military and the defense contractors. It is, in the language of labor relations, a sweetheart deal between those who sell to the government and those who buy. Once competitive bidding created an adversary relationship between buyer and seller sustained by the fact that, with numerous sellers, any special relationship with any one must necessarily provoke cries of favoritism. But modern weapons are bought overwhelmingly by negotiation and in most cases from a single source of supply. (In the fiscal year ending in 1968, General Accounting Office figures show that 57.9 per cent of the $43 billion in defense contracts awarded in that year was by negotiation with a single source of supply. Of the remainder 30.6 per cent was awarded by negotiation where alternative sources of supply had an opportunity to participate and only 11.5 per cent was open to advertised competitive bidding.)[4] Under these circumstances the tendency to any adversary relationship between the Services and their suppliers is minimal. Indeed, where there are only one or two sources of supply for a weapons system, the interest of the Services in sustaining a source of supply will be no less than that of the firm in question in being sustained.

Among those who spoke about the sources of ideas on weapons needs, no one was moved to suggest that public opinion played any role. The President, as the elected official responsible for foreign policy, was not mentioned. The Congress came in only as an afterthought. And had the Pentagon official who mentioned the Congress been pressed, he would have agreed that its "perception of needs" is a revelation that almost always results from prompting by either the military or the defense industries. It was thus, for example, that the need for a new generation of manned bombers was perceived (and provided for) by Congress though repeatedly vetoed as unnecessary by Presidents Kennedy and Johnson. But in the past the role of the Congress has been overwhelmingly acquiescent and passive. As Senator Gaylord Nelson said in the Senate in February 1964:

"An established tradition . . . holds that a bill to spend billions of dollars for the machinery of war must be rushed through the House and the Senate in a matter of hours, while a treaty to advance the cause of peace, or a program to help the underdeveloped nations . . . guarantee the rights of all our citizens, or . . . to advance the interests of the poor must be scrutinized and debated and amended and thrashed over for weeks and perhaps months."

IV

We see here a truly remarkable reversal of the American political and economic system as outlined by the fathers and still portrayed to the young. That view supposes that ultimate authority—ultimate sovereignty—lies with the people. And this authority is assumed to be comprehensive. Within the ambit of the state the citizen expresses his will through the men—the President and members of the Congress—whom he elects. Outside he accomplishes the same thing by his

[3] Ralph Dungan, formerly White House aide to Presidents Kennedy and Johnson and former Ambassador to Chile. Quoted in George Thayer, *The War Business* (Simon and Schuster). The appearance of the State Department as a full-scale participant in the military power may have been the hopefully temporary achievement of Secretary Rusk. Apart from a high respect for military acumen and need, he in some degree regarded diplomacy as subordinate to military purpose. In time such attitudes penetrate deeply into organization.

[4] Testimony of Elmer B. Staats, Comptroller General, before Senator Proxmire's Committee (November 11, 1968).

purchases in the market. These instruct supplying firms—General Motors, General Electric, Standard Oil of New Jersey—as to what they shall produce and sell. But here we find the Armed Services or the corporations that supply them making the decisions and instructing the Congress and the public. The public accepts whatever is so decided and pays the bill. This is an age when the young are being instructed, in my view rightly although with unnecessary solemnity, to respect constitutional process and seek change within the framework of the established political order. And we find the assumed guardians of that order, men with no slight appreciation of their righteousness and respectability, calmly turning it upside down themselves.

How did this remarkable reversal in the oldest of constitutional arrangements come about? How, in particular, did it come about in a country that sets great store by individual and citizen rights and which traditionally has been suspicious of military, industrial, and bureaucratic power? How did it come to allow these three forces to assert their authority over a tenth of the economy and something closer to ten-tenths of our future? [5]

V

Six things brought the military-industrial bureaucracy to its present position of power. To see these forces is also to be encouraged by the chance for escape.

First there has been, as noted, the increasing bureaucratization of our life. In an economically and technologically complex society, more and more tasks are accomplished by specialists. Specialists must then have their knowledge and skills united by organization. Organization, then, as we have seen, proceeds to assert its needs and beliefs. These will not necessarily be those of the individual or community.

In what Ralph Lapp has called the weapons culture, both economic and technological complexity are raised to the highest power. So, accordingly, are the scope and power of organization. So, accordingly, is the possibility of self-serving belief.

It is a power, however, which brings into existence its own challenge. The same technical and social complexity that requires organization requires that there be large numbers of trained and educated people. Neither these people nor the educational establishment that produces them are docile in the face of organization. So with organization come people who resist it—who are schooled to assert their individual beliefs and convictions. No modern military establishment could expect the disciplined obedience which sent millions (in the main lightly schooled lads from the farm) against the machine guns as late as World War I.

The reaction to organization and its beliefs may well be one of the most rapidly developing political moods of our time. Clearly it accounted for much of the McCarthy strength in the last year—for if Dean Rusk or General Westmoreland were the epitome of the organization man, Eugene McCarthy was its antithesis. Currently one sees it sweeping ROTC off the campuses—or out of the university curricula. It is causing recruiting problems of big business—and not alone the defense firms. One senses, if the draft survives, that it will cause trouble for the peacetime Armed Forces.

But so far the impressive thing is the power that massive organization has given to the military industrial complex and not the resistance it is arousing. The latter is for the future.

Second in importance in bringing the military-industrial complex to power were the circumstances and images of foreign policy in the late Forties, Fifties and early Sixties. The Communist world, as noted, was viewed as a unified imperium mounting its claim to every part of the globe. The postwar pressure on Eastern Europe and on Berlin, the Chinese revolution, and the Korean war, seemed powerful evidence in the case. And, after the surprisingly early explosion of the first Soviet atomic bomb, followed within a decade by the even more astonishing flight of the first Sputnik, it was easy to believe that the Communist world was not only politically more unified than the rest but technologically stronger as well.

The natural reaction was to delegate power and concentrate resources. The military Services and their industrial allies were given unprecedented authority—as much as in World War II—to match the Soviet technological initiative. And the effort of the nation's scientists (and other scholars) was concentrated in equally impressive fashion. None or almost none remained outside. Robert Oppenheimer was excluded, not because he opposed weapons development in general or the hydrogen bomb in particular, but because he thought the latter unnecessary and undeliverable. That anyone, on grounds of principle, should refuse his services to the Pentagon or Dow Chemical was nearly unthinkable. Social scientists responded eagerly to invitations to spend the summer at RAND. They devoted their winters to seminars on the strategy of defense and deterrence. The only question in this time was whether a man could get a security clearance. The extent of a man's access to secret matters measured his responsibility and influence in public affairs and prestige in the community.

The effect of this concentration of talent was to add to the autonomy and power of the organizations responsible for the effort. Criticism or dissent requires knowledge; the knowledgeable men were nearly all inside. The Eisenhower Administration affirmed the power of the military by appointing Secretaries of Defense who were largely passive except as they might worry on occasion about the cost. The Democrats, worrying about a nonexistent missile gap and fearing, as always, that they might seem soft on Communism, accorded the military more funds and power, seeking principally to make it more efficient.

This enfranchisement of the military power was in a very real sense the result of a democratic decision—it was a widely approved response to the seemingly fearsome forces that surround us. With time those who received this unprecedented grant of power came to regard it as a right. Where weapons and military decision were concerned, their authority was meant to be plenary. Men with power have been prone to such error.

Third, secrecy confined knowledge of Soviet weapons and responding American action to those within the public and private bureaucracy. No one else had knowledge, hence no one else was qualified to speak. Senior members of the Armed Services, their industrial allies, the scientists, the members of the Armed Services Committees of the Congress were in. It would be hard to imagine a more efficient arrangement for protecting the power of a bureaucracy. In the academic community and especially in Congress there was no small prestige in being a member of this club. So its influence was enhanced by the sense of belonging and serving. And, as the experience of Robert Oppenheimer and other less publicized persons showed, it was possible on occasion to exclude the critic or skeptic as a security risk.

Fourth, there was the disciplining effect of personal fear. A nation that was massively alarmed about the unified power of the Communist world was not tolerant of skeptics or those who questioned the only seemingly practical line of response. Numerous scientists, social scientists, and public officials had come reluctantly to accept the idea of the Communist threat. This history of reluctance could now involve the danger—real or imagined—that they might be suspected of past association with this all-embracing conspiracy. The late Senator Joseph R. McCarthy would not have been influential in ordinary times; but he and others saw or sensed the opportunity for exploiting national and personal anxiety. The result was further and decisive pressure on anyone who seemed not to concur in the totality of the Communist threat. (McCarthy was broken only when he capriciously attacked the military power.)

Fear provided a further source of immunity and power. Accepted Marxian doctrine holds that a cabal of capitalists and militarists is the cutting edge of capitalist imperialism and the cause of war. Anyone who raised a question about the military-industrial complex thus sounded suspiciously like a Marxist. So it was a topic that was avoided by the circumspect. Heroism in the United States involves some important distinctions. It requires a man to stand up fearlessly, at least in principle, to the prospect for nuclear extinction. But it allows him to proceed promptly to cover if there is risk of being called a Communist, a radical, an enemy of the system. Death we must face but not social obloquy or political ostracism. The effect of such discriminating heroism in the Fifties and Sixties was that most potential critics of the military power were exceptionally reticent.

In 1961, in the last moment before leaving office, President Eisenhower gave his famous warning: "In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist." This warning was to become by a wide margin the most quoted of all Eisenhower statements. This was principally for the flank protection it provided for all who wanted to agree. For many years thereafter anyone (myself included) who spoke to the problem of the military power took the thoughtful precaution of first quoting President Eisenhower. He had shown that there were impeccably conservative precedents for our concern.

Fifth, in the Fifties and early Sixties the phrase "domestic priority" had not yet become a cliché. The civilian claim on federal funds was not, or seemed not, to be overpowering. The great riots in the cities had not yet occurred. The appalling conditions in the urban core that were a cause were still unnoticed. Internal migration had long been under way but millions were yet to come from the rural into the urban slums. Poverty had not yet been placed on the national agenda, with the consequence that we would learn how much and how abysmal it is. And promises not having been made to end poverty, expectations had not been aroused. The streets of Washington, D.C., were still safer than those of Saigon. Travel by road and commuter train was only just coming to a crawl. The cities' air and water were dirty but not yet lethally so.

In this innocent age, in 1964, taxes were reduced because there seemed to be danger of economic stagnation and unemployment from raising more federal revenue than could quickly be spent. The then Director of the

[5] I have argued elsewhere (*The New Industrial State*, Houghton Mifflin, 1967) that with increasing industrialization the sovereignty of the consumer or citizen yields to the sovereignty of the producer or public bureaucracy. Increasingly the consumer or citizen is made subordinate to their needs. I have been rather sharply challenged. But in the very important area of military production, about 10 per cent of the total, we see that producer sovereignty is accepted and avowed. Not even my most self-confident critics would be wholly certain of my error here.

Budget, Kermit Gordon, was persuaded that if an excess of revenue were available the military would latch on to it. Inflation was not a pressing issue. Military expenditures, although no one wished to say so, did sustain employment. Circumstances could not have been better designed, economically speaking, to allow the military a clear run.

Sixth and finally, in these years, both conservative and liberal opposition to the military-industrial power was muted. Nothing could be expected, in principle, to appeal less to conservatives than a vast increase in bureaucratic power at vast cost. In an earlier age the reaction would have been apoplectic. Some conservatives in an older tradition—men genuinely concerned about the Leviathan State—were aroused. Ernest Weir, the head of National Steel and the foe of FDR and the New Deal, Alf M. Landon, the much-underestimated man who opposed Roosevelt in 1936, Marriner Eccles, banker and long-time head of the Federal Reserve, and a few others did speak out. But for most it was enough that the Communists—exponents of a yet more powerful state and against private property, too—were on the other side. One accepted a lesser danger to fight a greater one. And, as always, when many are moderately aroused some are extreme. It became a tenet of a more extreme conservatism that civilians should never interfere with the military except to provide more money. Nor would there be any compromise with Communism. It must be destroyed. Their military doctrine, as Daniel Bell has said, was "that negotiation with the Communists is impossible, that anyone who discusses the possibility of such negotiation is a tool of the Communists, and that a 'tough policy'—by which, *sotto voce*, is meant a preventative war of a first strike—is the only means of forestalling an eventual Communist victory." [6] To an impressive extent, in the Fifties and Sixties this new conservatism, guided by retired Air Force generals and the redoubtable Edward Teller, became the voice of all conservatism on defense policy.

The disappearance of liberal criticism was almost as complete—and even more remarkable. An association of military and industrial power functioning without restraint would have been expected to arouse liberal passion. So also the appropriation of public power for private purpose by defense contractors, some of them defining missions for the Services so as to require what they had to sell. But liberals did not react. Like conservatives they accepted a lesser threat to liberty to forestall a greater one. Also it was not easy for a generation that had asked for more executive power for FDR and his successors over conservative opposition to see danger in any bureaucracy or remedy in stronger legislative control. This was a too radical reversal of liberal form.

The generation of liberals which was active in the Fifties and Sixties had also been scarred by the tactics of the domestic Communists in politics and the trade-union movement. And members of this generation had seen what happened to friends who had committed themselves to the wartime alliance with the Soviets and had nailed their colors to its continuation after the war. Stalin had let them down with a brutal and for many a mortal thump. Those who escaped, or many of them, made common cause with the men who were making or deploying weapons to resist Communism, urging only, as good liberals, that there was a social dimension to the struggle. As time passed it was discovered that many good and liberal things—foreign aid, technical assistance, travel grants, fellowships, overseas libraries—could be floated on the Communist threat. Men of goodwill became accomplished in persuading the more retarded to vote for foreign-aid legislation, not as a good thing in itself but as an indispensable instrument in the war against Communism. Who, having made this case, could then be critical of military spending for the same purpose?

Additionally in the Fifties and Sixties American liberals were fighting for the larger federal budget not for the things it bought but for the unemployment it prevented. Such a budget, with its stabilizing flow of expenditures and supported by personal income taxes which rose and fell with stabilizing effect, was the cornerstone of the New or Keynesian Economics. And this economics of high and expanding employment, in turn, was the cornerstone of the liberal position. As noted it was not easy for liberals to admit that defense expenditures were serving this benign social function; when asked they (*i.e.* we) always said that spending for education, housing, welfare, and civilian public works would serve just as well and be much welcomed as an alternative.

But there was then no strong pressure to spend for these better things. Accordingly it was not easy for liberals to become aroused over an arms policy which had such obviously beneficient effects on the economy.

By the early Sixties the liberal position was beginning to change. From comparatively early in the Kennedy Administration—the Bay of Pigs was a major factor in this revelation—it became evident that a stand would have to be made against policies urged by the military and its State Department allies—against military intervention in Cuba, military intervention in Laos, military intervention in Vietnam, an all-out fallout shelter program, unrestricted nuclear testing, all of which would be disastrous for the President as well as for the country and world. A visible and sometimes sharp division occurred between those who, more or less automatically, made their alliance with the military power, and those—Robert Kennedy, Adlai Stevenson, Theodore Sorensen, Arthur Schlesinger, Averell Harriman, and, though rendering more homage to the organizations of which they were a part, George Ball and Robert McNamara—who saw the dangers of this commitment. With the Johnson Administration this opposition disappeared or was dispersed. The triumph of those who allied themselves with the bureaucracy was the disaster of that Administration.

The opposition, much enlarged, then reappeared in the political theater. Suspicion of the military power in 1968 was the most important factor uniting the followers of Senators Kennedy, McCarthy, and McGovern. Along with the more specific and more important opposition to the Vietnam conflict, it helped to generate the opposition that persuaded Lyndon Johnson not to run. And the feeling that Vice President Humphrey was not sufficiently firm on this issue—that he belonged politically to the generation of liberals that was tolerant of the military-industrial power—unquestionably diluted and weakened his support. Conceivably it cost him the election.

VI

To see the sources of the strength of the military-industrial complex in the Fifties and Sixties is to see its considerably greater vulnerability now. The Communist imperium, which once seemed so fearsome in its unity, has broken up into bitterly antagonistic blocks. Moscow and Peking barely keep the peace. Fear in Czechoslovakia, Yugoslavia, and Romania is not of the capitalist enemy but the great Communist friend. The more intimate calculations of the Soviet High Command on what might be expected of the Czech (or for that matter the Romanian or Polish or Hungarian) army in the event of war in Western Europe must not be without charm. Perhaps they explain the odd military passion of the Soviets for the Egyptians. The Soviets have had no more success than has capitalism in penetrating and organizing the backward countries of the world. Communist and capitalist jungles are indistinguishable. Men of independent mind recognize that after twenty years of aggressive military competition with the Soviets our security is not greater and almost certainly less than when the competition began. And although in the Fifties it was fashionable to assert otherwise ("a dictator does not hesitate to sacrifice his people by the millions") we now know that the Soviets are as aware of the totally catastrophic character of nuclear war as we are—and more so than our more articulate generals.

These changes plus the adverse reaction to Vietnam have cost the military power its monopoly of the scientific community. This, in turn, has damaged its claim to a monopoly of knowledge including that which depends on security classification. Informed critics are amply available outside the military-industrial complex. When earlier this year Under Secretary of Defense Packard sought, in an earlier tradition, to discredit the opposition of Dr. Herbert A. York, former Director of Defense Research and Engineering, to the ABM, on the grounds that the latter did not have access to secret information, the effort backfired. The only person whose credibility was damaged was Secretary Packard. In consequence men are now available to distinguish between what weapons are relevant to an equilibrium with the Soviets, what destroys this balance by encouraging a new competitive round, and what serves primarily the prestige of the Services and the prestige and profits of the contractors. The attack on the Sentinel-Safeguard ABM system could never have been mounted in the Fifties.

Additionally, civilian priority has become one of the most evocative words in the language. Everywhere—for urban housing and services, sanitation, schools, police, urban transportation, clean air, potable water—the needs are huge and pressing. Because these needs are not being met the number of people who live in fear of an urban explosion may well be greater than those who are alarmed by the prospect of nuclear devastation. For many years I have lived in summers on an old farm in southern Vermont. In the years folowing Hiroshima we had the advance refugees from the atomic bomb. Now we have those who are escaping the ultimate urban riot. The second migration is much bigger than the first and has had a far more inflationary effect on local real-estate values.

Certainly the day when military spending was a slightly embarrassing alternative to unemployment is gone and, one imagines, forever.

With all of these changes has come a radical change in the political climate. Except in the darker reaches of Orange County and suburban Dallas (where defense expenditures also have their influence) fear of Communism has receded. We have lived with the Communists on the same planet now for a half-century. An increasing number are disposed to believe we *can* continue doing so. Communism seems somewhat less triumphant than twenty years ago. Perhaps the Soviet Union is yet another industrial state in which organization—bureaucracy—is in conflict with the people it must educate in such numbers for its tasks. Mr. Nixon in his many years as a political aspirant was not notably averse to making capital out of the Communist menace. But neither, if a little belatedly, was he a man to resist a trend. Many must have noticed that his warnings overt or implied of the Communist menace in his Inaugural Address were rather less fiery than those of John F. Kennedy eight years earlier.

The anxiety which led to the great con-

[6] Quoted by Ralph E. Lapp in *The Weapons Culture* (Norton, 1968).

centration of military and industrial power in the Fifties having dissipated, the continued existence of that power has naturally become a political issue. There are many who think that Mr. Nixon sacrificed some, perhaps much, of his lead when, in the closing days of the Presidential campaign, he promised to revitalize the arms race with an effort to establish clear superiority over the Soviets. There can be little question that General Curtis LeMay, far from attracting voters to Governor George Wallace in 1968, was a disaster. At a somewhat lower level than Eisenhower, MacArthur, Patton, and Bradley, LeMay was one of the *bona fide* heroes in the American pantheon. But his close association with the military power, especially his long efforts to make nuclear warfare palatable, if not altogether appetizing, to the American public, was unnerving. As noted a stand-up-to-it heroism is combined with a deep sensitivity when the nuclear nerve is touched.

If the potential followers of Governor Wallace were capable of alarm over the military power, then the potential opposition is not confined to the bearded and barefoot left. (This, as in the case of Vietnam, will be the first assumption of the bureaucracy.) Nor is it. Concern reaches deeply into the suburban middle class and business community. During the summer of 1968, if I may recur once more to personal experience, I was concerned with raising money for Eugene McCarthy. We raised a great deal: the efforts with which I was at least marginally associated produced some $2.5 million. Overwhelmingly we got that money from businessmen. Opposition to the Vietnam war was, of course, the prime reason for this support. But concern over the military power was a close (and closely affiliated) second. When one is asking for money one very soon learns what evokes response.

Social concern, however inappropriate for a businessman, was most important but there were also very good business reasons for being aroused. In 1968, the hundred largest defense contractors had more than two-thirds (67.4 per cent) of all the defense business and the smallest fifty of these had no more in the aggregate than General Dynamics and Lockheed. A dozen firms specializing in military business (*e.g.*, McDonnell Douglas, General Dynamics, Lockheed, United Aircraft) together with General Electric and A T & T had a third of all the business. For the vast majority of businessmen the only association with the defense business is through the taxes they pay. Not even a subcontract comes their way. And they have another cost. They must operate in communities that are starved for revenue, where, in consequence, their business is exposed to disorder and violence and where materials and manpower are preempted by the defense contractors. They must also put up with inflation, high interest rates, and regulation on overseas investment occasioned by defense spending. The willingness of American businessmen to suffer on behalf of the big defense contractors has been a remarkable manifestation of charity and self-denial.

Two other changes have altered the position of the military power. In the Fifties the military establishment of the United States was still identified in the public mind with the great captains of World War II—with Eisenhower, Marshall, MacArthur, Bradley, King, Nimitz, Arnold. And many members of a slightly junior generation—Maxwell Taylor, James Gavin, Matthew Ridgway, Curtis LeMay—were in positions of power. Some of these soldiers might have done less well had they been forced to fight an elusive and highly motivated enemy in the jungle of Vietnam encumbered by the leisurely warriors of the ARVN. (At one time or another, Eisenhower, MacArthur, Gavin all made it explicitly clear that they would never have got involved in such a mistake.) The present military generation is intimately associated with the Vietnam misfortune. And its credibility has been deeply damaged by its fatal association with the bureaucratic truths of that war—with the long succession of defeats that became victories, the victories that became defeats, and brilliant actions that did not signify anything at all. In the Fifties it required courage for a civilian to challenge Eisenhower on military matters. Anyone is allowed to doubt the omniscience of General Westmoreland.

Finally, all bureaucracy has a mortal weakness; it cannot respond effectively to attack. The same inertial guidance which propels it into trouble—which sends it mindlessly into the Bay of Pigs or Vietnam even when disaster is evident—renders it helpless in self-defense. It can, in fact, only mimic itself. Organization could not come up with any effective response to its critics on Vietnam. The old slogans—we must resist worldwide Communist aggression, we must not reward aggression, we must stand by our brave allies—were employed not only after repetition had robbed them of all meaning but after they had been made ludicrous by events. In the end Secretary of State Rusk was reduced to mnemonic speeches about our commitments. Organized thought was incapable of anything better.

So with the military power—only more so. One of the perquisites of great power is that its use need not be defended. In consequence kings, czars, dictators, capitalists, even union leaders—when their day of accounting comes have rarely been able to speak for themselves. As the military power comes under scrutiny, it will be reduced to asserting that its critics are indifferent to Soviet or Chinese intentions, unacquainted with the most recent intelligence, militarily inexperienced, naive, afraid to look nuclear destruction in the eye. Or it will be said that they are witting or unwitting tools of the Communist conspiracy. Following Secretary Laird's effort on behalf of the ABM (when he deployed from new intelligence an exceptionally alarming generation of Soviet missiles) a special appeal will be made to fear. A bureaucracy under attack is a fortress with thick walls but fixed guns.

VII

It is a cliché, much beloved of those who supply the diplomatic gloss for the military power, that not much can be done to limit the latter—or its budget—so long as "American responsibilities" in the world remain unchanged. And for others it is a persuasive point that to reduce the military budget will require a change in foreign policy.

But these changes have already occurred. In the years following World War II there was a spacious view of the American task in the world. We guarded the borders of the non-Communist world. We prevented subversion there and put down wars of liberation elsewhere. In pursuit of these aims we maintained alliances, deployed forces, provided military aid on every continent. This was the competition of the superpowers. We had no choice but to meet the challenge of that competition.

We have already found that the world so depicted does not exist. Superpowers there are but superpowers cannot much affect the course of life within the countries they presume to see as on their side. In part that was the lesson of Vietnam; annual expenditures of $30 billion, a deployment of more than half a million men, could not much affect the course of development in one small country. In lands as diverse as India, Indonesia, Peru, and the Congo we have found that our ability to affect the development is even less. We have also found, as in the nearby case of Cuba, that a country can go Communist without inflicting any overpowering damage.

What we have not done is accommodate our military policy to this reality. Military aid, bases, conventional force levels, weapons requirements still assume superpower omnipotence. (And the military power still projects this vision of our task.) Our foreign policy has, in fact, changed. It is the Pentagon that hasn't.

VIII

To argue that the military-industrial complex is now vulnerable is not to suggest that it is on its last legs. It spends a vast amount of public money, which insures the support of many (though by no means all) of those who receive it. Many Senators and Congressmen are slow to criticize expenditures in their districts even though for most of their supporters the cost vastly exceeds the gain. (Defense contracts are even more concentrated geographically than by firm. In 1967 three favored states out of fifty—California and New York and Texas—received one-third. Ten states accounted for a full two-thirds. In all but a handful of cases the Congressman or Senator who votes for military spending is voting for the enrichment of people he does not represent at the expense of those who elect him.) And there is the matter of habit and momentum. The military power has been above challenge for so long that to attack still seems politically quixotic. One recalls, however, that it once seemed quixotic to be against the Vietnam war.

Nonetheless control is possible. I come to my final task. It is to offer a political decalogue of what is required. It is as follows:

(*1*) *The goal, all must remember, is to get the military power under firm political control. This means electing a President on this issue next time. This, above all, must be the issue in the next election.*

However, for the next three and a half years, not much can be done about the Presidency. Also if Mr. Nixon does not resist the military power he will follow President Johnson into oblivion—conceivably taking quite a few others with him. This one must suppose he will see. So while all possible moral pressure must be kept on the President, the immediate target is Congress.

(*2*) *Congress will not be impressed by learned declamation on the danger of the military power. There must be organization.* The last election showed the power of that part of the community—the colleges, universities, concerned middle class, businessmen—which was alert to the Vietnam war. Now in every possible Congressional District there must be an organization alert to the military power. Anciently, legislators up for election have pledged themselves to an "adequate national defense," a euphemism for according the Pentagon a blank check. In the next election everyone must be pressed for a promise to resist military programs and press relentlessly for negotiations along lines indicated below. Any Senator or Congressman who does not believe that the Congress should exercise strict supervision over the Pentagon, that the later should be strictly answerable to Congress both for its actions and its expenditures, confesses his indifference to the proper role of the legislative body. He will be better at home.

This effort must not be confined to the North, the Middle West, or West. In the last five years there has been a rapid liberalization of the major college and university centers of the South. Nowhere did McCarthy or Kennedy draw larger and more enthusiastic crowds than in the big Southern universities. Mendel Rivers, Richard Russell, Strom Thurmond, John Tower, and the other sycophants of the military from the South must be made sharply aware of this new constituency—and if possible be retired by it.

(*3*) *The Armed Services Committees of the two houses must obviously be the object of a special effort.* They are now, with the exception of a few members, a rubber stamp for the military power. Some liberals have been reluctant to serve on these fiefs. No effort, including an attack on the seniority

system itself, should be spared to oust the present functionaries and to replace them with acute and independent-minded members. Here too it is important to get grassroots expression from the South.

(4) *The goal is not to make the military power more efficient or more righteously honest. It is to get it under control.* These are very different objectives. The first seeks out excessive profits, high costs, poor technical performance, favoritism, delay, or the other abuses of power. The second is concerned with the power itself. The first is diversionary for it persuades people that something is being done while leaving power and budgets intact.

(5) *This is not an antimilitary crusade. Generals and admirals and soldiers, sailors, and airmen are not the object of attack. The purpose is to return the military establishment to its traditional position in the American political system.* It was never intended to be an unlimited partner in the arms industry. Nor was it meant to be a controlling voice in foreign policy. Any general or admiral who rose to fame before World War II would be surprised and horrified to find that his successors in the profession of arms are now commercial accessories of General Dynamics.

(6) *Whatever its moral case there is no political future in unilateral disarmament.* And the case must not be compromised by wishful assumptions about the Soviets which the Soviets can then destroy. It can safely be assumed that nuclear annihilation is as unpopular with the average Russian as it is with the ordinary American, and that their leaders are not retarded in this respect. But it is wise to assume that within their industrial system, as within ours, there is a military-industrial bureaucracy committed to its own prepetuation and growth. This governs the more precise objectives of control.

(7) *Four broad types of major weapons systems can be recognized.* There are first those that are related directly to the existing balance of power or the balance of terror vis-à-vis the Soviets. The ICBMs and the Polaris submarines are obviously of this sort; in the absence of a decision to disarm unilaterally, restriction or reduction in these weapons requires agreement with the Soviets. There are, secondly, those that may be added within this balance without tipping it drastically one way or the other. They allow each country to destroy the other more completely or redundantly. Beyond a certain number, more ICBMs are of this sort. Thirdly there are those that, in one way or another, tip the balance or seem to do so. They promise, or can be thought to promise, destruction of the second country while allowing the first to escape or largely escape. Inevitably, in the absence of a prospect for agreement, they must provoke response. An ABM, which seems to provide defense while allowing continued offense, is of this sort. So are missiles of such number, weight, and precision as to be able to destroy the second country's weapons without possibility of retaliation.

Finally there are weapons systems and other military construction and gadgetry which add primarily to the prestige of the Armed Services, or which advance the competitive position of an individual branch.

The last three classes of weapons do not add to such security as is provided under the balance of terror.[7] Given the response they provoke, they leave it either unchanged or more dangerous. But all contribute to the growth, employment, and profits of the contractors. All are sought by the Armed Forces. The Army's Sentinel (now Safeguard) Anti-Ballistic Missile system is urged even though it is irrelevant and possibly dangerous as a defense. As Mr. Russell Baker has said, it is based at least partly on the assumption that the Chinese would "live down to our underestimates of their abilities and produce a missile so inferior that even a Sentinel can shoot it down." But it holds a position for the Army in this highly technological warfare. The Air Force wants a new generation of manned bombers, their vulnerability notwithstanding, because an Air Force without such bombers—with the key fighting men sitting silently in underground command posts—is much less interesting. And Boeing, General Dynamics, Lockheed, North American Rockwell, Grumman, and McDonnell Douglas are naturally glad that this is so. The Navy wants nuclear carriers and their complement of aircraft, their vulnerability also notwithstanding, for the same reason.

A prime objective of control is to eliminate from the military budget those things which contribute to the arms race or are irrelevant to the present balance of terror. This includes the second, third, and fourth classes of weapons mentioned above. The ABM and the MIRV (the Multiple Independently-targeted Reentry Vehicle), both of which will spark a new competitive round of a peculiarly uncontrollable sort, as well as manned bombers and nuclear carriers are all of this sort. Perhaps as a simple working goal, some five billions of such items should be eliminated in each of the next three years for a total reduction of fifteen billion.[8]

(8) *The second and more important objective of control is to win agreement with the Soviets on arms control and reduction.* This means, in contrast with present military doctrine, that we accept that the Soviets will bargain in good faith. And we accept also that an imperfect agreement—for none can be watertight—is safer than continuing competition. It means, as a practical matter, that the military role in negotiations must be sharply circumscribed. Military men—prompted by their industrial allies—will always object to any agreement that is not absolute, self-enforcing, and watertight. Under such circumstances arms-control negotiations become, as they have been in recent times, a charade. Instead of halting the arms race they may even have the effect of justifying it. "After all we are trying for agreement with the bastards." The Congress and the people must make the necessity for this control relentlessly clear to the Executive.

(9) *Independent scientific judgment must be mobilized in this effort—as guidance to the political effort, for advice to Congress, and of course, within the Executive itself.* The arms race, in its present form, is a scientific and mathematical rather than a military contest. Those military can no longer barricade themselves behind claims of military expertise or needed secrecy, opposing views must be reliably available.

But decisions on military needs are still made in a self-serving compact between those who buy weapons and those who sell. So the time has come to constitute a special body of highly qualified scientists and citizens to be called, perhaps, the Military Audit Commission. Its function would be to advise the Congress and inform the public on military programs and negotiations. It should be independently, *i.e.* privately, financed. It would be the authoritative voice on weapons systems that add to international tension or competition or serve principally the competitive position and prestige of the Services or the profits of their suppliers. It would have the special function of serving as a watchdog on negotiations to insure that the military power is excluded.

(10) *Control of the military power must be an ecumenical effort.* Obviously no one who regards himself as a liberal can any longer be a communicant of the military power. But the issue is one of equal concern to conservatives—to the conservative who traditionally suspects any major concentration of public power. It is also an issue for every businessman whose taxes are putting a very few of his colleagues on the gravy train. But most of all it is an issue for every citizen who finds the policy images of this bureaucracy—the Manned Orbiting Laboratory preserving the American position when all or most are dead below—more than a trifle depressing.

IX

A few will find the foregoing an unduly optimistic effort. More, I suspect, will find it excessively moderate, even commonplace. It makes no overtures to the withdrawal of scientific and other scholarly talent from the military. It does not encourage a boycott on recruiting by the military contractors. It does not urge the curtailment of university participation in military research. These, there should be no mistake about it, will be necessary if the military power is not brought under control. Nor can there be any very righteous lectures about such action. The military power has reversed constitutional process in the United States—removed power from the public and Congress to the Pentagon. It is in a poor position to urge orderly political process. And the consequences of such a development could be very great—they could amount to an uncontrollable thrust to unilateral disarmament. But my instinct is for action within the political framework. This is not a formula for busy ineffectuality. None can deny the role of those who marched or picketed on Vietnam. But, in the end, it was political action that arrested the escalation and broke the commitment of the bureaucracy to this mistake. Control of the military power is a less easily defined and hence more difficult task. (To keep the military and its allies and spokesmen from queering international ne-

---

[7] Charles L. Schultze, the former Director of the Budget under President Johnson and his associate William M. Capron, neither of them radicals in this matter, have recently observed that "Once we have achieved a minimum deterrent, plus an ample margin of safety and a healthy R&D program to be prepared for the future, it is difficult to conceive of any value the United States could gain from additional 'superiority' in nuclear forces . . . we cannot attain a first-strike capability. And if we can retaliate with devastating force against a Soviet attack, what do we gain by having twice or three times that force? It adds nothing to our diplomatic strength in situations short of nuclear war. It does not add to deterrence—devastation twice over is no greater deterrent than devastation once. We can, to some extent, limit damage to the United States by having the capability, in a retaliatory strike, to target Soviet missiles and bombers withheld in a first strike. But the 'ample margin of safety' described above gives us such a capability already. Excessive superiority, in other words, gains us little of value, costs substantially in budget terms, and almost inevitably forces a Soviet response which eliminates the superiority temporarily gained." Unpublished memorandum. A valuable recent document on this whole subject is George W. Rathjens' *The Future of the Strategic Arms Race* (Carnegie Endowment for International Peace, 1969).

[8] I would urge leaving the space race out of this effort. The gadgetry involved is not uniquely lethal; on the contrary it channels competition with the Soviets, if such there must be, into comparatively benign channels. It has so far been comparatively safe for the participants—strikingly so as compared with early efforts at manned flight in the atmosphere and across the oceans. One observes, between ourselves and the Soviets, a gentlemanly obligation to admire each other's accomplishments which, on the whole, compares favorably with similar manifestations at the Olympic games or involving music and the ballet.

gotiations will be especially difficult.) But if sharply focused knowledge can be brought to bear on both weapons procurement and negotiation; if citizen attitudes can be kept politically effective by the conviction that this is the political issue of our time; if there is effective organization; if in consequence a couple of hundred or even a hundred members of Congress can be kept in a vigilant, critical, and aroused mood; and if for the President this becomes visibly the difference between success and failure, survival and eventual defeat, then the military-industrial complex will be under control. It can be made to happen.

HONOR GUARD SERGEANT IS ORDERED TO VIETNAM

Mr. COOK. Mr. President, symptomatic of the arrogance and irresponsibility of some of those in our miltary services pointed out in Galbraith's article, is an experience Senator COOPER and I had only yesterday. We noticed in the Evening Star an article by Robert Walters, one of the Star's staff writers, concerning a report that a young Kentuckian, Sgt. Michael Sanders, had been assigned to Vietnam as a result of expressing his views publicly in opposition to our military intervention in Vietnam. I ask unanimous consent that this article appear in the RECORD, at this point.

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

HONOR GUARD SERGEANT IS ORDERED TO VIETNAM

(By Robert Walters)

A member of the Army's most elite unit—the honor guard at the Tomb of the Unknown Soldier—has been abruptly ordered to Vietnam combat duty following the interview in which he offered criticism of U.S. military involvement in Southeast Asia.

The reassignment is highly unusual because members of the spit-and-polish ceremonial unit based at Ft. Myer are almost never transferred during an enlistment period if they meet the rigorous requirements for service in the "honor company" which represents the Army at all major military and state functions.

The case of Sgt. Michael Sanders, 22, who is being sent to Vietnam at the end of this week, is even more noteworthy because he:

Was selected as one of the military escorts for Mrs. Mamie Eisenhower during the state funeral this year for her husband, President Dwight D. Eisenhower.

Has served in the White House color guard and was, until his reassignment, one of the three sergeants in charge of the specially selected unit of 15 men who stand guard around the clock at the Tomb of the Unknown Soldier at Arlington National Cemetery.

Has only eight months remaining in his military obligation. The standard tour of duty for men assigned to Vietnam is at least one year, and soldiers are seldom sent to Southeast Asia if they have less than that amount of service time remaining.

Claims that the inquiry leading to his transfer was initiated at the highest military level, the office of Gen. William C. Westmoreland, chairman of the Joint Chiefs of Staff.

The Army has refused comment on the case, but Sanders, who lives at 2303 Georgian Way in Wheaton, is willing to fully discuss his side of the issue.

A native of Owenton, Ky., and a permament resident of Lexington, Ky., he enrolled at the University of Kentucky in the hope of becoming a doctor, but left college in January 1967 after his junior year was completed, because he was persuaded to enlist in the Army by two recruiting officers who visited the campus.

He signed up with the Army medical internship program, but gave that up after learning that he would have to spend a year in the service for each year of Army medical schooling he received.

Before leaving the medical program, however, he was designated the outstanding trainee of his battalion and received the American Spirit Honor Medal from the Association of the Army, Navy and Air Force. Among the traits listed in that citation was loyalty to the service.

REJECTS OCS CHANCE

Sanders turned down an opportunity to attend Officers Candidate School and requested reassignment to the 1st Battalion, 3rd Infantry—the Army's famed "Old Guard" stationed at Ft. Myer.

Organized in 1784, the "Old Guard" is a precision unit which serves as a personal escort to the President, honors foreign dignitaries visiting Washington and participates in numerous ceremonial activities.

Sanders was assigned for a three-month trial period to the unit's most elite company—Company E, also known as the "honor company." He was assigned to the company's first platoon, which includes the Army's official color guard and drill team.

The most valued assignment within the "Old Guard" is with the 15-man unit which stands guard around the clock at the Tomb of the Unkown Soldier. In November 1967, Sanders won a spot with the unit.

In August 1968, he became one of the three sergeants assigned to supervise the 12 men who guard the tomb and a month later, became the ranking sergeant.

RANKING SERGEANT

During the state funeral for Eisenhower, Sanders was selected to escort Mrs. Eisenhower from her limousine to the steps of the Capitol, then back to her car on the day the casket was taken to the Rotunda to lie in state.

In early February, prior to the Eisenhower funeral, the Louisville Courier-Journal asked military authorities if it could interview Sanders for a "hometown boy" feature story.

The story appeared in the paper Feb. 9. In the middle of that account, Sanders was quoted as saying:

"It's unfortunate that when people see me here on duty they will associate me with the Vietnam thing. I am very much opposed to our Vietnam involvement and I think so is practically every one else on duty here."

OTHER GUARDS REACT

The story said Sanders was interviewed in the tomb guards' underground quarters at the cemetery, and that when he made the statement, other soldiers looked up from their uniform-pressing and shoe-shining to wink at him or throw a two-fingered "V" sign of the peace movement toward him.

The story noted that Sanders carefully added: "My duty is here, and I consider myself a representative of the American people, paying tribute to the unknown soldiers of World Wars I and II and Korea. I don't see any conflict at all in that."

There was no immediate response to the article from the Army, and Sanders went on leave during the first week of March because his wife, Maryanne, was expected to give birth to her first child. While on leave, he said, a friend from the Army unit called to warn him: "They've got the article and they're really mad."

Sanders said he called his immediate superior and was told to report directly to the company commander when he returned to duty on March 26. In that conversation, the company commander notified Sanders that he was being shipped to Vietnam, the soldier said.

"He apologized and said he wanted me to know that nobody in the battalion cut the orders for me to go to Vietnam. I said the orders must have come from the Pentagon, but he remained silent," Sanders said.

Sanders said the company commander said the battalion commander had been contacted by Westmoreland and asked for a full explanation of the quote in the newspaper article, which Sanders says is accurate.

The company commander said he had been told to submit a report in the form of a letter to the battalion commander, Sanders said. He answered affirmatively when asked if he opposed the war in Vietnam, but replied negatively when asked if he was a pacifist, a description used by the writer of the Louisville article.

Sanders said he told his company commander he did not consider the Army uniform a disgrace, but in an interview yesterday he said: "Sometimes I do, but I didn't tell him that."

He worked through the end of March, then reported to Ft. Meade, Md., for a week of rifle and jungle training in preparation for the Vietnam assignment. Sanders' new orders, dated March 17, call for him to report to Oakland, Calif., a major point of embarkation for Vietnam-bound troops, at noon Saturday.

In the almost two years he has been with the "honor company," Sanders said, no other man assigned to the unit has been transferred, with the exception of one soldier reassigned to Germany after one month—before he completed the training period.

Sanders said he is willing to serve in Vietnam, but he is also looking for a lawyer to press his case because "even if it's too late to help me, it'll help other guys later on."

Mr. COOK. Now, I fully admit that I am in no position to verify the allegations of this story at this time. But certainly an explanation is required, and Senator COOPER and I sought one in a joint telegram which we sent to Army Secretary Resor yesterday afternoon. The text of that telegram was as follows:

We have just read the story in today's Evening Star, May 22, about Sergeant Michael Sanders. It appears from the story that Sergeant Sanders, who has an outstanding record during his service in the Army, has been ordered to report to Oakland, California on Saturday, May 24, for assignment to Vietnam. The reasons attributed by the story for his assignment to Vietnam, eight months before the completion of his service, is that he was reported to have made a statement criticizing the United States military involvement in Vietnam. If this is correct, we view his assignment as a punishment not in accord with the rules of military justice and certainly against the declared policy of the Department of Defense. We think this is wrong. If such an order of assignment has been made, we request its immediate suspension until the facts have been ascertained by your order and by proper procedure and a public report is made. We would appreciate an immediate response.

In addition, we called Secretary Resor on the telephone and repeated our request for a public explanation. He informed us that he would put a hold on the boy's case pending the review we had requested.

If Sergeant Michael Sanders' allegations are true—and I repeat, if they are true—then this is a crushing indictment of a military procedure amounting to extreme vindictiveness. Briefly, according to the article, here are the pertinent facts: Sanders, first, was selected as one of the military escorts for Mrs. Mamie Eisenhower during the state funeral this year for her husband, President Dwight

D. Eisenhower; second, has served in the White House Color Guard and was, until his reassignment, one of the three sergeants in charge of the specially selected unit of 15 men who stand guard around the clock at the Tomb of the Unknown Soldier at Arlington National Cemetery; third, has only 8 months remaining in his military obligation. The standard tour of duty for men assigned to Vietnam is at least 1 year. And soldiers are seldom sent to Southeast Asia if they have less than that amount of service time remaining; and fourth, claims that the inquiry leading to his transfer was initiated at the highest military level, the office of Gen. William C. Westmoreland, Chairman of the Joint Chiefs of Staff.

I bring this experience to the attention of my colleagues knowing full well that a satisfactory explanation may be forthcoming. However, the possibility that such a sequence of events could lead to punitive reassignment to Vietnam is repugnant to every fair-minded American. Surely, one does not, or should not, in a free and democratic society, waive all of his first amendment freedoms when he enlists in our armed services. Surely, one does not, or should not, forego his right to express his political opinion about official justification for Americans fighting in a war not declared by Congress. These are some of the matters which I raise today for the consideration of my colleagues because I am becoming more and more convinced that our attitudes about the military and its role in our society, acquired since World War II, must be reexamined.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. CHURCH. I wish to commend the Senator for the initiative he has taken. Last night, when I heard the account on the radio that Sergeant Sanders, assigned to the Honor Guard, here in Washington, had been reassigned to Vietnam, after expressing his own opinion critical of our involvement in that country, it came to me as a shocking disclosure.

If the account is true, then it certainly bears the investigation the Senator and his colleague from Kentucky (Mr. COOPER) have initiated. I commend him for the action he has taken. I want to associate myself with his remarks.

Mr. COOK. I wish to thank the Senator and add that these remarks are made without knowledge of Sergeant Sanders. As a matter of fact, he has never contacted my office in any way, shape, or form.

Mr. CHURCH. May I add that if the report is true, then, in my judgment, Sergeant Sanders is a better American than the high-ranking officer in the Pentagon who assigned him to Vietnam as punishment for expressing his own honest convictions in the matter of the war.

Mr. COOK. I thank the Senator.

FADING PROSPECTS FOR MEANINGFUL ARMS TALKS

Mr. CHURCH. Mr. President, Marquis Childs, writing in this morning's edition of the Washington Post, describes the dangers inherent in the belligerent statements which continue to be issued by the Secretary of Defense and other Pentagon officials on the proposed anti-ballistic-missile system. Mr. Childs is especially concerned about the adverse impact these statements are having on the long-heralded arms talks with the Soviet Union.

As Mr. Childs notes:

All of the speeches and statements by Laird, Dr. John S. Foster, Jr., director of defense research and engineering, and others carrying the torch for ABM are avidly read in the Kremlin. It is hardly necessary to add that they serve the cause of the hardliners who, it is safe to conjecture, argue that it is useless to try to come to any agreement with the warmongering imperialists in Washington.

Putting the shoe on the other foot, Mr. Childs continues:

Imagine Marshall Andrei A. Grechko, Soviet Defense Minister, writing in *Pravda* or trumpeting in a speech on Armed Forces Day that the United States was accelerating the buildup in both offensive and defensive nuclear weapons. And what for? Why, to knock out the Soviet's retaliatory capability, with America triumphant in a first strike and the Soviet Union forever crippled, if not destroyed.

Mr. Childs continued:

The consequences for any future arms talks would be pretty serious. How can we ever deal with people like that who charge us with such dastardly intentions? The arguments that the Laird blasts do not matter, since there is no public opinion in the Soviet Union, is fallacious. A kind of opinion at the very highest level is subject to the news from everywhere and particularly from the other nuclear giant across the divide.

Mr. President, the point made by Mr. Childs is sound. Slowly, but surely, what may be the last chance to head off what could be the ultimate round in the arms race is slipping by.

I recommend Mr. Childs' column to all Senators, and I ask unanimous consent that it be printed in the RECORD at this point.

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

PROSPECTS FOR ARMS TALKS SEEM TO BE LOSING GROUND

(By Marquis Childs)

Not long before he left on his Asian trip, Secretary of State William P. Rogers met with Soviet Ambassador Anatoliy F. Dobrynin. Rogers wanted to reaffirm to Dobrynin what he had said publicly—that the United States would be prepared to enter into arms negotiations with the Soviet Union in the late spring or early summer.

Reporting the discussion to colleagues, Rogers stressed Dobrynin's concern over delay in the long-heralded talks. He quoted the Soviet Ambassador as saying with the wry humor that is one of his characteristics: "You are sure you don't mean Indian summers?"

It now appears there will be a delay in the start of the effort to checkmate another sharp upward spiral in the nuclear arms race. What in bureaucratese is called "slippage" has taken place. From White House sources comes word it may be August before the American side bears out this pessimistic estimate.

As the days slip by, the fear grows that a last chance to head off another and perhaps the ultimate round in the race will be lost. Two reasons underscore this fear. One is evidence of a hardening attitude in Moscow. The military appear to have increasing weight in the Kremlin.

The second fear is of an accident that suddenly in flaring headlines puts an end to all hopes of talks. The U–2 spy plane shot down in 1960 wrote finish to the attempt of President Eisenhower to abate the cold war and arrive at competitive coexistence with the Soviets. The Russian invasion of Czechoslovakia last August cut across the carefully laid plans of President Johnson to begin arms talks. An accident would all too obviously suit those who in private oppose arms limitation.

If any single factor has damped the prospect for areas talks it is the decision of the Nixon Administration to start deployment of anti-ballistic missiles to safeguard intercontinental missiles. This is not so much because it will mean any significant change in the strategic balance between the two nuclear giants, but because of the loud propaganda coming from Secretary of Defense Melvin R. Laird and other defense officials to convince Congress the Soviets are preparing a first-strike capability to cripple the United States.

No walls of silence, such as can be imposed by an authoritarian system, surround the United States to keep the angry ABM debate within the American family. All of the speeches and statements by Laird, Dr. John S. Foster Jr., director of defense research and engineering, and others carrying the torch for ABM are avidly read in the Kremlin. It is hardly necessary to add that they serve the cause of the hardliners who, it is a safe conjecture, argue that it is useless to try to come to any agreement with the warmongering imperialists in Washington. A recent visitor from the Soviet Union put this question:

"What if Grechko was saying the things Laird is saying?"

Imagine Marshal Andrei A. Grechko, Soviet Defense Minister, writing in Pravda or trumpeting in a speech on Armed Forces Day that the United States was accelerating the buildup in both offensive and defensive nuclear weapons. And what for? Why, to knock out the Soviet's retaliatory capability, with America triumphant in a first strike and the Soviet Union forever crippled, if not destroyed.

The consequences for any future arms talks would be pretty serious. How can we ever deal with people like that who charge us with such dastardly intentions? The argument that the Laird blasts do not matter, since there is no public opinion in the Soviet Union, is fallacious. A kind of opinion at the very highest level is subject to the news from everywhere and particularly from the other nuclear giant across the great divide.

The director of the Arms Control and Disarmament Agency, Gerard C. Smith, will be the principal negotiator in the first round when—and at this point caution dictates an if—it begins. Smith is determined that the talks will succeed. While they may not bring a reduction in nuclear arms, at a minimum they should checkmate a new spiral. The disarmament agency is hopefully setting a date between July 15 and August 1 for the start of the talks. Since spring ends on June 20, July 15 would still be within Secretary Rogers' pledged timing.

No one questions Smith's dedication and sincerity. But he faces many handicaps within the Administration. A month ago the word was put out that he would have a strong, capable deputy. An approach was made to William H. Sullivan, former Ambassador to Laos and one of the ablest Foreign Service officers. Subsequently, Sullivan was named Deputy Secretary for the Far East, with emphasis on the Vietnam task force, which may say something about priorities. No deputy has been named.

Why are the forces in the inner council cold, hot and lukewarm on the arms talks? What is the reason for the slippage? This will be examined in a following column.

SENATE JOINT RESOLUTION 112—INTRODUCTION OF JOINT RESOLUTION TO AMEND SECTION 19(e) OF THE SECURITIES EXCHANGE ACT OF 1934

Mr. SPARKMAN. Mr. President, I introduce, for myself, the senior Senator from Utah (Mr. BENNETT), and the junior Senator from New Jersey (Mr. WILLIAMS), a joint resolution to amend section 19(e) of the Securities Exchange Act of 1934, and I request that the joint resolution be appropriately referred. In addition, I ask unanimous consent that the joint resolution be printed in full in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD, in accordance with the Senator's request.

The joint resolution (S.J. Res. 112) to amend section 19(e) of the Securities Exchange Act of 1934, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S.J. RES. 112

Whereas additional time is required for the Securities and Exchange Commission to complete its study, and file a report with respect thereto, pursuant to section 19(e) of the Securities Exchange Act of 1934; and

Whereas the actual amount to be expended by the Commission in making such study and report will not exceed the original authorization of $875,000; and

Whereas an increase of $70,000 in such authorization is required because of the sums heretofore appropriated pursuant to such authorization $70,000 will be returned unexpended to the Treasury as of June 30, 1969: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78s(e)) is amended—

(1) by striking out in paragraph (1) "September 1, 1969" and inserting in lieu thereof "September 1, 1970"; and

(2) by striking out in paragraph (4) "$875,000" and inserting in lieu thereof "$945,000".

Mr. SPARKMAN. Mr. President, the purpose of this joint resolution is to extend, by 1 year, the time in which the Securities and Exchange Commission is to make an institutional study of certain features of our securities markets. In addition, the resolution would provide that the funds authorized for this study would be continued at the same level that they were originally authorized.

APOLLO 10

Mr. SPARKMAN. Mr. President, last Sunday it was my privilege and pleasure to be at Cape Kennedy when Apollo 10 was launched. It was a thrilling experience.

We who live at Huntsville, Ala., take unusual pride in recalling that the world's most powerful vehicle which hurled the astronauts into space on their way to the moon was dreamed up, designed, built, tested in the beginning stages at Redstone Arsenal and Marshall Space Flight Center at Huntsville, Ala.

B. J. Richey, a very competent reporter on space and scientific activities for the Huntsville Times, was at Cape Kennedy and wrote a very interesting article regarding the launching which was published in the Huntsville Times on May 19. Believing that the Senators will find this article interesting and informative, I am asking unanimous consent to have printed in the RECORD the article entitled "MSFC's Baby Gets Better With Each Shot Skyward," written by B. J. Richey and published in the Huntsville Times of May 19, 1969.

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

MSFC's BABY GETS BETTER WITH EACH SHOT SKYWARD

(By B. J. Richey)

CAPE KENNEDY.—The rocket that boosts astronauts into a path to the moon makes the girls cry, the men curse and Dr. Werner von Braun cheer.

The Saturn 5 moon rocket is almost as tall as the Washington Monument, weighs more than a small warship and with its five million parts is a technological marvel.

Getting all those parts pumping and pushing perfectly at once is astounding—and so difficult some people have wondered if the moon rocket would ever fly.

But fly it does. And on time at that.

There is no doubt, the monster rocket is an incredible machine.

Sunday's launch—the fifth for the vehicle—was 569 millionths of a second late.

In fact, all of the Saturn 5's have gone off the pad less than one second late.

Dr. Von Braun, Marshall Space Flight Center director in Huntsville, says the day is fast approaching when climbing aboard rockets will be as safe as getting aboard a jet-liner.

"I have more confidence in this flight than any other so far," Von Braun said the night before launch.

Watching the fiery behemoth rise majestically off its concrete and steel pedestal is an emotional sight.

Von Braun's Alabama rocket team designed the Saturn 5 booster and it was first flown in November, 1967, prompting the German missileman to yell "Go, baby, go."

Pretty secretaries watched the proceeding with tears rolling down their cheeks and the male spectators shouted obscenities as the 36-story-tall rocket climbed upward.

Sunday's performance was just like a summer rerun.

Out of the five Saturn 5 launches, there were some problems though. During its second flight, the three-stage rocket lost two engines in its second stage and its third stage engine failed to restart, an exercise that is essential to going to the moon.

But these problems are three flights behind now and the big machine appears to have all its surprises played out.

Von Braun credits the almost unbelievable on-time launches to what he calls "management discipline." Before each shot, the rocket goes through a practice countdown, right up to the point of firing up its five engines. Usually there are a number of questions raised about the rocket and its spacecraft.

But once officials thrash these problems out, the real countdown starting six days before launch rolls along smoothly.

In the days before the Saturn 5, the Von Braun team built and flew 15 smaller Saturn rockets, running up a record now of 20 straight successful flights.

America's moon rocket is the largest booster ever launched, but Von Braun firmly believes the Russians now have one in the works with twice the thrust and twice the size. The Saturn 5 has the equivalent of 160 million horsepower.

One space agency official said the ease with which the launch crews here prepare the big rocket for flight makes it "look like an obsolete vehicle" already.

S. 2237—INTRODUCTION OF A BILL TO PROVIDE THAT A FAMILY SEPARATION ALLOWANCE SHALL BE PAID TO ANY MEMBER OF A UNIFORMED SERVICE ASSIGNED TO GOVERNMENT QUARTERS PROVIDING HE IS OTHERWISE ENTITLED TO SUCH SEPARATION ALLOWANCE

Mr. BELLMON. Mr. President, on behalf of the junior Senator from Kansas (Mr. DOLE), and at his request, I introduce a bill to provide that a family separation allowance be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance.

Mr. President, I am introducing this bill at the request of the junior Senator from Kansas because he is unavoidably absent from the Senate today.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2237), to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance, introduced by Mr. BELLMON for Mr. DOLE, was received, read twice by its title, and referred to the Committee on Armed Services.

NEED FOR EARLY AGREEMENT ON A SEABED ARMS CONTROL ARRANGEMENT

Mr. PELL. Mr. President, on March 25 of this year, I drew the attention of my colleagues to the reopening of the 18-Nation Disarmament Conference, and I pointed out that prospects for early agreement on a seabed arms control arrangement were encouraging. With both the United States and the Soviet Union declaring their intent that the seabed and ocean floor should not become the spawning ground for a new generation of mass destruction weaponry, the members of the ENDC began to focus immediately on the complexities of this issue. For its part, the Soviet Union put forth a draft treaty on March 18, and 7 days later the United States responded on three of the four major points contained in that proposal.

Today, Mr. President, I am pleased to report that another major step forward has been taken toward arriving at a

meaningful seabed arms prohibition. Yesterday in Geneva, Ambassador Fisher, the U.S. representative in the 18-Nation Disarmament Conference, tabled a draft seabed arms control treaty which brings sharply into focus the real issues involved in this intricate and complex problem. I ask unanimous consent that the preamble and substantive provisions of the U.S. draft treaty be inserted at this point in the RECORD.

The PRESIDING OFFICER (Mr. ALLEN in the chair). Without objection it is so ordered.

The material was ordered to be printed in the RECORD, as follows:

DRAFT TREATY PROHIBITING THE EMPLACEMENT OF NUCLEAR WEAPONS AND OTHER WEAPONS OF MASS DESTRUCTION ON THE SEABED AND OCEAN FLOOR

The States Parties to this Treaty,

Recognizing the common interest of all mankind in the progress of the exploration and use of the seabed and ocean floor for peaceful purposes,

Considering that the prevention of a nuclear arms race on the seabed and ocean floor serves the interests of maintaining world peace, reduces international tensions, and strengthens friendly relations among States,

Convinced that this Treaty will further the principles and purposes of the Charter of the United Nations, in a manner consistent with the principles of international law and without infringing the freedoms of the high seas,

Have Agreed as Follows:

ARTICLE I

1. Each State Party to this Treaty undertakes not to emplant or emplace fixed nuclear weapons or other weapons of mass destruction or associated fixed launching platforms on within or beneath the seabed and ocean floor beyond a narrow band, as defined in Article II of this Treaty, adjacent to the coast of any State.

2. Each State Party to the Treaty undertakes to refrain from causing, encouraging, facilitating or in any way participating in the activities prohibited by this Article.

ARTICLE II

1. For purposes of this Treaty, the outer limit of the narrow band referred to in Article I shall be measured from baselines drawn in the manner specified in paragraph 2, hereof. The width of the narrow band shall be three (3) miles.

2. Blank (Baselines).

3. Nothing in this Treaty shall be interpreted as prejudicing the position of any State Party with respect to rights or claims which such State Party may assert, or with respect to recognition or non-recognition of rights or claims asserted by any other state, relating to territorial or other contiguous seas or to the seabed and ocean floor.

ARTICLE III

1. In order to promote the objectives and ensure the observance of the provisions of this Treaty, the Parties to the Treaty shall remain free to observe activities of other States on the seabed and ocean floor, without interfering with such activities or otherwise infringing rights recognized under international law including the freedoms of the high seas. In the event that such observation does not in any particular case suffice to eliminate questions regarding fulfillment of the provisions of this treaty, parties undertake to consult and to cooperate in endeavoring to resolve the questions.

2. At the review conference provided for in Article V, consideration shall be given to whether any additional rights or procedures of verification should be established by amendment to this treaty.

ARTICLE IV

Any State Party to the Treaty may propose amendments to this Treaty. Amendments shall enter into force for each State Party to the Treaty accepting the amendments upon their acceptance by a majority of the States Parties to the Treaty and thereafter for each remaining State Party on the date of acceptance by it.

ARTICLE V

Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realized. Such review shall take into account any relevant technological developments. The review conference shall determine in accordance with the views of a majority of those Parties attending whether and when an additional review conference shall be convened.

ARTICLE VI

Each Party shall in exercising its national sovereignty have the right to withdraw from this Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its Country. It shall give notice of such withdrawal to all other Parties to the Treaty and to the United Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it regards as having jeopardized its supreme interests.

Mr. PELL. Mr. President, as my colleagues will note, the U.S. proposal prohibits the emplacement of mass destruction weaponry on, within, or beneath the seabed beyond a 3-mile maritime band, which is established exclusively for the purposes of this treaty. In addition, there is provision for verification, but in accordance with the Geneva Convention on the High Seas. Consultation on verification is also provided for. Moreover, and of particular significance in terms of future undersea technological developments, article V stipulates that after the treaty has been in force for 5 years, the parties to the treaty shall meet in Geneva to review these developments and to determine whether amendments are needed in order to maintain the treaty's original purpose and intent.

Mr President, having devoted much of my own time and effort over the past several years to the establishment of a legal regime for the oceans and to the formulation of a seabed arms control agreement, I do believe that the administration's proposal marks a very significant beginning, one which, I think, will be particularly helpful to the other members of the ENDC as they continue to formulate in their minds what the contents of such a treaty should be in order to guarantee that the seabed and ocean floor be used exclusively for peaceful purposes.

As chairman of the Subcommittee on Ocean Space of the Foreign Relations Committee, I assure my colleagues that the subcommittee will keep close watch over the negotiations in Geneva. I myself am very hopeful that during the next session of the ENDC the major differences between the United States and Soviet proposals can be ironed out in a manner reflective of the true interests and desires of the international community as a whole.

DIPLOMATIC RELATIONS WITH THE MONGOLIAN PEOPLES' REPUBLIC

Mr. PELL. Mr. President, for several years, the United States has had under consideration the question of establishing diplomatic relations with the Mongolian Peoples' Republic. We have reportedly not done so because the war in Vietnam has made Mongolian authorities reluctant so to act and because the Government of Nationalist China has apparently expressed to us strong opposition to the idea.

Yet, from the viewpoint of our national interest, I believe it would be greatly to our advantage to have such a diplomatic mission and listening post in this country, the only one that lies between and is bounded only by the Soviet Union and mainland China.

Officially, from 1945 to 1961, the United States questioned whether the Mongolian Peoples' Republic was in fact a sovereign state. During the first 10 years of this period, Mongolia had diplomatic relations only with the Soviet Union and other Communist countries. But beginning in the mid-1950's, relations with non-Communist countries were established, and today Mongolia has diplomatic relations with 39 countries.

Twenty-six of these countries are non-Communist. The first non-Communist country to establish relations with Mongolia was India in 1955, and the first non-Communist European state was the United Kingdom in 1963. Canada established relations with Mongolia in 1964.

In mid-1961 the United States explored the possibility of establishing relations with Mongolia. Talks were held in Moscow with the Mongolian Ambassador. However, nothing came of these conversations, reportedly because we dropped the idea as a result of opposition on the part of Nationalist China.

It seems to me that the time has now come to renew these talks with Mongolian authorities. Now that the United States is no longer bombing North Vietnam, one of Mongolia's fellow Socialist states, one political obstacle to the establishment of diplomatic relations has been removed. I read with interest Harrison Salisbury's interview in the New York Times of Wednesday, May 21, with the Premier of Mongolia. Mr. Harrison asked:

What are the prospects for the developments of relations between the United States and the Mongolian People's Republic?

The Premier replied:

As you know, in 1961 on the initiative of the American side, the question of establishing diplomatic relations between our two governments was discussed. At that time we expressed our positive approach to this question, but the United States halted the conversations, referring to certain developments in the international situation. The Government of the M.P.R., as always, stands for de-

velopment of normal relations among states with different social political systems on the basis of the principle of peaceful coexistence.

For our part, I would think it important to have some contact with this country which lies between mainland China and the Soviet Union and which has ties with both. Since 1961 Mongolia has been a member of the United Nations and has joined a number of U.N.-affiliated organizations, including the Economic Commission for Asia and the Far East, UNESCO and the World Health Organization. Mongolia is thus an active member of the international community. I see no reason why we should not give our own de jure recognition to that fact, nor do I see any reason why the United States should not have "normal relations" with another state which wishes to have such relations with us.

I ask unanimous consent that the full text of the article by Mr. Salisbury, including the interview excerpts, which appeared in the New York Times on May 21, be printed in the RECORD.

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

MONGOLIAN, IN INTERVIEW, VOICES FEAR FOR ASIAN PEACE

(By Harrison E. Salisbury)

ULAN BATOR, MONGOLIA, May 19.—Premier Yumzhagiin Tsedenbal has expressed deep concern over the maintenance of peace in Asia, particularly in view of the continuance of the war in Vietnam, tensions over Korea and the Soviet-Chinese conflict.

Mr. Tsedenbal, who has headed Mongolia for 17 years, made his remarks in one of his rare personal interviews. He gave prepared answers to a series of questions and then, in a lengthy conversation, outlined in some detail his views on the Soviet-Chinese dispute. The Premier granted the interview on the eve of a state visit by President Nikolai V. Podgorny of the Soviet Union, whose swing to North Korea and Mongolia was believed to be connected with tensions in Korea and along China's frontiers.

The Mongolian leader took the view that Soviet-Chinese border clashes on the Ussuri River in March were the total responsibility of the Chinese.

CLASHES HELD DELIBERATE

He emphatically rejected the theory that the fighting could have occurred because of trigger-happy Chinese frontier guards. It was, in his opinion, organized and ordered from above—at a high level in the Chinese Government—and was a deliberate act of aggression. To his mind it simply fitted a pattern of steadily heightening chauvinistic acts flowing from Mao Tse-tung, the Chinese leader himself.

Mr. Tsedenbal said that China had attempted by every means to split Mongolia from the Soviet Union. But the Soviet-Mongolian association, he said, has endured 50 years and Mr. Mao's efforts will not be successful.

The premier said Mongolia with the aid of the Soviet Union had demonstrated her ability to defend her frontiers. Before World War II, he recalled, Japanese forces were stationed in Manchuria only a few hundred miles from the Ulan Bator. Later hostile forces of the Chinese Nationalists were strung out along the Mongolian frontier. But with Soviet aid, Mongolia managed to beat off all challenges and is prepared to do so again, he said.

The Mongolian Premier characterized Mr. Mao as a "great-power chauvinist" and said he felt the Chinese leader had lost all connection with Marxist-Leninist principles and traditions.

"Clashes such as those on the Ussuri are impossible between genuine Marxist-Leninists," Mr. Tsedenbal said. "There is nothing in common between Mao's policies and those of a genuine socialist state."

The Mongolian has had many dealings with Mr. Mao and said he saw no hope of change in China's policies so long as the present Chinese leader remained in power.

Mr. Tsedenbal spoke with sarcasm of a Maoist charge that Mongolia was both a "Soviet puppet" and an "American pawn."

"This shows how far things have gone," he said.

The Premier did not discuss China in his prepared responses, except for a peripheral reference to mongol minorities in China. He expressed the hope that they would be accorded the same rights that Mongols in Mongolia and in the Soviet Union received.

The Premier's concern over Vietnam was expressed both in his formal response to questions and in conversation. He said he supported the peace program offered by the Vietcong in the Paris talks and considered it a basis for serious negotiation.

Mr. Tsedenbal said he was also concerned about Korean tensions and he accused the United States of "provocative" actions in its intelligence-gathering flights off the North Korean coast.

Although the Premier spoke critically of United States foreign policy in Vietnam and Korea, he emphasized Mongolia's dedication to the principle of diplomatic, cultural and economic relations with Western countries and specifically the United States.

Any progress on the question of diplomatic relations, he said, is up to the United States. Mongolia has been prepared since the first contacts on the subject in 1961 to go forward to normal diplomatic relations, he said.

The Mongolian recalled with warmth his visit to the United States in 1967 at the time of the conference of Premier Aleksei N. Kosygin of the Soviet Union and President Lyndon B. Johnson at Glassboro, N.J.

Premier Tsedenbal said he had a pleasant chat with Mr. Johnson at that time and he remembered with enthusiasm his vist to Niagara Falls.

Domestically, the most critical Mongolian problems are in agriculture, he said, particularly in measures to protect livestock against heavy losses in winter.

Mongolia lost two million head of livestock last winter and another two million the previous winter. These losses are from a herd of 22 to 23 million head.

Soil erosion from new plowed grain areas is also a problem, but Mr. Tsedenbal said he was confident of resolving it.

INTERVIEW EXCERPTS

Following are excerpts from the interview with Premier Tsedenbal:

"Q. What are the prospects for the development of relations between the United States and the Mongolian People's Republic?

"A. As you know, in 1961 on the initiative of the American side, the question of establishing diplomatic relations between our two governments was discussed. At that time we expressed our positive approach to this question, but the United States halted the conversations, referring to certain developments in the international situation. The Government of the M.P.R., as always, stands for development of normal relations among states with different social political systems on the basis of the principle of peaceful coexistence.

"Q. What is Mongolia's view of the current international situation, in particular in Asia?

"A. As a result of aggressive policies of imperialist forces in different parts of the world, tension continues to exist, causing serious concern for all peace-loving nations. This is borne out by the aggressive war of the United States in Vietnam and the dangerous situation in the Middle East.

"Convinced of the necessity to solve disputes peacefully through negotiations, we in Mongolia watch with attention the four-sided talks on Vietnam taking place in Paris. The Mongolian people and Government are convinced that in order to settle the Vietnam problem the first thing that must be done is the stopping of the aggressive war of the United States in Southeast Asia, withdrawal of its troops and military personnel and arms from South Vietnam, and the granting to the Vietnamese people the opportunity to determine their destiny independently. The Government of the M.P.R. supports the new proposal of the National Liberation Front of South Vietnam.

"As to the crisis in the Middle East, we firmly stick to the view that it must be settled in accordance with the United Nations resolution of Nov. 22, 1967, on the basis of withdrawal of Israeli troops from occupied Arab territory.

"In these days the peoples of the world watch with concern the situation created in the Far East in connection with the concentration of American naval and air forces off the shores of Korea and the continuing provocative actions by the American military against the Korean Democratic People's Republic.

"Public opinion in Mongolia resolutely demands that the U.S.A. should stop the dangerous provocations aggravating tensions in this area.

"Q. What is the future of Mongols living in Mongolia, in the Soviet Union and in China?

"A. To my mind it is hard to find a state in the world whose population will be uniform regarding national origin or status. As is known Communists have the fairest approach to the solution of the national problem. They are guided by the principles of equality, mutual respect, friendship and cooperation of different peoples and national minorities. These principles are fully realized in Mongolia as in the Soviet Union. We have always supported the idea that all nationalities in all states, whether in China, the U.S.A. or another country, live in friendship and complete equality without humiliation, discrimination or exploitation.

"Q. What are the recent achievements and prospects of development of Mongolian industry and agriculture as well as education, science and culture?

"A. With every new year, the Mongolian people gain new successes in development of the national economy and culture, in the improvement of its standard of living. Our industry develops persistently its role and importance in the economy of the country. Backed by the cooperation and aid of the Soviet Union and other socialist states we built tens of new industrial enterprises in recent years and started construction of new industrial centers.

"A. Industry accounts for 30 per cent of the gross national product and its share in joint agricultural-industrial production is greater than 50 per cent. We shall further develop fuel and energy, metal processing, light and food industries, construction materials and other branches of industry.

"Much work was done to strengthen the material basis of agriculture, in particular in the mechanization of preparing fodder for livestock, watering of tens of millions of hectares of pasture, construction of sheds for livestock, and so on. Mongolia now fully provides herself with grain and flour.

"We have a compulsory seven-year pro-

gram of education. We have 165 students for every 10,000 people, one physician for every 600 people.

"Q. Is there any possibility of expansion of trade and cultural ties of Mongolia, especially with the United States?

"A. With every new year, our trade and cultural relations with different countries grow on the basis of equality and mutual profit. These relations may be established with the United States as well.

"Q. How can Mongolia's experience in economy and social life be followed in other developing countries?

"A. The Mongolian people within a short historical period made a transition from feudalism to socialism passing by the capitalist stage of development and, having overcome the backwardness of centuries, gained important successes in creation and development of a new economy and culture. The experience of M.P.R. shows that the noncapitalist way of development is the shortest and most efficient road to quick social and economic progress."

S. 2230—INTRODUCTION OF A BILL TO REMOVE THE PRESENT LEGAL RESTRICTIONS ON THE USE OF FOREIGN-BUILT VESSELS BY U.S. FISHERMEN IN U.S. DOMESTIC FISHERIES

Mr. PELL. Mr. President, the economic condition of the U.S. fishing industry has been the subject of growing concern for more than a decade. The reasons for the concern are best illustrated by a few statistics:

As recently as 1956, 13 years ago, the United States ranked second among the nations of the world in the tonnage of fish and shellfish landed by domestic fishermen. By 1968, the United States had slipped to sixth place among the fishing nations of the world.

A decade ago, U.S. fishermen supplied about 70 percent of the fishery products consumed in this country. During the past 10 years, the domestic demand and consumption of fishery products has increased dramatically, but virtually all of the increased demand has been filled by imported products. As a result, the U.S. domestic fishing industry last year supplied less than one-third of the fishery products consumed in this country.

The condition of our fishing industry was summarized concisely by the President's Commission on Marine Science, Engineering, and Resources in its excellent and comprehensive report to the Congress in January of this year. The Commission reported:

> The situation of the U.S. flag fisheries stands in sharp contrast to the record growth of the world's high seas fisheries. Landings by U.S. vessels have remained almost constant over the past three decades, and during that period the United States has dropped from second to sixth among the world's fishing nations. U.S. vessels land about one-third of the total fish consumed in the United States and harvest less than one-tenth of the total production potential available over the U.S. continental shelf. Although there are areas of successful performance—most notably in the tuna and shrimp industries—and although the U.S. catch is third or fourth if measured by dollar value, the U.S. fishing fleet by and large is technically outmoded. It cannot mount the high seas fishing effort required to maintain a position of world leadership, and it is incapable of attracting a stable and efficient labor supply.

Mr. President, the fishing industry in my own region, New England, unfortunately has shared fully in the problems of the industry, nationally. Indeed, the problems can be seen very dramatically in the rich fishing grounds off the New England coast.

Just 9 years ago, 93 percent of the fish caught in the waters overlying the Continental Shelf off New England were caught and landed by New England fishermen. By 1965, the share of the catch claimed by New England fishermen had declined to 35 percent of the total; and, in that same year, the modern fishing fleet of the Soviet Union landed more tons of fish from these waters than all the other nations combined.

In short, Mr. President, our fishermen are being badly outfished in their own traditional fishing grounds. Knowing the commercial fishermen from my own State, I know the fault does not lie in a lack of resourcefulness or enterprise on their part.

Rather, our fishermen have been confronted with economic conditions over which they have little control, and against which competitive spirit, fishing skill, and resourcefulness are insufficient.

Mr. President, the Marine Science Commission, in its report entitled "Our Nation and the Sea," recommended a series of actions to revitalize our domestic fishing industry. I am today introducing a bill to implement one of those recommendations.

The Commission recommended, and I quote, "that legislation be enacted to remove the present legal restrictions on the use of foreign built vessels by U.S. fishermen in the U.S. domestic fisheries." The bill I am introducing would do just that. I ask unanimous consent that the bill be printed at the conclusion of my remarks.

I do not claim, of course, that this act would solve all the problems of the fishing industry. Indeed, I agree with the Marine Science Commission that a coordinated program on the State, Federal, and international levels is required to restore the commercial fishing industry to a vigorous condition. But I do believe this act, in itself, would be an important first step.

It would permit our fishermen to begin the process of updating and modernizing their fishing fleets. The Marine Science Commission made it clear that obsolescence of our fleet is a major factor in the current malaise of the industry.

The Commission noted:

> Although the U.S. fishing fleet is the world's second largest, about 60 per cent of the vessels are over 16 years old and 27 per cent have been in service over 26 years. Some fisheries, like tuna, shrimp and Alaska King Crab, have fairly modern fleets; but advances in fishing technology during the past few decades have made most of the U.S. fleet economically, if not physically, obsolete.

Under existing laws, including one adopted by Congress in 1793, our fishermen are required to use vessels built in this country. This places our fishermen at a severe economic disadvantage because construction costs in U.S. yards are from 50- to 100-percent higher than costs in foreign yards. This cost differential is a major reason why our fishermen continue to use vessels and equipment that are, in the words of the Marine Science Commission, "economically obsolete."

The intent of these restrictive laws, Mr. President, was to protect and preserve a market for our domestic shipbuilding yards. The actual effect has been to restrict severely the demand for new fishing vessels. Faced with noncompetitive costs for new vessels, our fishermen frequently continue operating the old noncompetitive vessels they already have.

I submit that the restrictions on use of foreign-built vessels have been of no significant aid to our shipbuilders but have operated to the significant detriment of our fishermen.

It is interesting to note that other major fishing nations do not impose this kind of restriction. The Soviet Union, for example, has mounted in the past 10 years a major worldwide fishing effort. The Soviets have purchased their vessels where the price was right and where the technology was most advanced. The Soviets have constructed a large number of their own vessels but have also purchased modern fishing vessels, factory ships, and floating canneries from East Germany, Poland, Finland, Sweden, West Germany, Japan, England, Denmark, and the Netherlands.

The Congress has recognized that the restrictions on foreign-built vessels worked a hardship on U.S. fishermen. To redress the inequity, Congress established a construction differential subsidy program. This program has been ineffective. I would like to cite, briefly, the comments of the Marine Science Commission on the subsidy program:

> The subsidy has not achieved its objectives. A provision requiring a finding that the grant of subsidy not cause economic hardship to others in the fishery has resulted in denial of subsidy to those parts of the industry most in need of aid to modernize their fleets. Because there is no provision for retiring obsolete vessels, the program has operated in other cases simply to add to the problems of fisheries already heavily overburdened by excess capacity. Statutory limitations on annual expenditures prevent approval of all qualified applicants, and the subsidy generates new inequities as it corrects old ones.

The alternative, Mr. President, to removing these restrictions is an extensive and expensive overhaul of the fishing vessel construction subsidy program. I do think that neither Congress nor the American people are prepared to embark on another expensive subsidy program, especially since this economic inequity can be ended, without cost to the taxpayers, simply by removing the restriction on use of foreign-built fishing vessels.

In conclusion, I would point out a curious paradox in our current policies in regard to imported vessels. A man of means may purchase a foreign-built vessel for his leisure entertainment and relaxation, subject only to a modest import duty of 3 percent or 8 percent, depending on the value of the vessel. But a man who depends on his vessel to make a living is required to pay a severe eco-

nomic penalty. And, interestingly enough, U.S. builders of pleasure craft have managed to compete very effectively with foreign yards, without the protection of restrictive laws.

I think it is time, after 176 years, to eliminate this obsolete restriction on our commercial fishermen and permit them to compete effectively.

Mr. President, I ask unanimous consent that an article on the economics of the fishing industry in New England, prepared by Mr. Jake J. Dykstra, president of the Point Judith Fishermen's Cooperative in Narragansett, R.I., and Dr. Andreas Holmsen, associate professor of the Department of Food and Resource Economics of the University of Rhode Island, be printed in the RECORD at the conclusion of my remarks. This excellent paper, presented at the National Conference on the Future of the Fishing Industry, in the State of Washington last year, makes a cogent argument for the bill I have introduced today.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the article and bill will be printed in the RECORD.

The bill (S. 2230) to authorize foreign-built vessels owned by citizens of the United States to be documented under the laws of the United States for the purpose of engaging in the fisheries, introduced by Mr. PELL, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provision of law to the contrary, any foreign-built vessel may be documented under the laws of the United States for the purpose of engaging in the fisheries if such vessel is owned by a citizen of the United States. Any such vessel so documented may continue to engage in the fisheries as a vessel of the United States so long as it is owned by such a citizen. For the purpose of this Act the terms "documented under the laws of the United States" and "citizen of the United States" shall have the meanings provided in sections 1 and 2 of the Shipping Act, 1916 (46 U.S.C. 801 and 802).

The material presented by Mr. PELL follows:

COST OF FISHING AND FOREIGN COMPETITION—NEW ENGLAND

(By Jake J. Dykstra and Andreas A. Holmsen)

(NOTE.—The authors: Mr. Dykstra is president of the Point Judith Fishermen's Cooperative, Narragansett, Rhode Island; and Dr. Holmsen is associate professor, Department of Food and Resource Economics, University of Rhode Island.)

INTRODUCTION

It is a well-known fact that ten years ago the United States fisherman accounted for about 70% of the domestic supply of fish while now he accounts for only one-third. It might not be equally well known that the decline in New England has been even more serious than those figures might indicate. The New England fishermen have faced and are facing an increasing pressure of foreign competition, both on the fishing grounds and in the market place—on the fishing grounds, particularly from the Soviet Union; in the market place, particularly from Canada, but also from Western Europe, especially Norway, Iceland and Denmark. In 1960, New England fishermen landed 93% of the fish caught on the New England continental shelf[1] (the remainder was landed by Canadians); five years later, the New England fishermen landed only 35% and the Russians landed more fish from this area than all other nations combined. During the last years, Polish and German trawlers have also entered this fishery in increasing numbers.

Groundfish is the most important category of fish in these waters and already in 1964 we imported 77% of our domestic supply of this commodity.

Over the last decade, the New England fishing fleet declined from 885 vessels over 5 tons to 721 vessels and the number of fishermen on these vessels declined from 5,544 to 4,058. The total landings by New England fishermen declined from 852 million lbs. in 1960 to 687 million lbs. in 1966. In 1967 landings dropped further. The eight major ports in New England experienced a 19% decline in food fish and a 4% decline in industrial fish during 1967.[2]

THE PROBLEM

To determine the causes for the decline in the New England fishing industry, one might first look at the various factors that affect industry's competitive ability, and one should have it clearly in mind that it is a question of relatively and not of absolute magnitudes. Prices of meat and poultry might affect the price for food fish as the price of soybeans might affect the price for industrial fish, but the price level for fish in the U.S. might also hurt or benefit our foreign competitors. The basic factors that affect the competitive ability of fishermen are therefore:

1. The distance to the fishing grounds.
2. The distance to the market.
3. The cost of catching fish.
   a. Cost of capital.
   b. Cost of labor.
   c. Managerial skills (productivity).
4. Cost of processing.
5. Tariffs.

The New England fishermen have no comparative disadvantage when it comes to the closeness of good fishing grounds. They are in a favorable position when it comes to good markets and the few studies made indicate that processing of fish is equally efficient here in this region as among our competitors. Tariffs for imported fishery products also produced in New England have been minor up to the present. Several commodities such as lobster and scallops have been imported into this country duty free. The Kennedy round of tariff negotiations last year cut the already low tariffs in half so they are now rather insignificant. Nevertheless, an import duty of whatever size is an advantage to local fishermen.

Thus, the whole problem boils down to the fact that *the cost of catching fish for New England vessels is so much higher than in competing nations that it more than offsets the other advantages we enjoy.*

The greatest cost item in the New England fishing industry is the cost of labor. The most common lay in the fleet seem to be the broken 40, which means that 40% of the gross stock goes to the boat and 60% to the crew after trip expenses have been deducted. In addition to this, 10% of the boat share (or 4% of gross after trip expenses) is paid to the captain. Based upon figures from Rhode Island, about 56% of the gross stock goes to labor, since trip expenses constitute about 12% of gross stock. This 56% compares with 39% for the Atlantic provinces of Canada and 33% for near and middle water trawlers in Britain (Grimsby and Fleetwood). The difference in return to labor is even greater than these figures would imply, because of higher gross stocks and smaller crew size on our vessels. To attract labor, however, the fishing industry has to pay wages that are better than can be obtained ashore.

When using a specific lay, an owner can not improve his return on investment by improving labor productivity through labor saving devices. This will only affect the crew share per man. The only means of improving return on investment is through increased gross stock or reduction in non-labor cost.

The relatively high cost of labor is not unique to the fishing industry. U.S. industries have for a long time faced lower foreign wages but have been able to compete through efficient operation and substitution of capital for labor. In the trawler fleet, however, only 32% of a gain from increased use of capital goes to the vessel (with a 40% lay), and more important, the New England fishing industry is facing considerably higher cost of capital than its foreign competitors—higher cost of vessels, higher cost of gear and higher cost of operating capital. *The relatively high cost of capital is the key problem in the New England fishing industry and the prime reason for its inability to compete.*

In the United States, it is forbidden by law to use a foreign built vessel in the commercial fisheries, and the cost of building a vessel in this country is now about 100% higher than in some foreign countries. This means that American fishermen are forced to subsidize a high-cost ship building industry, a "luxury" they can ill afford. In addition, significant subsidies are given to the foreign producers. These subsidies can take the form of subsidies for vessels, gear or bait or as price subsidies for the catch; as loans or grants at interest rates far below market level or as welfare programs only applicable to the fishing industry. Despite a concern by OECD (Organization of Economic Cooperation and Development) over the high subsidies to fishing industries in various countries and an awareness of their negative aspects, subsidies are increasing rather than declining. In Canada for instance, the federal subsidy is up to 50% of the approved costs for steel trawlers and up to 40% of the approved cost for vessels of wooden construction, and vessels over 100 feet in length can be imported from most-favored-nations duty-free. In addition to the subsidies, the fisheries loan boards give liberal loans, so the cash downpayment necessary for the fishermen is very low. A study of 102 fishing enterprises in the Atlantic Provinces in Canada reveals that the average cash down payment by fishermen was 27%. The requirements are less. Small trawlers in Nova Scotia were bought with about 20% cash downpayment, in New Brunswick and Prince Edward Island with about 10%, and in Quebec, with even less. For the five steel trawlers (average 82') in Quebec included in the study, the cash down payment was only 4.4%.

The New England fishermen are faced with considerably higher construction cost, and in addition, the cost of financing here is excessive. The terms by commercial banks in Rhode Island are 50% down payment, a true interest rate of about 11%, and a 5 year repayment period. In ports where there is a closer cooperation between the banks and the fishing industry, for instance in New Bedford, Mass., the interest rate for vessels over 60 tons is 6% (summer 1967), but smaller vessels are facing much higher interest rates. The cost of vessels and high downpayment required are the reasons why New England firms buy vessels abroad and let them fish out of Canadian ports rather than investing at home.

[1] ICNAF sub area No. 5.

[2] The first month in 1968 was so extraordinarily poor (only 40% of previous year's landing of food fish) that we hope it will not be indicative of the year.

The Fisheries Loan Program in the U.S. Bureau of Commercial Fisheries has been a blessing for many local fishermen, but it is not sufficiently funded and is too limited in scope. It can loan up to 80% of liquidating[3] value for 10 years at 6% interest, but only to owners of vessels or captains with an earnings record. In a fleet that consists primarily of owner-captains, it is difficult for a deckhand to become a captain, so when he buys his first vessel he can not make use of the B.C.F. program. To recommend a change in this lending policy without increased funding might not be sensible, however, since the program already is short of funds.

With the high cost of capital, vessel-owners are better off buying a somewhat bigger used vessel than venturing into new construction. This is supported by the findings by Fredrick Bell of the Federal Reserve Bank of Boston in his study of 101 fishing enterprises in Massachusetts. The best return to capital was obtained by trawlers 60 tons and over, more than 20 years old, fishing out of Boston, while the poorest return, or heaviest loss was by newer vessels less than 60 tons out of New Bedford.

The subsidy (Fishing Vessel Construction Differential Payment) program is not much suited for the fishing industry in Rhode Island, and no subsidy has been applied for. The purpose of this program is to up-grade the fleet, but unfortunately it seems that the B.C.F. regards efficiency and economic operation as incompatible with smaller trawlers. At least in private discussions, applications for subsidies for 60–70' draggers have been discouraged by the B.C.F., and the government is now using a major share of the funds to subsidize large factory vessels. The fact is, we have not seen any findings that will support the view that large trawlers give a better return to capital than small trawlers, or even a better return to labor. Britain has recenty laid up part of its *Fairtry* fleet as uneconomical. In Norway, the small draggers have as often as not shown a better return to capital than the large trawlers and, closer to home, in Canada, the experience seems to be consistently better for the smaller vessels. The Canadian government is studying the economics of the fleet in the Atlantic provinces on a continuing basis, and the results are interesting. The vessel category which gives the best return on investment is 54'–60' wooden stern draggers, while the medium and large stern trawlers go in the red. Despite the fact that these small draggers were at sea on the average of only 92 days each in 1966, the large and medium sized steel side trawlers were at sea 287 days, and the large and medium sized stern trawlers were at sea 242 days, the small draggers also gave a better annual income to the fishermen. This was reflected by a crew share for deckhands of $73.74 per day at sea for the small draggers, while the comparative figures for the two categories of large vessels were $16.59 and $17.82, respectively. The fishermen in Rhode Island feel that the optimum vessel size in their area might be 60 to 80' vessels with strong engines, and feel that building of vessels this size should be encouraged rather than discouraged.

We have put stress here on the cost of vessels, but no doubt the fishermen also are facing a general cost-price squeeze. Even with a stable gross stock, the economic position of vessel owners would deteriorate due to rising costs. When costs rise because of general inflationary pressure, market values of both new and old vessels go up. This creates a cost in taxes for the fisherman who would like to replace his vessel. If he sells a vessel (to buy another) the difference in the book value and the sales value of the vessel will be taxed. Thus, if a vessel has been depreciated to $5,000, and has a market value of $25,000, the owner will have to pay income tax on $10,000.[4]

CONCLUSIONS AND RECOMMENDATIONS

The rate of decline of the New England fishing industry is so rapid that programs with only a long term effect are basically of academic interest. The cost of labor is high, but the industry might have to live with this to attract sufficient manpower for the vessels. The basic problem is the relative cost of capital—our cost versus our foreign competitors' cost. The high cost of capital (or lack of risk capital) prevents funds being spent on technological improvements. To improve the position for the industry, the law prohibiting import of fishing vessels should be repealed, and the vessel subsidy program abolished. A repeal of the embargo on fishing vessels would hardly deteriorate our balance of payments position, as increased landings would substitute for imports, which now cost this country close to $700 million a year in foreign exchange. Tariffs should be increased to eliminate the effect of foreign subsidies and thereby give our fishermen an opportunity to compete on an equal basis. Further, the B.C.F. loan program should be better funded and its lending policy liberalized.

From this discussion it is evident that the major problems in the New England fishing industry are not caused by the industry but are caused by relative government actions—actions of our government and of foreign governments. To solve these problems the fishermen have to learn to talk with a unified voice to influence government decisions.

[3] Somewhat less than the market value, but more than is expected from a foreclosure.

[4] Half of capital gain to be declared as income.

AMERICANS NEED REAL TAX REFORM

Mr. McINTYRE. Mr. President, I ask unanimous consent that I may be permitted to proceed for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I wish to address myself to the issues raised by the tax proposals presented to Congress on April 22 by the Nixon administration.

These proposals, taking up 310 pages of a committee print made public through the House Committee on Ways and Means, appear under the guise of tax "reforms." The manner in which they were presented to the Nation—with a brief statement from the President himself on April 21, and another brief statement from the Under Secretary of the Treasury on the following day—gave the public the impression that the administration had finally moved to eliminate the substantial tax loopholes which for years have forced low- and middle-income taxpayers to pay more than their fair share of the national budget. Unfortunately, the public was misled.

None of the particularly unfair special privileges which our tax laws give to enormously wealthy individuals and large corporations have been substantially reduced. The administration proposal avoids any head-on confrontation with the forces of the special tax privileges which have so unfairly thrown the bulk of the taxpaying burden upon our average citizens.

There are, of course, a few minor exceptions in the President's proposal, exceptions which I fully support. Large corporations, for example, are able to accumulate the advantage of low tax rates which small corporations enjoy by the simple expedient of forming a number of small corporate subsidiaries. The President has recommended that this multiple-corporation privilege be eliminated. There have been abuses of the privileges given to charitable foundations and religious bodies, and to the extent that the President has proposed to curb these abuses, he has my full support.

I do not wish to give the impression that I am dissatisfied with every paragraph in the administration proposal. As I have indicated above, I believe that the administration's proposal with respect to the multiple-corporation exemption is highly desirable. I shall support the President's proposal to provide tax allowances for low-income families, and I support his proposals for taxing mineral production payments.

But I do have very serious reservations about the remainder of the proposals.

LTP LIMITATION ON TAX PREFERENCES

I believe that I should begin my discussion of the LTP—limitation on tax preferences—proposal of the Nixon administration by stating that it does represent, limited though it is, a tardy recognition by the executive branch of the Government of the unfairness of the tax structure, unfairness of the tax structure which has been imposed upon the American people over the past half century through the gradual accumulation of one seemingly minor loophole after another. President Nixon is to be congratulated for this recognition, and for his courage in taking even this very modest step toward spreading the tax burden more equitably among American taxpayers.

The LTP proposal recognizes that, through a selected number of tax loopholes, citizens who are able to exercise control over the source and application of their income are able to avoid the tax burden thrown upon the shoulders of their less fortunate fellow citizens. Those taxpayers who invest in oil properties, who make gifts including unrealized appreciation and who participate in real estate transactions taking advantage of accelerated amortization provisions can reduce their tax burden to the point where, in some cases, it disappears. Under President Nixon's proposal, no more than 50 percent of an individual's income could be exempt from tax because of these loopholes.

There are three major drawbacks to the LTP proposal, however. The first, and most obvious, is that by specifically including only a selected list of loopholes, it excludes many others. It will thus have the effect of simply channeling the funds of wealthy citizens out of the included areas and into those which are still safe from tax. Thus, it will not have the desired effect of finally putting an end to the situation where middle- and lower-income taxpayers bear a heavier share of the tax load than their wealthy neighbors.

On this, Mr. President, let me point out that my information indicates that:

More than 1,000 persons with incomes over $200,000 paid the same proportion

of their total income in taxes as did the typical person in the $15,000 to $20,000 income group;

The majority of taxpayers in the $500,000 to $1 million income group paid as small a proportion of their income in taxes as did most taxpayers in the $20,000 to $50,000 category, and those with incomes of more than $5 million paid only half as much tax, proportionately, as those with one-tenth as much income.

Taxlessness among those with incomes of more than $1 million has increased fivefold in the past 12 years. For those with incomes greater than $200,000 taxlessness has increased sevenfold.

Mr. President, I say there is something sadly amiss with a system that can take more from an individual on the poverty level than it does from a millionaire, something badly wrong with a system that can even enable a man to report a negative income on paper when his actual income is in the hundreds of thousands of dollars.

Now let me continue my comments on the LTP proposal:

The second drawback to the proposal is that it simultaneously recognizes the unfairness of certain tax loopholes and yet continues them. If only one penny less than 50 percent of a taxpayer's income is derived from the sources included in the LTP proposal, he is able to take full advantage of the loophole. What are needed are changes in the basic tax structure to plug up these loopholes once and for all.

I recognize that this is a difficult challenge for the Congress and the administration. Perhaps a stopgap measure, such as the LTP proposal, is necessary. If this is so, however, I believe that an expanded form of the minimum tax proposal of former Secretary Barr is more desirable. I believe that the least we should settle for is a plan to impose the full tax rates, not just on 50 percent of income, but on the full 50 percent of all tax-exempt or tax-deductible income, regardless of how that income was derived. While this system would, it is true, perpetuate the basic loopholes in the tax structure, it would still make all tax preferences and subsidies much more fair in their application.

The third, and in many ways the most significant problem with the LTP proposal is that it does not affect corporate income. After all, Mr. President, much, if not most, of the benefits of such tax preferences as the percentage depletion allowance go to corporations. It is the uninhibited use of these tax preferences by large corporations which gave rise to the situation which compelled the President to seek tax reform. Corporations like the Atlantic-Richfield Corp., with profits running each year into hundreds of millions of dollars, have been able in the past to completely escape the bite of the Internal Revenue Service.

It is this omission of corporate income from the LTP program which makes me feel that the proposal could only have been offered in an effort to stall on basic tax reform, to, in effect, serve as an appeasement to an outraged public, and thus avoid the need for getting to the heart of the problems with our tax structure—the multitude of tax loopholes and subsidies which would still remain even after the President's program had been enacted.

TAXATION OF CAPITAL GAINS AND LOSSES

Our tax laws, like those of many other countries, recognize a preferred status for long-term capital gains. I happen to agree with this recognition of an essential difference between ordinary income and accretions of capital investment—a difference which involves both investment expectations and encouragement of further—necessary capital development.

Nevertheless, I believe that our present tax laws apply three unnecessary generous subsidies to the treatment of long-term capital transactions.

One of these, the use of long-term capital losses to fully offset ordinary income, has been recognized by the Treasury Department in its proposals. I fully concur with the administrations' recommendation that long-term capital losses be subject to the same 50 percent elimination as is applied to gains when combined with taxable income. I believe that this is an eminently justifiable recommendation, and I shall support it.

However, as in so many other areas, the Nixon administration proposals merely scratch the surface, and fall far short of meaningful reform. I feel that two more steps must be taken to bring our tax treatment of long-term capital transaction into line with the ideal of an equitable tax system, while still retaining a justifiable easing of the tax burden on such transactions.

First, I believe that the alternate maximum rate of 25 percent should be eliminated. This would still retain for persons benefiting from long-term capital gains the privilege of receiving half of their gains completely free from tax, but it would insure that the 50-percent gains to be taxed would be taxed at normal rates.

A particularly objectionable feature of the 25 percent alternate maximum tax is that it, more clearly than any other tax subsidy, can only be used by persons with very high incomes, over $40,000 for taxpayers filing joint returns. Middle-income taxpayers simply cannot obtain any advantage at all from its employment, and thus we are confronted with a special Federal subsidy designed exclusively for wealthy individuals.

This is precisely the one category of taxpayers in least need for public subsidy. Our sense of national priorities must be very strange indeed to retain in our laws a special cash subsidy for wealthy people while at the same time we are cutting back Federal support for education, health, our elderly citizens, and other needed causes. Thus I strongly recommend the elimination of the alternate maximum tax on long-term capital gains.

Second, I believe that Congress should extend the required holding period for qualification as long-term capital assets. I know of no logical, reasonable theory under which 180 days can be justified as the minimum amount of time required to establish a capital asset as one held for a long term.

How long should the holding period be? This is essentially a matter of informed judgment. The Congress has exercised such judgment before, in its treatment of the income tax laws for the District of Columbia. In that statute, we established a 2-year period as the minimum holding time.

In any event, it makes no sense at all to confer privileged status on gains on assets held for less than a single tax year. I recommend, as a bare minimum, that the Congress extend the present 6-month period to at least a full year, and, if sufficient economic data can be gathered as to the effects on our capital markets, that we consider extending it well beyond the basic 1 year period.

TAX SUBSIDIES TO THE PETROLEUM INDUSTRY

The two most deplorable illustrations of the use of economic and political power to obtain special public subsidies are the treatment of the petroleum industry in our present tax laws, and the treatment of the petroleum industry in the Nixon administration proposals for tax reform.

Our present tax laws are shameful in the magnitude and the variety of special handouts from the public treasury to the oil industry. The administration proposals, which, as I have noted before, purport to represent some sort of tax reform, are equally shameful in their neglect of the need for prompt elimination of this special treatment.

The principal subsidies received by the oil industry from the taxpayers through various tax loopholes are as follows:

First. The 27½ percent depletion allowance, which will cost taxpayers approximately $1.5 billion this year.

Second. The application of the depletion allowance on a property by property basis, and not on a company wide basis. This little gimmick lets producers take a large depletion allowance on efficient, large wells, without having to reduce their allowance to take account of inefficient, or high-cost wells.

Third. The application of the depletion allowance to foreign wells as well as American wells.

Fourth. The use of foreign royalties, disguised as taxes, as credits against American income taxes.

Fifth. The immediate writeoff subsidy for intangible drilling costs, which cost the American taxpayers this year three quarters of a billion dollars.

The administration proposals do not have any substantial effect upon the enormous public subsidies paid to the petroleum industry under these five categories.

One might imagine, from the attendant publicity when the administration proposals were launched, that something was finally going to be done about percentage depletion and intangible drilling costs. The only impact which the administration proposals have on these two enormous handouts is contained in the proposals for limitations on tax preferences and allocation of deductions. As I pointed out earlier, however, these proposals affect personal income only marginally, and corporate income not at all.

And it is the corporations which get

the major advantage from this subsidy. A look at the 1960 figures makes this very clear. In that year, percentage depletion claimed by individuals amounted to $370 million. Partnerships claimed some $65 million for oil and gas percentage depletion. But corporations claimed $2.3 billion for this purpose.

Incidentally, $750 million of this corporate depletion was claimed on foreign properties.

Of course, the most obvious proposal which the administration should have made was to reduce substantially, if not completely eliminate, percentage depletion. I personally favor the elimination of percentage depletion—although, of course, I recognize the legitimacy of cost depletion—but perhaps the best practical approach at this time would be a reduction of the percentage-depletion formula to 10 or 15 percent. Since many other Members of the Congress have also expressed an interest in this reform, I am willing to rely on the judgment of my colleagues as to where in that range percentage depletion might be most appropriately set.

An outrageous abuse of the principle of percentage depletion is the application of that concept on a property-by-property basis. Our neighbors to the north, in Canada, more properly apply percentage depletion on a nationwide basis, and thus remove the temptation to juggle startup dates and leasing arrangements for the simple purpose of maximizing depletion subsidies.

Senator MUSKIE has pointed out the absurdity of continuing to subsidize foreign operations through use of the percentage-depletion allowance while our national policy is, apparently, trying to encourage the use of capital for domestic exploration. I have cosponsored Senator MUSKIE's proposal to eliminate this particular subsidy to the international oil companies and their Arab friends.

I am certain that those experts in the use of tax loopholes, the financial institutions and the giant manufacturers, look longingly at the most unusual subsidy given to the oil industry, the privilege of immediately deducting intangible drilling costs. In no other major industry can capital expenses be written off immediately—as they can in the oil industry when the capital invested in development results in a producing well. I believe that this special subsidy simply cannot stand on its own logic, and deserves an even higher priority than percentage depletion for immediate elimination.

Finally, Mr. President, the most outrageous, the most unfair loophole of all, was not mentioned in the administration reform proposals. I refer to the so-called Aramco decision which permits royalty payments by American companies to foreign rulers, masquerading under the guise of taxes, to be applied as full credits against the payment of Federal income taxes. To the extent that this situation is embodied in tax treaties with foreign nations, they should be denounced. To the extent that it is supported by the regulations of the Treasury Department, they should be promptly changed, without waiting for congressional action.

Mr. President, the very thought that royalty payments to some Arabian sheik can be equated with American taxes, and can permit huge international oil companies to ignore their national responsibilities as American corporations to help bear the costs of their own Government, boggles the mind. No other industry benefits so much from Federal expenditures as does the oil industry. Whether we are sending diplomats to South America to defend the rights of the Standard Oil Co. of New Jersey, or subsidizing tankers, or administering oil import policies, or developing geological surveys, or purchasing POL for our Armed Forces, the oil industry is benefiting from the expenditure of the taxpayers' dollar. And not only does this industry escape paying its fair share of the Federal tax burden, it has the effrontery to claim that it may substitute foreign royalties, or taxes, for American taxes.

In summary, Mr. President, I regard President Nixon's proposals for new tax legislation as a barebones base for congressional efforts to achieve meaningful tax reform. We need to make our tax system more fair to middle income taxpayers by stripping away the special loopholes which enable corporations and individuals with large incomes to avoid paying their fair share of our Nation's expenses.

I believe that our particular attention should be focused on the need for general taxation of all presently exempt corporate and personal income, revision of our rules for the treatment of long-term capital gains, and a wholesale housecleaning of the tax laws relating to the oil industry. Then we will truely be able to report back to our constituents that the basic unfairness of the present tax system has come to an end.

ORDER OF BUSINESS

Mr. INOUYE. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME FOR CONGRESS TO STOP INFLATION WITH SPENDING CUTS

Mr. PROXMIRE. Mr. President, yesterday's announcement of the huge consumer price rise means that inflation is not slowing down but is hitting harder. Any thoughtful analysis indicates that prices will continue to go up rapidly for at least another year unless Congress acts.

The Wall Street Journal this morning indicated that in their judgment prices will go up for several years unless Congress acts and unless there is a change in the situation.

There is nothing in President Nixon's prescription which will stop inflation now. The surtax has been tried and has failed. The time has come to cut spending which has a much more prompt and incisive impact.

Congress must act. We must cut the President's budget and cut it drastically. And there is plenty of wasteful spending where the cuts can be made.

I urge the following specific actions:

We can cut the military budget where fat and waste and excess costs have weakened rather than strengthened the security of this Nation. With 10 men in support jobs for every man in a combat outfit, the military could rearrange its priorities without affecting combat efficiency.

With huge cost overruns, late delivery dates, and weapons which do not function—tanks, helicopters, and submarines to name only a few—vast efficiencies could be made.

Congress should pare the military budget by at least $10 billion. Even Pentagon experts agree this could be done without impairing our combat strength, according to the Congressional Quarterly's superb review of this question.

Congress should also cut sharply the big $3.7 billion space budget. The needs on earth are more important than those in outer space where prestige rather than security has been the driving motive. Certainly this is a highly inflationary program.

Above all we should cut public works spending—dams, highways, water projects, which have the dubious distinction as the biggest engines of inflation with the least payoff. Public and private spending for capital investment and public works are the root cause of this inflation. We should cut big here.

Those hurt most by inflation are those who can afford it least. This is clear from the rise in particular items. The increase in public transportation costs—7.9 percent since a year ago—hits hardest at the poor who have no choice but to travel by public means.

The increase in medical care services—8.4 percent since a year ago—hits at the sick, the aged, and the needy at precisely the time when their incomes drop and their costs skyrocket.

The 13-percent rise in the cost of insurance and finance services harms most the poor and the weak. It hits hardest at the insecure who need security and who can least afford it.

The rise in home ownership costs—10.6 percent in a year—is a cruel charge at the very time when we need to build 1 million housing units a year more than we have been building if we are to house all Americans decently.

The timid actions taken by the Nixon administration have not worked and show no sign that they will work. To stop inflation Congress must cut the budget and cut it hard.

I ask unanimous consent that the Department of Labor release on the Consumer Price Index for April 1969 be printed in the RECORD.

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

CONSUMER PRICE INDEX FOR APRIL 1969

A 0.6 percent rise in April brought the Consumer Price Index to 126.4 (1957–59—100), the Labor Department's Bureau of Labor Statistics announced today.

Over the year the Consumer Price Index has risen 5.4 percent. Over the past three months consumer prices have gone up at a 7.6 percent annual rate, steepest for a comparable period since mid-1956. For major components of the Consumer Price Index, percent changes at annual rates over the last 3 months and for the past year are shown below:

	April 1969 from—	
	January 1969	April 1968
Consumer Price Index:		
All items	7.6	5.4
Commodities	6.4	4.4
Services	8.8	7.2

Higher prices for services—particularly household services such as mortgage interest charges on FHA loans, residential electric rates, and home repairs—and food accounted for a large part of the April advance.

Medical care costs continued rising sharply, led by increases in dentists' fees. Medical care services have gone up nearly 8½ percent over the year. Other services headed for higher levels were movie admissions, golf fees, automobile insurance, and local transit fares.

Food prices rose 0.7 percent, mostly because of higher meat prices, especially beef. Pork prices failed to decline as they usually do in April, apparently in response to the strength in beef. Restaurant meals also continued to climb. There was some help for the family food budget from lower prices for many fresh vegetables, thanks to larger supplies.

Prices rose for furniture and used cars. New car prices declined about in line with seasonal expectations, as dealers increased concessions in order to trim inventories.

Apparel prices increased 0.6 percent, led by such basic items as men's suits, slacks, and shirts, and women's dresses, skirts, and shoes. Alcoholic beverages, toilet goods, and cigarettes also showed significant increases.

COST-OF-LIVING ADJUSTMENTS

Approximately 117,000 workers will receive cost-of-living pay increases based on the April Consumer Price Index. About 62,100 workers, mostly in the aerospace, motor-vehicles and parts, farm machinery and office machinery industries will receive hourly increases ranging from 3 to 7 cents an hour, based on the rise in the national index between January and April. An additional 35,500 workers will receive wage increases based on annual or semiannual reviews of the national Consumer Price Index, the largest group of these being classified employees of the State of Wisconsin. In addition, 17,700 local transit workers in Chicago, Boston and Pittsburgh will receive 5 or 6-cent hourly increases, based on the 3-month advance in the indexes for the respective areas. An estimated 43,000 workers in various industries who would otherwise receive cost-of-living increases, will not receive them this month because they have already received the maximum stipulated in their contracts.

A NOTE ABOUT CALCULATING INDEX CHANGES

Movements of the indexes from one date to another are usually expressed as percentage changes rather than changes in index points because index point changes are affected by the level of the index in relation to its base period while percentage changes are not. The following example illustrates the computation of index point and percentage changes:

Index point change

April 1969 CPI (1957—59=100)	126.4
Less March 1969 index	125.6
Index point difference	0.8

PERCENTAGE CHANGE

Index point difference divided by the index for the previous period:

$$\frac{126.4-125.6\times 100}{125.6}=0.6 \text{ percent}$$

TABLE 1.—CONSUMER PRICE INDEX—U.S. CITY AVERAGE FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, APRIL 1969

[Unadjusted, unless otherwise indicated]

Group	Indexes (1957–59=100 unless otherwise noted)				Percent change to April 1969 from—		
	April 1969	March 1969	January 1969	April 1968	1 month ago	3 months ago	1 year ago
All items	126.4	125.6	124.1	119.9	0.6	1.9	5.4
All items (1947–49=100)	155.0	154.1	152.3	147.1			
Food	123.2	122.4	122.0	118.3	.7	1.0	4.1
Food at home	119.3	118.5	118.3	115.1	.7	.8	3.6
Cereals and bakery products	121.3	121.2	120.5	118.3	.1	.7	2.5
Meats, poultry, and fish	118.4	116.5	115.6	112.7	1.6	2.4	5.1
Dairy products	122.9	123.0	122.7	118.8	−.1	.2	3.5
Fruits and vegetables	127.9	127.6	127.0	128.3	.2	.7	−.3
Other foods at home	109.0	108.5	109.8	103.0	.5	−.7	5.8
Food away from home	142.2	141.3	140.3	134.4	.6	1.4	5.8
Housing	125.3	124.4	122.7	117.5	.7	2.1	6.6
Shelter [1]	131.6	130.5	128.2	121.3	.8	2.7	8.5
Rent	117.8	117.5	116.9	114.4	.3	.8	3.0
Homeownership [2]	137.1	135.7	132.7	124.0	1.0	3.3	10.6
Fuel and utilities [3]	112.6	112.2	111.7	110.0	.4	.8	2.4
Fuel oil and coal	117.4	117.2	116.7	114.0	.2	.6	3.0
Gas and electricity	111.2	110.6	110.2	109.5	.5	.9	1.6
Household furnishings and operation	116.9	116.4	115.2	112.2	.4	1.5	4.2
Apparel and upkeep [4]	125.6	124.9	123.4	118.4	.6	1.8	6.1
Men's and boys'	127.3	126.4	124.9	119.2	.7	1.9	6.8
Women's and girls'	121.0	120.6	118.7	114.5	.3	1.9	5.7
Footwear	138.4	137.6	136.3	130.4	.6	1.5	6.1
Transportation	124.6	124.3	120.7	119.0	.2	3.2	4.7
Private	121.9	121.6	117.9	116.8	.2	3.4	4.4
New cars	101.9	102.4	102.3	100.3	−.5	−.4	1.6
Used cars	131.2	130.5	115.5	126.3	.5	13.6	3.9
Gasoline	117.8	117.2	114.5		.5	2.9	
Public	148.0	147.5	144.8	137.2	.3	2.2	7.9
Health and recreation	135.1	134.3	133.3	128.8	.6	1.4	4.9
Medical care	153.6	152.5	150.2	143.5	.7	2.3	7.0
Personal care	125.5	124.8	123.7	119.0	.6	1.5	5.5
Reading and recreation	129.6	128.7	128.4	124.9	.7	.9	3.8
Other goods and services	126.6	126.1	125.6	122.5	.4	.8	3.3
Seasonally adjusted:							
Food	123.6	122.8	122.2	118.7	.7	1.1	
Apparel and upkeep	125.7	125.3	124.1	118.5	.3	1.3	
Transportation	124.6	124.7	120.6	119.	−.1	3.3	
Special groups:							
All items less food	127.5	126.8	124.9	120.6	.6	2.1	5.7
All items less medical care	124.7	124.0	122.5	118.5	.6	1.8	5.2
Commodities	119.3	118.7	117.4	114.3	.5	1.6	4.4
Nondurables	122.5	121.8	121.0	117.3	.6	1.2	4.4
Nondurables less food	121.9	121.4	120.1	116.4	.4	1.5	4.7
Apparel commodities	124.9	124.3	122.6	117.6	.5	1.9	6.2
Durables	111.4	111.1	108.6	106.9	.3	2.6	4.2
Household durables	105.0	104.4	103.3	100.8	.6	1.6	4.2
Services	142.0	140.9	139.0	132.5	.8	2.2	7.2
Services less rent	147.4	146.1	143.9	136.6	.9	2.4	7.9
Insurance and finance (December 1965=100)	127.1	125.2	122.3	112.5	1.5	3.9	13.0
Utilities and public transportation (December 1965=100)	107.5	107.0	106.2	103.7	.5	1.2	3.7
Housekeeping and home maintenance services (December 1965=100)	125.3	124.5	122.5	116.6	.6	2.3	7.5
Medical care services	167.2	165.8	162.8	154.3	.8	2.7	8.4
Purchasing power of consumer dollar:							
1957–59=$1	$0.791	$0.796	$0.806	$0.834	−.6	−1.9	−5.2
1939=$1	$0.383	$0.386	$0.390	$0.404			

[1] Also includes hotel and motel rates not shown separately.
[2] Includes home purchase, mortgage interest, taxes, insurance, and maintenance and repairs.
[3] Also includes telephone, water, and sewerage service not shown separately.
[4] Also includes infants' wear, sewing materials, jewelry, and apparel upkeep services not shown separately.

TABLE 2.—CONSUMER PRICE INDEX—THE UNITED STATES AND SELECTED AREAS FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, ALL ITEMS MOST RECENT INDEX AND PERCENT CHANGES FROM SELECTED DATES

Area [1]	Pricing schedule [2]	Indexes: 1957–59=100	Indexes: 1947–49=100	Indexes: Other bases	Percent change from:		
		April 1969			March 1969	January 1969	April 1968
U.S. city average	M	126.4	155.0		0.6	1.9	5.4
Chicago	M	123.2	155.3		.2	1.5	4.9
Detroit	M	125.7	154.9		.5	2.4	6.1
Los Angeles-Long Beach	M	126.9	158.2		.2	1.8	4.8
New York	M	130.5	157.2		.7	2.1	6.5
Philadelphia	M	127.6	156.7		.5	1.9	5.5
Boston	1	129.8	160.9			1.5	5.0
Houston	1	125.5	154.6			1.9	6.4
Minneapolis-St. Paul	1	125.1	154.8			1.8	3.9
Pittsburgh	1	126.0	155.3			1.6	5.5
		February 1969			March 1969	November 1968	February 1968
Buffalo (November 1963=100)	2			117.3		0.3	4.5
Cleveland	2	123.1	152.9			1.1	4.5
Dallas (November 1963=100)	2			116.8		1.2	5.9
Milwaukee	2	120.8	152.4			1.8	5.0
San Diego (February 1965=100)	2			112.8		1.4	4.7
Seattle	2	125.9	158.2			1.1	4.7
Washington	2	126.3	152.0			1.1	6.0
		March 1969			March 1969	December 1968	March 1968
Atlanta	3	124.9	154.7			2.3	6.0
Baltimore	3	125.7	156.0			1.4	5.9
Cincinnati	3	122.7	149.4			1.3	4.8
Honolulu (Dec. 1963=100)	3			115.6		1.5	4.3
Kansas City	3	128.1	158.6			2.1	5.3
St. Louis	3	125.4	155.6			1.6	4.3
San Francisco-Oakland	3	128.9	163.6			1.7	5.1

[1] Area coverage includes the urban portion of the corresponding standard metropolitan statistical area (SMSA) except for New York and Chicago where the more extensive standard consolidated areas are used. Area definitions are those established for the 1960 census and do not include revisions made since 1960.

[2] Foods, fuels, and several other items priced every month in all cities; most other goods and services priced as indicated:
M, every month.
1, January, April, July, and October.
2, February, May, August, and November.
3, March, June, September, and December.

ADDRESS BY SENATOR MONDALE ON DEFENSE PROCUREMENT

Mr. PROXMIRE. Mr. President, there is no more pressing issue confronting the Nation today than the character and size of the defense budget. The military procurement system, from project conception through contract administration, significantly affects that budget.

On May 19, 1969, our distinguished colleague, the junior Senator from Minnesota (Mr. MONDALE), made a thoughtful and constructive speech on defense procurement to a meeting of purchasing management executives. It contains suggestions for desperately needed improvements in defense procurement which, I believe, should be considered by all Members of the Senate. Accordingly, I ask unanimous consent, Mr. President, to have this speech printed in the RECORD.

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

THE GOVERNMENT AS PURCHASER

(Remarks by Senator WALTER F. MONDALE, before the National Association of Purchasing Management, Minneapolis, May 19, 1969)

It is a pleasure to be with you this morning at your International Purchasing Conference. My good friend Stanley Cowle is President of the Twin City Purchasing Management Association, which is your host. I am glad to see Bill Bunin, the Program Chairman, from the Tony Company, Mr. Fred Fisher, the Assistant Program Chairman from Minnesota Mining, and Mr. Beverly Countryman, your General Chairman, also from Minnesota Mining.

I believe you know that your business, purchasing management, is one of the hottest subjects now confronting the world's largest enterprise, the United States Government. I speak to you as a member of the "Board of Directors" of the U.S. Government, whose expenditures in the current fiscal year are expected to approximate $190 billion. That is a staggering amount of money.

How much is $190 billion? From the founding of this nation in 1789, it took us until we were well into World War II, in fiscal year 1942, before the Government had spent $190 billion in the aggregate. And now we are spending that amount of money in just one year!

A great deal of that money is spent on procurement and that is what you are experts in. As the world's largest enterprise, the Government has an obligation to develop and use the best procurement practices that man can conceive in carrying out its tremendously complicated mission.

Much of the Government's procurement is centered in two agencies. The first is the General Services Administration, which buys the large majority of common supply items used by all civilian agencies of the government, as well as a great deal of the material which is used by the Defense Department. The Defense Department, however, dwarfs the General Services Administration with its own procurement programs. Though many of you have no direct connection with Defense procurement, as citizens and taxpayers you are vitally affected.

As you know, the budget of the Defense Department is now in the order of $80 billion. About half of that total goes into procurement. Thus, your tax rates, and the size and complexion of the civilian portion of the Federal Budget, are significantly influenced by Defense procurement. In addition, many of your concerns are deeply involved in Defense business, so I know that the subject is important to you.

Congressmen and taxpayers no longer consider procurement policy a dull and uninteresting subject. Our national priorities cry out for a shift in Federal funds from military to urgent civilian programs. By drastically improving our defense procurement systems, I believe we can meet these pressing needs with no sacrifice to national security. In fact, some think we could greatly strengthen our security through more intelligent procurement practices.

During fiscal 1968, the Defense Department made almost ten million purchases, under contract with about 24 thousand firms. This would be a difficult enough job if either the personnel managing the system or the material in the system remained stable. Unfortunately, that is not the case. At least 25% of the personnel working in the field of defense logistics are new to their jobs every year. And one of every ten items in stock is brand new. Thus, it can readily be seen that intelligent and wise procurement in the Department of Defense is both essential and exceedingly difficult.

For many years now, the Defense budget has somehow escaped the close scrutiny in the Congress to which all other programs are subjected. But a new mood is evident in the Congress, reflecting a mood which is taking shape in the nation. The people are tired of the Vietnam war. And they are tired of the huge tax burden that has been placed on their shoulders. And they are writing and telling their Congressmen how tired they are.

In years past, it was sufficient for the Pentagon to tell its advocates in the Congress that the programs proposed were vital—and that the systems would work—and that the cost estimates were accurate. Recently, a large number of Congressmen have reluctantly come to conclude that "essentiality" is mere rhetoric; that "reliability" is merely a hope; and that "cost estimates" are merely seductive offers.

Yes, there is a growing crisis of confidence with respect to the Defense establishment. It is manifested in terms of strong opposition to the President's proposal for an ABM system—both in the Congress and among the public. I was heartened to see that a poll in this state recently revealed that a slight plurality opposed this costly and futile ABM system.

The Pentagon's promises with respect to the prosecution of the war in Vietnam have also contributed to this decline in confidence. And a series of revelations about incredibly shoddy contractor performance, and equivalent shoddy government supervision, have, I believe, truly placed in jeopardy confidence in our national security establishment.

I would like to review briefly with you some aspects of defense procurement which have contributed to this crisis. For I believe you can help us in correcting the serious flaws and in restoring the country's confidence in the nation's defense effort.

To begin with, the entire system is operated under a hopelessly obsolete statute. The Armed Services Procurement Act of 1947 is actually based, in large part, on Section 3709 of the Revised Statutes—which dates from 1861. This statute assumes that the typical method of procurement will be through advertised competition, sealed bids, awards based principally on the lowest price, and fixed price contracts. In actuality, however, only a small minority of defense procurement follows the pattern anticipated in the statute.

After years of intensive efforts initiated at the beginning of the Kennedy Administration, the percentage of procurements of this type was substantially expanded, but still reached only about 13% of the total. All of the rest have to be treated, essentially, as exceptions to the basic approach of the 1947 Statute. True, these exceptions are covered in the very detailed Armed Services Procurement Regulations. These regulations spell out the conditions for 17 different types of procurement for which adequate provi-

sions is not made in the basic legislation. But, surely, we should have a law which substantially covers our predominant practices.

Another problem is the insistence by the Pentagon that military personnel rotate at frequent intervals and, moreover, that they not become too specialized. The objective seems to be to prepare most of them ultimately to qualify for appointment as Chief of Staff. It is no surprise that a system, many of whose key personnel pass through it as if in a revolving door, cannot achieve the levels of efficiency and effectiveness that we would like.

This rotation policy has been seriously criticized by other observers—for it is very costly just in terms of personnel operations. One estimate of cost savings through reduced assignment changes is $500 million per year. But the cost in reduced effectiveness may be even greater.

The early retirement system leads to employment of many retired military personnel in senior positions in defense industries. As Senator Proxmire has recently reported, 2072 retired military personnel are now serving in key positions with defense contractors. Though there are regulations governing the participation of such officers in procurement activities with their former services, this does not seem to be true with respect to civilians who leave the Defense establishment, as a result of this pattern of employment, public confidence in these arrangements has weakened badly.

We urgently need a thorough study of the role of personnel who move from defense industry into the Pentagon and from the Pentagon into defense industry. Certainly, former military and civilian personnel of the Defense Department are entitled to seek gainful employment in fields for which they are qualified. But the public needs to be assured that this employment is earned entirely on the strength of the individual's ability to perform—and not on his ability to "deliver," based on his previous contacts.

The Congress has been greatly disturbed by an analysis recently completed by Senator Stuart Symington, a former Secretary of the Air Force. He listed 43 missile systems which were abandoned prior to their deployment or have been replaced because they became obsolete. He estimated that $23 billion had been expended on these systems before they were abandoned. We must develop better planning and evaluation techniques so we do not rush prematurely into procurement of these high-cost systems.

We have also been troubled by the tendency of the defense establishment to seek the most elaborate—the most sophisticated—hopefully the most reliable—and clearly the most expensive equipment that man can imagine. We cannot fault the military planners for this. Their job is to try to get the country the best equipment which can be made. But we must find ways to temper their zeal with prudent judgment.

The tendency to use over-elaborate specifications has earned the name of "gold plating." And a specialty has grown up just to combat this tendency. That specialty is known as "Value Engineering." Though it is estimated that hundreds of millions of dollars have already been saved through value engineering, I believe we have only scratched the surface.

We have more than mere dollars to save through rigid scrutiny of specifications. If we assure that they are reasonable, we can shorten the lead time and get our equipment into service faster—perhaps before it becomes obsolete. Most importantly, the equipment will likely be more reliable in the event it ever must be used in wartime.

And now I would like to turn to one of the most critical problems in defense procurement. That is, the consistent and virtually fantastic cost "overrun" which we have experienced in major weapons systems. The problems which I have been discussing so far pale by comparison with some of the gross deficiencies which have recently come to light in cost estimating. A recent Brookings study reports that the initial cost estimates for major weapons systems in the 1950's and early 1960's were exceeded by amounts ranging from 200% to 700%. And another study by a Budget Bureau officer revealed that the performance of these complex weapons systems fell as far short of specifications as the actual costs exceeded those originally estimated.

For example, of 13 major missile and airplane systems begun in the late 1950's, only 4 could be counted on to function 75% as well as promised. Of 11 systems begun in the 1960's, only 3 reached performance levels of 75% expectations.

So it is here in these major weapons systems that a big payoff can, and must, be found—both in cost savings and in improved performance.

What we need is a thorough-going overhaul of the entire philosophy and operation of the defense procurement system. As a civilian procurement executive of the Navy Department recently stated:

"No matter how poor the quality, how late the product and how high the cost . . . defense contractors know nothing will happen to them. Until or unless this climate is changed, there will be little or no improvement in our procurements."

The problem lies in those 17 kinds of procurements which I mentioned earlier; that is, the exceptions to the advertised, competitive, fixed price contracts which were envisioned under the Armed Services Procurement Act. A great number of these "exceptions" are procurements made by cost-type contracts.

Under cost-type contracts, the contractor may be reimbursed for *all* of his costs, regardless of how they vary from the original estimate upon which the award was made. Of course, in many contracts, we now have provisions for denying certain elements of contractor cost-escalation. But the contractors have developed methods for avoiding these controls, often with the acquiescences of the Government.

Under former Secretary of Defense McNamara, increased use was made of incentive-type contracts. But recent testimony in the Congress reveals how far we have to go to safeguard the interest of the taxpayer in major procurements, such as those for for the C–54 aircraft system and for the F–111 fighter bomber.

The $2 billion cost escalation on the $3 billion original C–54 cost estimate amounts to more money than was appropriated for the War on Poverty this year.

The initial cost estimate for the engines for the F–111 was $270,000 each and a recent estimate has reached $700,000 each. The Air Force's Manned Orbiting Laboratory (which substantially overlaps with the civilian space program) was first projected at $1.5 billion. Current estimates are about $3 billion and the end is not in sight.

One basic cause of understated costs appears to be that the Services, in vying for roles and missions, and the contractors, in vying for business, have a tremendous incentive to keep their estimates low so as to increase the chances that their proposals will be accepted. For example, it was reported in the *Washington Post* just last week that the cost estimates for the Mark II electronics equipment for the *full* F–111 program (the size of which has now been cut-back sharply) and soared from $610 million in June 1966 to $2,510 million by November 1968—more than a 300% increase. The article quotes an internal Defense Department memo, as follows:

"Both the contractor and the Air Force were unrealistic in assessing the ultimate cost of the system. It appears the contractor knew very well what he was getting into but was so anxious to win the competition that he was willing to buy in by quoting a low price."

Then, "the contractor pursued a strategy of using change notices (blaming higher costs on Government-ordered changes) as a means of 'getting well'. . ."

As recently reported in the *Minneapolis Tribune*, numerous companies depend on the defense program to keep them alive. Fifteen of the 38 largest defense contractors, from 1961 to 1967, derived more than half of their business from defense contracts. Thus, they compete avidly for cost-type contracts, being confident that the Defense Department will underwrite the excess costs if the estimates prove low.

Once the Congress is persuaded to accept the deceptively low estimates of these firms, it seldom is presented with the choice of dropping the project when the funding requirements multiply. In such cases, an accurate presentation might have made the program very much more vulnerable to Congressional rejection at an early stage.

In civilian programs, the Congress permits no such freedom. Many of our most vital domestic programs operate under fixed authorization ceilings. If the program unexpectedly eats up the money which was authorized, without reaching its goals, the agency must come back to the Congress—both for an increase in the authorization and for additional funds.

When the Defense Department runs short, it does not consult generally with a wide range of Members of Congress. Many of us often do not hear of these huge cost-overruns.

But, as I have indicated, a new mood is evident. The Congress is becoming restive. The people are unhappy. We are afraid that the vaunted "power of the purse" is being made a mockery.

Many of us intend to see that the Congressional watchdog role is taken more seriously—both by the executive branch and the Congress itself. As a result, I hope for significant challenges to the Defense Budget on the floor of the Senate this year.

Cost overruns are only part of the problem. Not only have the contractors typically been "let off the hook" when they have greatly exceeded their cost estimates, but they have also been absolved of any responsibility for the fantastic shortfalls in the performance of their weapon systems which I mentioned earlier. What we need to do is strengthen the resolve of the procurement officials in the Defense Department to demand that systems measure up to specifications. And we should exact penalties from the contractors if the systems fail to measure up.

Solving these problems which I have outlined is exceedingly complex. But a start must be made. Reducing the Defense Budget merely treats the symptoms, not the disease. We need to do more. I believe that a serious and thorough study of the entire Defense procurement apparatus is needed. Senator Jackson and Representative Holifield have introduced bills to provide for such a study by an independent Commission. The bills, S. 1707 and H.R. 474, are pending before the Government Operations Committees.

The proposed Commission on Government Procurement would not limit its attention to Defense Procurement. I think that is fine because some of the same problems exist in other large government procurement programs, such as the Supersonic Transport Program, the Space Program, and the Atomic Energy Program. Obviously, the bulk of expenditures is in the Defense area, and I would expect the Commission to devote a preponderant amount of its attention to Defense procurement. I intend to support the enactment of this legislation.

You could help in a number of ways. First, you could urge the establishment of the

Commission on Government Procurement. Then you could volunteer, either as individuals, or through your national or local associations, to assist this Commission in evaluating present procurement practices and in designing improvements.

I would also welcome any other suggestions or assistance in bringing to bear the most serious and expert attention of the Nation upon these problems. For they are not transistory. Charles Schultze, a former U.S. Budget Director, has estimated that Defense systems, *already approved*, could eat up the entire savings to be realized from an end to the war in Viet Nam.

If we are not to become saddled permanently with an overblown Defense budget, we need an aroused and enlightened electorate. The problems of our crowded and polluted cities, of our hungry and undernourished children, or our undeveloped rural areas, of our millions still living in poverty, and of our repressed and deprived minorities, demand attention.

As long as we fail to control the machinery we have created to "provide for the common defense", we will be unable to carry out the equally compelling mandates of the U.S. Constitution to "promote the general Welfare" and to "insure domestic Tranquillity". We, in the Congress, need your help.

OUR RECORD ON THE HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, of the human rights conventions adopted since the creation of the U.N., the United States has ratified only two—the Supplementary Convention on the Abolition of Slavery, in 1967; and the Protocol on the Status of Refugees, in 1968.

The United States has not adopted the Convention on Genocide, Political Rights of Women, and Abolition of Forced Labor. This record is matched only by Yemen, South Africa, and Bolivia. Three of the new countries in the U.N.— Mauritius, Maldive Islands, and Western Samoa—also have a poor record, but they have not yet had much time to act.

Taking into account the entire range of human rights conventions since 1945, including those developed by the ILO and UNESCO as well as the U.N., and again omitting countries which have become independent only in the last few years, our record of two brings us above Yemen—which has never ratified any—and above Bolivia, Saudi Arabia, Thailand and San Marino, which have each ratified one human rights convention.

For a country dedicated to the principles of the Bill of Rights and the humanity of nations, we have a poor record indeed. The time has come to change that record. Again, I would urge my colleagues in the Senate to ratify the Conventions on Genocide, Political Rights of Women, and Abolition of Forced Labor. Let us, as a nation, give meaning to our words and substance to our hopes.

O. & C. TIMBER PAYMENT PROBLEM CLOUDED BY INACCURATE FACTS

Mr. PROXMIRE. Mr. President, earlier this year I announced my opposition to the continued payment of Federal receipts on certain timber lands in western Oregon in an amount that was two to three times as great as the county governments would have received had the land been in private hands. In my estimation tax equivalency is, the most the counties should be receiving.

I am happy to say that I have had a chance to discuss this problem with my colleague from Oregon, Mr. PACKWOOD, and certain representatives of the 18 western Oregon counties receiving these Oregon and California land payments. These representatives, including Ray Doerner, Douglas County commissioner, made a compelling case for the continuation of the payment of 50 percent of the receipts on these lands, even though this payment may balloon to $30 million in fiscal 1970 as compared with $25.5 million in fiscal 1969.

Apparently the Bureau of the Budget also felt the force of some of the arguments used, for in a revised Nixon budget in which budget cuts were the order of the day the proposed limitation on Oregon and California land payments was hiked from $24 million to $25.5 million. This compares with cuts in other Bureau of Land Management activities such as oil shale research and improvement of land appraisals.

An editorial reprinted in the May 6 edition of the Portland Journal and originally appearing in the Albany, Oreg., Democrat-Herald, gave particular force to the arguments Mr. Doerner and his colleagues set forth when it stated that Linn County, one of the 18 western Oregon counties receiving O. & C. payments, would receive more if the land were on private tax rolls than the county currently received. This estimate was completely at variance with the figures I had received earlier in the year from the Bureau of the Budget.

My inclination to look behind the presumed facts set forth in the editorial to the figures on which they were based was reinforced by one obvious error. The editorial stated that payments in lieu of taxes would be limited to $24.5 million if the Bureau of the Budget recommendation were followed. Actually the Bureau had recommended its ceiling of $25.5 million some weeks earlier. I then found that Linn County had 86,166 acres of O. & C. land according to a study Mr. Doerner left with me—"The Significance of the O. & C. Forest Resource in Western Oregon"—rather than the 58,932 acres mentioned in the editorial.

The editorial stated that value of the merchantable timber on these acres was $127,121,170. Yet according to the figures contained in the 28th biennial report—1964–66—of the Oregon State Tax Commission the assessed value of timber on all private land in the State of Oregon was a mere $104,382,107. Furthermore the assessed value of the timber on private land in Linn County was only $21,585,800. Yet this land, according to the O. & C. county study, amounted to 515,000 acres.

Making a projection I discovered that if the timber on 58,932 acres in Linn County was assessed at $127,121,170 then the entire O. & C. resource of 2.5 million acres should contain about $5.5 billion worth of timber. Yet the return on these lands was not even $55 million, or 1 percent of this presumed value, this past year.

The figure given in the editorial for tax payments on the O. & C. land's merchantable timber was $607,312.54. We are told that this figure is based on "the formula assessors use in determining timber taxes." Of course the figure is arrived at by applying that formula to the hypothetical $127,121,170 at which the merchantable timber on Linn County's O. & C. lands is valued—a figure that exceeds the value of all the private timber in the State.

In any event we can determine the tax per dollar of assessed valuation by dividing the tax into the assessed valuation. It works out to about .00478 cents per dollar of timber, or approximately one-half cent on the dollar. In a similar way it is also possible to find that the tax on the land, as opposed to the timber is about .0465 or approximately 4½ cents per acre. This figure is arrived at by dividing the acreage mentioned in the editorial, 58,932 acres, by the property tax the editorial estimates would come from from these acres—$2,740.

Using these figures and information contained in the Oregon State Tax Commission's report, we learn that the $21,585,880 worth of private timber in Linn County on the assessment rolls in 1966–67 would have been taxed at .00478 cents on the dollar or $1,031,769. Again going to the O. & C. county study, which tells us that there were 515,000 acres of private timber land in Linn County, and applying the tax rate of .0465 per acre we find that the land would have been taxed at $23,947.50. Adding the figures together we are able to determine that both land and timber taxes on the 515,000 acres come to approximately $1,055,000, or about $2.05 cents per acre.

This $2.05 per acre compares favorably with Dr. Albert Worrell's estimate contained in a 1967 study for the Industrial Forestry Association that land and timber taxes in this area average $1.73 per acre, varying from 24 cents to $2.62.

If, in fact, the private forest tax in Linn County is about $2.05 cents per acre the 86,166 O. & C. acres would have paid only $180,000 in taxes rather than the $607,312.54 cited in the article or the $577,000 actually paid based on 50 percent of O. & C. revenues. Thus the actual payments on O. & C. lands in this instance appears to be over three times greater than taxes paid on comparable private land.

Furthermore, if $2.05 cents per acre is a representative figure the 7.6 million acres of private timber land in Oregon as given in appendix D of the O. & C. county study would pay approximately $15 million in taxes while the O. & C. lands, which amount to only 2.5 million acres, paid $25.5 million to 18 Oregon counties last year and may well pay $30 million this year unless Congress acts to accept the Budget Bureau's recommended ceiling of a generous $25.5 million.

In summation, Mr. President, on the basis of the figures presented in the editorial I have referred to, as well as the information left with me by Mr. Doerner and his associates, I feel it would be a substantial mistake to fail to put a ceiling on O. & C. land payments. I intend to continue my fight for such a ceiling.

I ask unanimous consent that the editorial from the Portland Journal be printed at this point in the RECORD.

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

[From the Portland (Oreg.) Journal, May 6, 1969]

WHAT'S DUE FROM O. & C. LANDS

Before we will admit there is justice in proposed curtailment of payments by the Bureau of Land Management in lieu of taxes on O&C timberlands to the 18 counties containing them, we should like to know the basis for the U.S. Budget Bureau's curtailment schedule. The federal agency proposes to place a ceiling on BLM payments at about $24.5 million this year and a continued annual reduction in such amounts as would be necessary in 10 years to reduce payments to what the counties would receive if the timber were privately owned.

This assumes that the counties have a "golden goose" that is laying excessively large eggs—that the O&C lands would yield far less under private ownership than they do now.

What we would like to know is how the Budget Bureau determined what it contends the O&C payments should be.

At our request Linn County Assessor Hal Byer has ascertained what the 58,932 acres of O&C timberlands in Linn County would yield to the county in taxes if they were on the tax rolls. The assessable value of the land was found to be $153,169. It would have yielded a tax of $2,740 had it been privately owned. Value of the merchantable timber on this land was estimated at $127,121,170. Under the formula assessors employ in determining timber taxes it was estimated that Linn County would have derived a tax payment of $607,312.54. The amount was determined by applying the 1968–69 levy in two code areas or districts selected as typical.

Instead of $607,312.54 in taxes which the county would have received from private owners of this land Linn County actually received only $577,000 in BLM payments last year.

These figures, the assessor admits, might be altered if all BLM timber were re-cruised and assessed on the basis of more accurate knowledge than is now available as to board feet of timber per acre on O&C lands, but he is convinced that cruising would show an increase rather than a decrease in the amount of taxable timber and therefore would increase revenues to the O&C counties.

We suggest that a thorough investigation into current true cash values of O&C timberlands be demanded before the 18 counties give up what we are convinced is due them.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may be permitted to proceed for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EFFICIENCY IN GOVERNMENT AND PPB: SOME PROPOSALS FOR REFORM OF THE BUDGETARY PROCESS

Mr. PROXMIRE. Mr. President, the level of inefficiency in Federal Government expenditure programs is enormous. We seem to be spending our money on low-ranking priorities and even in the management of this spending, we are terribly wasteful.

In recent months, a number of important investigations of inefficiency and waste in the Federal Government have been published. A study by the independent Congressional Quarterly—June 28, 1968—for example, estimated that $10.8 billion could be eliminated from the Defense Department budget with no reduction in the level of national security. A report by Richard Stubbings of the Bureau of the Budget, printed in the CONGRESSIONAL RECORD, February 7, 1969, page 3171, presented hard evidence that many of our most costly weapons systems perform at a level substantially below expectation. It also indicated that those systems whose production generated the greatest profits displayed the largest performance shortfall. A paper by Robert Benson in the Washington Monthly, March 1969, presented evidence that a $9.2 billion reduction in the Defense budget could be achieved without loss of military capability.

Over the past year, the Subcommittee on Economy in Government of the Joint Economic Committee, of which I am chairman, has encountered numerous instances of inconsistent, uneconomic practices in Federal agencies. These have dealt with military procurement matters, the application of discounting analysis to proposed investments throughout the Government, and the procedures for consistently estimating the benefits of Government expenditures. The existence of cost overruns entailing unexpected expenditures of billions of dollars and the construction of public works projects which return far less production for society that comparable private investments are now well documented.

As our economy grows and as the demands of the people on the Federal Government burgeon, it becomes increasingly important that we seriously appraise our priorities and find ways of determining which of our various programs are most effective in attaining our objectives. In my comments, I wish to focus on some of the problems in the executive and, especially the legislative branches of the Government, which impede us in making open, explicit—indeed, rational—decisions. The proposals which I will offer hold out substantial promise for improvements in the budgetary decision process in the Federal Government.

It is now 3½ years since all major Federal agencies were instructed to develop and implement planning-programing-budgeting systems. During this period there has been great activity in connection with program analysis and evaluation and a tremendous amount of discussion and debate. There has not been, however, any systematic look at how the application of these tools was worked out in practice, at what lessons have been learned and what changes made, and what policies should be followed in the future. It is time for the Congress to inform itself on the progress of the PPB System and to consider how the legislative branch can improve its effectiveness in the budgetary process.

THE PPB SYSTEM AND RATIONAL DECISIONMAKING

It should be emphasized that the use of PPB and systematic analysis in the Government is not a partisan issue. While originally implemented pursuant to the instruction of President Johnson, it also is supported by the new administration. As Budget Director Robert Mayo has stated, it is now quite clear that any administration needs techniques of program analysis and evaluation if it is to make effective decisions on resource allocation and affirm the objectives of planning, programing, and budgeting.

The absence of partisan dispute over the use of PPB points to the recognition by responsible Government officials that we must be rational in our approach to public policy decisions. For, to use PPB to obtain information about the gains and losses to be anticipated from a decision is to demand no more than that the decision be rational. Properly defined, PPB is the most basic and logical planning tool which exists: it provides for the quantitative evaluation of the economic benefits and the economic costs of program alternatives, both now and in the future, in relation to analyses of similar programs.

Any decisionmaker, whether he be the head of a household or the head of a business firm, must rely on the comparison of the gains and costs of his decisions if he is to be successful at achieving his objectives. To ignore the careful consideration of gains and losses is equivalent to saying that he has no objective at all; no goal which he is attempting to achieve. While the objectives of the Federal Government are less tangible and more complex than those of a household or a business firm, they do exist, and analysis should be carried out to determine which of our alternatives will allow us to satisfy these objectives at least cost. I would add that the very effort of attempting to evaluate alternatives is of substantial assistance in determining what our objectives really are.

I have never been able to understand why we are only now getting around to the task of developing such a system of analysis and evaluation in the Government. It is even more difficult for me to understand why many officials and private groups sometimes object so violently to the application of this logic to public sector choices. Obviously, they themselves demand such information before they buy a new car or trade 15 shares of one common stock for seven shares of another.

THE CONGRESSIONAL BUDGETARY PROCESS

As a Member of the U.S. Senate, I have a strong interest in the potential of PPB for improving decisionmaking in the legislative branch as well as in the executive. This is a very important possibility because, in my view, the legislative resource allocation process is sorely in need of improvement. In a very real sense, the congressional appropriation process is a classic example of an inexplicit, closed, and uninformed decision process. I am not arguing that the executive budgetary process is perfect, or even that it is, in fact, very good on any absolute scale of values. But it is both informed and open compared with the budgetary process which exists in the legislative branch.

In the Congress, with its appropriations committees and subcommittees, there is very little explicit consideration of program objectives or trade-offs, of alternative means of attaining objectives,

or of the benefits and costs of budget proposals this year and in the future. In short, Congress does not really give the budget a meaningful review because it fails to ask the right questions.

Perhaps the primary reason for this is the traditional policy of executive branch dealings with the Congress. The executive branch comes to Congress with only one budget, with only one set of program proposals, and typically with no quantitative information on the benefits and the costs of even their own proposals. In fact, the only program area in which the Congress is presented with substantive cost/benefit evaluation information is that of water resources development. Since the Flood Control Act of 1936, project proposals in this area have been accompanied by a benefit/cost ratio. This number enables Congressmen and Senators to get some sense of the economic value of the choices which they are making and of the implicit costs involved when they choose to accept a project with a low benefit/cost ratio despite the fact that one displaying a higher ratio is available. Even so, the usefulness of these analyses has been impaired by the use of artificially low discount rates in computing the present values of benefits over time. This has made bad projects look far better than they should.

A second reason why the Congress has performed so badly in the budgetary and appropriations area has to do with the interests of Congressmen and Senators. Many in the legislative branch have little interest in or patience for careful deliberations on budgetary matters. The careful consideration of alternatives requires much effort and concentrated study of the relative merits and demerits, the costs and the gains, of alternative policy proposals. This is hard and grubby work. Those not used to thinking in such terms find it easier simply to rely on the executive agencies. Unfortunately, these agencies are often more interested in selling their programs, regardless of merit, than in having Congress analyze them.

A final reason for Congress poor performance in this area is the severe staffing constraints under which the legislative branch operates. Currently, we do not have the staff either to interpret or to evaluate the analysis done by the executive branch were it presented to us, nor does Congress have the staff to do policy analysis of its own. Indeed, in my judgment, this is one of the primary barriers to the ability of the Congress to fulfill its mandate as controller of the public purse. Dr. Jack Carlson, who is Assistant Director of the Bureau of the Budget, stated this well in his recent testimony before the Subcommittee on Economy in Government:

> You (the Congress) have some outstanding people who can provide (program) evaluation, but very few. I frankly think that Congress is not very well equipped to provide that evaluation.

THE EFFICIENCY CONSEQUENCES OF THE COMMITTEE STRUCTURE

Even if the interest and the staff existed, though, there would still be substantial organizational problems which would impede the development of an effective public expenditure decision process. The primary difficulty is the committee structure. In considering appropriations requests from the executive, both the House and the Senate organize themselves into appropriations committees and subcommittees with each subcommittee having control over a particular portion of the budget. The subcommittees consider the executive's proposed budget, deliberate on it, perhaps amend it, and ultimately report out an appropriations bill. The structure of this arrangement is such that the powerful people on the appropriations subcommittees—the chairmen—almost inevitably desire increases in the budgets which they oversee. They are not interested in careful scrutiny and evaluation of their own budgets. Other budgets should be cut, of course, but everyone knows that defense—or agriculture, or space, or public works, as the case may be—is "absolutely necessary" to the further growth and prosperity of the Nation.

My experience on the steering committee of the Democratic Party confirms all of my misgivings on this matter. In the deliberations of this committee, which assigns the Democratic membership to the available committee vacancies, there are enormous pressures to place those Senators whose States benefit from, let us say, public works appropriations on either the Senate Interior Committee or the Public Works Subcommittee of the Appropriations Committee. In fact, a Senator who is from a State which benefits substantially from these programs is at least in the short term rather clearly serving his own best interests and those of at least some of his constituents if he attains a seat on one of these committees. The net result of all of this, however, is that the committee structure develops a built-in bias toward higher budgets. Because the people who serve on each committee have an interest in seeing the budget for which they are responsible increase, they often fail to encourage careful evaluation and analysis of expenditures.

An example of the bias which results from this process is clearly seen by observing the State membership of the Senate Committee on Interior and Insular Affairs. The Democratic members on that committee are from Washington, New Mexico, Nevada, Idaho, Utah, North Dakota, Wisconsin, Montana, and Alaska. The Republican membership is from Colorado, Idaho, Arizona, Wyoming, Oregon, Alaska, and Oklahoma. With the exception of my able colleague, GAYLORD NELSON, there is no Senator on this committee representing a State east of the Mississippi River. A similar kind of situation holds in the Public Works Subcommittee of the Senate Appropriations Committee. The Democratic membership of this committee represents Louisiana, Georgia, Arkansas, Washington, Florida, Mississippi, Rhode Island, Nevada, West Virginia, and Wyoming. Again, a substantial concentration of Senators from those Southern and Western States which receive major water resource appropriations. Much the same is true with the Republicans on that subcommittee, although I should add that at least two of these are from the Eastern States—Maine and New Jersey.

Largely as an outgrowth of this built-in committee bias, the relationships between the staffs of the committees and subcommittees and their counterparts in the executive agencies is hardly one of arms-length dealings. The degree of mutuality of interest between the executive staff and those on legislative branch committees is substantial. I would add that this problem is not peculiar to legislative-executive relationships. The serious collegiality between Budget Bureau examiners who work on the military budget and their counterparts in the Pentagon has recently been the cause of much concern.

TOWARD AN IMPROVED APPROPRIATIONS PROCESS

Given the institutional constraints which inhibit change in this situation, is there anything which can be done to improve the congressional budget-making process? In my judgment, there are a number of important steps which can be taken. Many of them entail bringing to bear additional PPB-type information on the appropriations process. Congressmen and Senators who are concerned with national priorities and efficiency in Government must have the information and data necessary to raise and debate the right basic questions about program effectiveness and worth.

BUILDING A CAPABILITY TO ASK THE RIGHT QUESTIONS: THE FIRST STEP

The most basic and elementary step which the Congress needs to take in improving the appropriation process is to develop a capability to ask the right questions. Whether this means a substantial increase in staff capability or a special office of budgetary analysis or an increase in the PPB capability of the General Accounting Office is not clear. What is clear, however, is that the Congress cannot respond to the demands of the people, cannot establish proper national priorities, cannot improve the quality of its decisions, cannot properly scrutinize the executive budget unless it equips itself to ask the right questions.

The right basic questions as I define them are those having to do with the outputs of a program and its inputs and the economic values of each. They are questions concerning the total costs of program decisions, and not just the given year costs. They are questions having to do with the distribution of a program's costs and benefits among the people. We must, for example, determine the economic losses which will be sustained—or gains which will be foregone—if program X is reduced by 10 or 50 percent, or increased by 10 or 50 percent.

The following are a few examples of the kinds of questions which I have in mind:

What are the real national security costs of removing Southeast Asia from the primary defense perimeter and what are the budgetary savings from its removal? On the basis of very little evidence and information, I am inclined to say that the costs of removing Southeast Asia may well exceed the value of the budgetary savings which we would experience. However, I cannot make a rational decision on this matter, nor can my colleagues in the Congress, unless we have the best analysis available on the costs and gains of such a policy alternative.

What would be the national security impact of a 30-percent reduction of total

U.S. ground forces, and what would be the budgetary savings from this reduction? The article in the Congressional Quarterly* which I referred to earlier, claimed that $10 billion could be cut from the defense budget with no loss of national security effectiveness. Over 50 percent of this suggested $10 billion cut was in the area of manpower. The efficiency of the Department of Defense in the handling of manpower policy is very low. Indeed, the national security costs of reducing ground forces by 30 percent may well be zero. In any case, it is evidence—data and information—on the costs and gains of that sort of decision which Congress requires if the level of rationality is to be increased.

What are the total costs of adding a nuclear carrier force with all of its required support to our existing 15 carrier complex? What would be the gain in national security? How much elementary and secondary education could we purchase for the dollar cost of the new carrier?

What national economic benefits would the Nation sacrifice and what national costs would it avoid, if the Trinity River project is not constructed? This project involves the creation of a channel from Dallas-Fort Worth to the Gulf of Mexico. Some observers have argued that it would be cheaper to move Dallas-Fort Worth to the Gulf than the construct this channel.

What benefits are available from manned space flights that are not available from unmanned flights? What are the incremental costs of manned over unmanned flights? The space agency is now asking us for funds for 10 moon landings and for the exploration of still additional planets. Those planets are going to be there 10 years from now, or even 20 years from now. On what basis can we justify the current expenditure of these funds in view of the other social objectives which we could attain if these funds were not allocated to the space program? Moreover, some scientists believe that all of the information that we need from space flights can be obtained from unmanned flights, that manned flights are not necessary for this purpose. We need hard analysis of this decision.

What are the real costs to the American economy of specific protectionist measures that are sought by industry, such as the oil import program? What, in hard economic terms, do similar measures by other countries cost us? Such information is essential for effective bargaining.

How much do we spend to maintain a military capability to keep open important transportation bottlenecks, such as the Panama Canal, Gibraltar, or the Strait of Malacca? What costs would be incurred if such bottlenecks were not open?

What is the relationship between resources put into Federal criminal investigation, prosecution, and judicial activities and the outputs of those activities in terms of cases actually processed? What are the benefits obtainable through Federal payments for increasing the number of State and local law enforcement personnel versus those obtainable from increasing the support available to existing personnel? In particular, to what extent are trained police officers now used less than optimally because of a lack of subprofessionals, dictating equipment, vehicles, cameras, or other fairly elementary support items?

Which policy of preschool education produces greater benefits: a policy which is going to reach all poverty children to at least some extent, or a program of intensive work with fewer children? What economic losses will be incurred in the future—in terms of loss of productivity and increased welfare costs—that could be prevented by child nutritional and health care programs? How do the benefits available from such programs compare with the benefits available from further extension of the Medicare program? For each type of program, upon whom would the costs and benefits fall or accrue?

What are the costs and benefits involved in the construction of mass transit systems in cities which do not presently have them? What should be included in our calculation of benefits, and how accurate can we be in our judgments? In the Northeastern United States, are the costs of constructing a high-speed ground transit system for intermediate intercity journeys less than those of constructing additional airport capacity?

What is the likely yield from the Government's investment in fast breeder reactor R. & D. and how does it compare with the return that the relevant private sector would demand? Are there possibilities for international cooperation that would avoid the overlap between this work and similar work in other countries?

These are the kinds of questions that Congress needs to ask, and for which responsible executive branch agencies must develop and supply answers. In my judgment, concerned Congressmen and Senators can rdeuce much gross waste from our budgets if we can first develop enough information to ask the right questions, and second, have the cooperation of the executive branch in getting answers.

In this same vein, it seems to me that the current ABM discussion which is going on in the Congress is one of the few examples of careful policy analysis by the legislative branch. It is a case in which Congress—the whole Congress—is asking the right questions about the benefits which will be achieved from this decision, about the costs which it will entail. As in good policy analysis, the question of objectives is being explicitly discussed and the interrelationships between the program proposal and the attainment of objectives is being investigated with some care. It is my belief that with more PPB-type information, the Congress can do this kind of policy analysis on increasing numbers of issues and expenditure proposals.

GAINING ACCESS TO APPROPRIATE DATA AND ANALYSIS: A SECOND STEP

In addition to developing the capability to ask the right questions, the Congress needs to be provided with certain basic kinds of PPB-type information on an ongoing basis. The executive branch must be asked to develop this information and submit it to the Congress in appropriate form. The Bureau of the Budget must assume the leadership in this effort. Let me describe a few specific kinds of information which are essential to a more open and explicit congressional decision process.

OVERVIEW INFORMATION

The first items of analysis and data I will call overview information. We need a display of each program in the Federal budget and an estimate of its benefit-cost ratio—that is, the efficiency impact of that program. We also need information on the distributional pattern of project outputs by income level, race, and geographic location—its equity impact. This information is often as important to those of us in the legislative branch as is the efficiency information. We can frame good policy only if we have knowledge of who we are helping when we appropriate money and who is bearing the cost. Even though many of these estimates would have to be rough, they would generate a major improvement in the appropriation process by giving Congress a better perspective on the probable impacts of these public expenditures. I urge the agencies to develop this kind of information, and I urge the Bureau of the Budget to collect and supply it to the Congress for individual programs and in summary form.

BUDGET PROJECTIONS

A second body of information which Congress requires is out-year budget information. For each program, what are the expenditures to which we are committed over the next 5 years because of decisions which we have already made? For each new program proposal, what are the total 5- or 10-year costs entailed by the decision? An example of what happens when we do not have this kind of information is the Higher Education Act of 1965—Public Law 89-329. In this legislation, we provided thousands of student scholarships for the first year without really recognizing that to maintain our commitment the funding would have to double in the second year, triple in the third year, and quadruple in the fourth. By keeping the program at its present level, and refusing to honor the implied commitment, we have placed college and university administrators in an impossible position. They now either have to reduce the scholarship aid for the class which entered school last year, or they have to eliminate completely scholarship aid from this source for students currently entering school. If Congress had been oriented toward explicit consideration of the future costs of present decisions, I think it would have avoided this bind.

I urge the executive branch to formulate a framework and procedure to develop this out-year budget information across the Federal budget and to present it to the Congress. Moreover, I would propose that the President use the out-year budget framework which is developed to convey his budgetary priorities tc the Congress. The numbers which he would place in the appropriate slots in this framework would not commit him, and would change over time. However, they would show the level of program outlays for which commitments have already been made as well as the budgetary areas to which the President would like

*Congressional Quarterly, June 28, 1968.

to see uncommitted funds devoted. They would give the Congress an ongoing description of how the President hoped to allocate the Federal budget over the next several years and how much discretionary room remains in the budget if existing laws remain unchanged. They would give the Congress a bird's-eye view of the executive's plans and priorities. I would hope that the Bureau of the Budget could play the leadership role in developing this information.

QUANTITATIVE ANALYSES OF ALTERNATIVES

The final type of information which is essential to improvements in Congress' performance of its budgetary function entails the quantitative economic analysis of alternatives.

As stated earlier, when the administration comes to Congress with a new program, it typically comes with a single recommendation. If Congress is to carry out effectively its decisionmaking role, it must do more than simply accept or reject an administrative recommendation. The Congress needs to be presented with a number of alternatives which would achieve a given objective. These alternatives should be accompanied by quantitative analyses of the benefits and the costs of each. It is only slightly less than absurd that the Congress is expected to participate meaningfully in the policymaking process when it is not asked to consider alternatives, but only to approve or disapprove or to amend slightly at the margins. This problem is especially severe in the area of defense spending and military budgets. The development by the executive branch of a policy to provide the Congress with more alternatives and more benefit and cost information will, I suspect, not occur overnight. Current policies are rooted in the concrete of both tradition and realistic gamesmenship. Nevertheless, it is something that we should work hard to change.

THE FURTHER DEVELOPMENT OF PPBS

All of these improvements in PPB in the legislative branch are tied to the further development of the PPB system by the Executive.

As is obvious, I am a strong supporter of program analysis. I also think the efforts that have been made recently to strengthen the process are important. In particular, the narrowing of the number of issues which receive special analytic attention was an important step, as is the insistence that these issues deal with the larger budget questions. Hopefully, agencies will be able to respond with more quantitative and more pointed analyses on the reduced list of issues. I also support the goal of increasing the role of agencies in the PPB process.

In my judgment, of high priority to the further development of PPB systems is the issuance by the Bureau of the Budget of a number of guideline documents to insure consistency in the economic analysis of public expenditures applied throughout the Federal Government. Last year, the Subcommittee on Economy in Government, of which I am chairman, learned of the enormous divergence in the discounting analysis of public investment programs, ranging from rates of zero percent in some programs to 20 percent in others. In testimony before the subcommittee, we learned from reputable economists that the discount rate to be used by public agencies should be at least 8 percent. This would eliminate the economic waste of diversion of resources from the private sector, where they are producing at least this return to the public sector where, if rates of discount lower than this are applied, they will be likely to produce less. As stated earlier, I am well aware that the equity aspects are as important as the efficiency ones. However, one should not think that programs with low rates of return automatically produce equity, because they do not. Nor do I doubt our ability to find programs which meet both sets of criteria.

In the report of the Subcommittee on Economy in Government, we recommended that: First, the Bureau of the Budget should require all agencies to develop and implement consistent and appropriate discounting procedures on all Federal investments entailing future costs or benefits; and second, the Bureau of the Budget, in conjunction with other appropriate government agencies, should immediately undertake a study to estimate the weighted average opportunity-cost of private spending which is displaced when the Federal Government finances its expenditures. In response to these recommendations, the Bureau of the Budget has assured us that it is developing procedures for insuring consistency in discounting practice across the Federal Government. I am anxious to see how the committee recommendations are going to be implemented by the Bureau and Federal agencies.

On the basis of recent hearings before the Subcommittee on Economy in Government, I judge that Federal Government practice in benefit estimation is also extremely disparate. The issuance of a guideline document on the procedures for benefit estimation is necessary. We need to develop a consistent concept of program benefits viewed from a national accounting stance. We need to establish a consistent procedure for handling benefits such as regional effects and secondary impacts, which are not appropriately considered from a national economic viewpoint.

In addition to increasing the role of consistent analysis through the issuance of guideline documents, the executive branch should build explicit procedures for the ongoing evaluation and appraisal of programs into new and experimental social programs. The Congress should require that provision for ongoing evaluation be included in appropriations for these programs. We know little about the kinds of inputs and program structures which will yield the outputs we desire and if we ever hope to generate improvements in programs in the areas of education, health, labor retraining, and so on, we must have follow-up evaluation. This information must be available to Congress on an ongoing basis as these programs evolve.

Finally, we need a new budget analysis which breaks down and evaluates the economic impact of tax expenditures, as well as direct expenditures. In testimony before the Joint Economic Committee, Joseph Barr, former Secretary of the Treasury, pointed out that the special provisions, exceptions, and deductions in the Federal tax structure cause an enormous reallocation of the Nation's resources. The volume of these tax expenditures is huge; in some of the functional categories of the Federal budget they outweigh direct expenditures. So far we have little analysis of these expenditures; we know very little about the kinds of outputs which they are producing, and the kinds of resource diversions they entail. The Federal budget should include information on these items, as well as the information which it currently includes.

As a recent UPI article by Louis Cassells states:

> Tax expenditures are not subject to careful annual scrutiny in the budget and appropriation process and are not reviewed annually or periodically to measure the benefits they achieve against the amounts expended.
>
> The tax provisions which now involve an annual revenue loss equivalent to one-fourth of the total federal budget have built up piecemeal over many years, sometimes in response to social and economic needs, and sometimes as concessions to potent political or lobbying interests.
>
> If they were translated into open cash subsidies, which had to be voted by Congress each year, it is highly questionable whether some of them would survive.
>
> But present budget procedures tend to hide them from public attention, so that they remain in effect year after year, with little or no debate about their merits except in the comparatively rare instances when the House Ways and Means Committee undertakes to write a tax reform bill.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on May 15, 1969, the President had approved and signed the bill (S. 1130) to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the American Fisheries Society.

AMERICAN CASUALTIES IN VIETNAM

Mr. BYRD of Virginia. Mr. President, the figures for American casualties last week in Vietnam have just been announced. In that 1 week 430 Americans were killed and 2,185 Americans were wounded, which makes a total for that 1 week of 2,615. To put that figure in perspective, Mr. President, during all of 1968 the average weekly casualty rate for Americans in Vietnam was 2,040. Therefore, one can see that the casualties this past week are extremely high.

Mr. President, from the beginning I have felt that involvement by the United States in a ground war in Vietnam or a ground war in Asia was a great error of judgment; but that since our country decided to draft men and send them to Asia to fight, I feel we must give them

full support. That is why I wish to emphasize and reemphasize the severe casualty figures in the hope that it will focus attention on the difficulties facing our troops in Vietnam.

Almost weekly for more than 3 years I have been calling attention to the severe casualties being suffered by our troops in Vietnam. I think it worthwhile today, almost on the anniversary date of the beginning of the Paris talks, to consider what has happened during that year. If we go back a moment to April 1, 1968, that was the date that President Johnson restricted the bombing of North Vietnam. That was less than 14 months ago. Now what has happened in Vietnam since that time?

From April 1, 1968, through May 17, 1969, 13,891 Americans have been killed and an additional 98,085 have been wounded.

Totaling those figures shows that during the period when President Johnson restricted the bombing and, subsequently, in October cut out all bombing of North Vietnam, the United States suffered 111,976 total casualties.

The significance of that figure shows that during that period, 42 percent of the 262,344 casualties which the United States has suffered in Vietnam during the long history of the war, occurred since the bombing was restricted on April 1, 1968—less than 14 months ago.

Mr. President, in commenting on the bombing, a greater tonnage of bombs has been dropped during the Vietnamese war than was dropped on all of Europe during World War II plus all the bombs dropped during the Korean war.

But where were those bombs dropped? Only 7 percent of that great tonnage of bombs dropped was on North Vietnam. About 80 percent was on South Vietnam with the remainder on the Ho Chi Minh in Laos.

Mr. President, during the past 3½ years, I have invited the attention of the Senate almost weekly to the casualty figures coming out of the war in Southeast Asia.

I suggest again that I think it is so important we develop a sense of urgency to bring the Vietnam war to a close.

The figures show that during the year of the Paris peace talks—slightly more than a year—virtually nothing has been accomplished in Paris, yet American casualties have continued and, in many cases, they have increased.

I cite again the casualty figures from last week. They totaled 2,615 as compared with the average weekly casualty rate during all of 1968 of 2,040.

I cite again the total casualty figures suffered by the American people in Vietnam since President Johnson restricted the bombing on April 1, 1968. That figure is 111,976 from the period April 1, 1968, through May 17, 1969.

APPOINTMENTS TO 30TH SESSION OF INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

The PRESIDING OFFICER. On behalf of the Vice President, the Chair appoints the Senator from Ohio (Mr. YOUNG) and the Senator from New York (Mr. JAVITS) to the 30th session of the Intergovernmental Committee for European Migration to be held in Geneva, Switzerland, beginning May 21, 1969.

THE GENERATION GAP AND THE CAMPUS

Mr. MANSFIELD. Mr. President, with respect to the relationship between the generations, there has been increasing concern expressed in various segments of our society. There have been serious difficulties among young people, to be sure, but there has also been a good deal of fanaticism in reaction. In this situation, there is no justification for pomposity on the part of the older generation anymore than there is for anarchism on the part of the younger generation.

That there is a gap between the old and young is an inescapable biological reality. Nothing can be done about that except to accept it. That there is a lack of credibility or of mutual tolerance of ideas between the generations is also a fact. That difference, too, has a certain inevitability; down through the generations, it has been more the norm than the abnorm between old and young.

We need only go back, in all honesty, to our own younger days to sense the similarity between past and present. There were strains and tugs then as there are now. The principal difference is that we who are older, now, were younger then and were doing most of the straining and tugging.

The older generation has its faults which, in my judgment, tend to center on a shirking of responsibilities toward the young who, in their own way, for better or for worse, are striving to grapple with a world which they did not make. The faults of the younger generation, in turn seem to me to center on a tendency to reject whatever has gone before as, at best, irrelevant. On the part of the mini-minorities, moreover, there is an apparent determination not merely to reject the past but to rampage over past, present, and future and reduce them all to a rubble heap.

What is needed is a realistic appraisal of the situation. The present generation of youngsters was born into a world which they did not make and which we elders helped to make. These kids are not to be dismissed as some sort of monsters from another planet. They are, after all, our progeny. If we start from that point, perhaps we can bridge the gaps between the generations with a degree of honesty and humility, even if we cannot close them.

I would also have the temerity to suggest to young people that they resist the temptation to blame everything on the previous generation. Those of us who are older should, in turn, act our age and stop the flatulent berating of youngsters when we ourselves are not without blame. Young people have to make their own lives. They have to find a way to face the responsibilities which go with life. They have to make and correct their own mistakes along with the accumulated mistakes of the past and, in that way, to come forward, as we tried in our turn to do, with a responsible and reasonable way of life of their own.

With particular reference to the present unrest on a small minority of the Nation's college campuses, it is my belief that the following criteria should be used:

First. The Federal Government should, if at all possible, not become involved in the settlement of campus disputes.

Second. As far as peaceful demonstrations, dissent, and petitions are concerned, they are entirely lawful and guaranteed to all our citizens under the Constitution; as far as violence and license are concerned, they are contrary to the law of the land and, therefore, are punishable. The law must be upheld and the punishment made to fit the crime and this punishment should be applicable to all our citizens on or off the campus.

Third. The universities of the country have rules and regulations, the enforcement of which is their responsibility. They also have penalties such as suspension and expulsion to use should these rules and regulations not be adhered to.

Fourth. The administrators of the universities and colleges as well as the students and the faculty are, in effect, in the process of passing through permanent institutions. The institutions and the maintenance of their effectiveness ought to take precedence over the predilections of any transient or group of transients.

Fifth. Congress passed an amendment to the Higher Education Act in 1968 which gives authority and responsibility to administrative officials of the universities and which was designed to assist in restraining violence and license.

To the best of my knowledge, no administrator in any college which has been subject to violence and license by students has seen fit to put this amendment into operation even though the authority to do so rests with them.

It is my further understanding that the reason that this has not been done is that the administrative authorities of the colleges have indicated that they do not believe this amendment is constitutional. I can only say that if that is the principal basis for their reticence, they should take the matter to the courts and get a ruling as to whether or not it is constitutional.

Sixth. On the other side of the coin, the responsibility for listening to and heeding legitimate grievances and maintaining law and order is the prime responsibility of the colleges themselves and this includes not only the administrators but the faculties and the student bodies as well.

Insofar as all generations are concerned, we should face up to the difficulties which confront us today. Our most profound obligation—young and old—is to keep this society, this Nation, and this world livable not only for ourselves but for those many generations which will come after us.

GIFT TO SUPREME COURT OF WRITINGS OF LATE JUSTICE BURTON

Mrs. SMITH. Mr. President, this past Monday there was a ceremony at the Supreme Court of the United States that held significant interest to many people

in Maine. It was the ceremonial occasion of the court's acceptance of the gift made to it by the family of the late Justice Harold H. Burton of Justice Burton's writings.

Justice Harold H. Burton served on the Supreme Court from 1945 to 1958 and sat with the U.S. Court of Appeals in the District of Columbia until his death in 1964. The book of Justice Burton's writings was offered by William S. Burton, of Cleveland, an attorney and son of the Justice.

Many citizens of Maine have great interest in this matter, since Justice Burton was a graduate of Bowdoin College, of Brunswick, Maine. The book was edited by another graduate of Bowdoin College, a man long associated with the Supreme Court as its Assistant Librarian—Edward G. Hudon of Brunswick, Maine, a distinguished scholar with five earned degrees, including a doctorate.

I have a great personal interest in this event because it was my privilege to have been a good friend of the late Justice Burton and to be a good friend of Mrs. Burton—and Dr. Hudon is the husband of Mrs. Blanche B. Hudon, who was my right hand for so many years as my personal secretary.

This ceremonial occasion came at the first of a week which marked a beginning of restoration of public confidence in the Supreme Court. For when President Nixon chose Judge Warren Earl Burger to be the next Chief Justice of the United States, he made an excellent start on the rehabilitation of the Supreme Court.

THE SERIOUS CONDITION OF THE U.S. BALANCE OF PAYMENTS

Mr. SPARKMAN. Mr. President, among the enduring concerns which I have had over the years are that the United States maintain a strong balance-of-payments position, and that the base of U.S. companies participating in international commerce be broadened to include the many talented firms of the small business community.

About 5 years ago, we in the Senate detected threats to both of these objectives, and commenced investigations within several committees to see what could be done.

With the passage of time, I have become increasingly worried about the deterioration of the U.S. trade account, which was once the anchor of our international payments position. The following table reflects the decline of the U.S. trade surplus in recent years:

U.S. merchandise export account[1]

[Net, in billions of dollars]

Year:	
1964	+6.676
1965	+4.772
1966	+3.658
1967	+3.483
1968	+1.029

[1] *Statistical Abstract of the United States*, 1968, House Document No. 206, 90th Congress, Table No. 1198, Balance of Payments: 1960 to 1967. Comparable figures for 1968 from "Highlights of U.S. Export and Import Trade," U.S. Department of Commerce, No. FT 990, February 1969, p. 3.

In 1969, the prospects appear to be worse instead of better. Even the terms of discussion seem to be changing from "trade surplus" to the "trade deficit."

In the first quarter of 1969 the Census Bureau reported a deficit of $68.1 million of imports over exports. Although there were 4 months during 1968 when the country experienced such deficits, this was the first full quarter of deficit since the start of the Korean war.[2]

It is common knowledge that there have been overall balance-of-payments deficits for 17 of the past 19 years. With the shift of our trade account from healthy surplus to a quarterly deficit, however, this matter has become more serious.

As a consequence, both Government and private commentators have publicly predicted very large overall balance-of-payments deficits for this year.[3]

PROSPECTS BEYOND 1969

The longer term perspective, it seems, is no more comforting. In mid-April, the Department of Commerce published a 5-year "outlook" for world trade.[4] I would like to commend the Department for this publication. When the Small Business Committee commenced its investigations in 1964 and 1965, one of the first things we requested was a long-term 5- or 10-year program from the Department of Commerce and other agencies. It is logical that the basis for such a program would be some idea of what would happen during the years when such a program would be running course. Thus, the 5-year outlook is a significant step forward. I am gratified that the Department is being responsive in this area of its responsibilities.

Turning again to the subject matter, the position of the Commerce Department, as stated in this report and other documents, was reported by one newspaper as follows:

> As summarized . . . (the Department) suggests that the United States may be doing well if in 1973 it can attain the relatively modest export surplus of $1.2 billion. Other projections in the study foresee shifts in the trade balance by 1973 to deficits (between) $1.2 to $1.8 billion.
>
> A $1.2 billion export surplus (is) expected to require considerable promotional effort . . .[5]

Mr. President, this is indeed a gloomy forecast. It confirms the worst fears that many of us in the Senate had in this matter.

Still, I believe that it is better to know of the problems we must face. We can then proceed to work together for their solution. There is wide agreement, I feel, that fundamental steps must be taken to improve the balance of payments at an early date.

An official publication of the Commerce Department puts it this way:

> The surplus on non-military merchandise trade declined $3.4 billion (during 1968) to a mere $100 million . . . The extraordinary deterioration in the merchandise trade balance . . . is not likely to be repeated . . . But this would not mean a return to the sizable trade balances of the (past) several years.[6]

As the Outlook report states: considerable promotional effort will be required.

The editorial voice of an experienced international bank pinpoints the need for action:

> In particular, the United States needs to give high priority to improving its trade accounts. It cannot safely depend on volatile capital flows or on restraints on overseas lending and investment to shore up a sagging payments structure.[7]

ACTION SHOULD BE TAKEN

We in the Congress have been attempting to encourage such action. The results of our investigations have been made available in a stream of hearings, reports, and statements over the past several years.

Many of the main lines of action have already been marked out. Some departments, agencies, and business organizations, as we have seen, have begun to respond.[8]

On May 8, I reintroduced one piece of legislation, S. 2079, offering some possibility of favorably affecting the balance-of-payments situation—CONGRESSIONAL RECORD, page 11804. A second bill, S. 2190 was reintroduced on May 15. Others will follow.

However, I urge all of those concerned not to wait for congressional recommendations before doing what needs to be done. The need has been great for quite a while.

We in the Senate have limited resources in the area of trade expansion, and responsibilities which from time to time extend to other matters. We have hoped that the executive branch, the independent agencies, and the major business organizations would go ahead with the steps that many experienced and knowledgeable people acknowledge are required. It is much to their credit to initiate these changes in advance of a congressional report.

Mr. President, I have outlined some of the steps which we in the Senate have taken to make the Nation aware of the gravity of our balance-of-payments problems and have touched upon a few of the recommendations which we are making in an attempt to improve matters.

As in the past, we will continue to do all that we can to increase the opportunities for small, regional, and all American business to increase their in-

[2] "U.S. Reports 1st Quarter Trade Deficit," by Jan Nugent, *Journal of Commerce*, April 29, 1969, p. 1:1.

[3] "Huge Deficit in Payments Held Likely, by Richard Lawrence, *Journal of Commerce*, April 23, 1969, p. 1:2; "Huge Deficit on Liquidity Basis Likely," *Journal of Commerce*, April 30, 1969, p. 1:7.

[4] "U.S. Foreign Trade, a Five-Year Outlook With Recommendations for Action," U.S. Department of Commerce, Bureau of International Commerce, April 1969.

[5] "Five-Year U.S. Trade Forecast: Doleful," by Brendan Jones, *New York Times*, April 20, 1969, Section 3, p. 1:1.

[6] "U.S. Balance of Payments—Fourth Quarter and Year 1968," by Lederer and Parrish, *Survey of Current Business*, U.S. Department of Commerce, March 1969, pp. 24–25.

[7] "Perspective on World Business, Aspects of U.S. Balance-of-Payments Difficulties," *World Business Magazine*, the Chase Manhattan Bank, N.A., April 1969, p. 3.

[8] "Sparkman Commends Businessmen and Report on Export Expansion . . . etc.," Dec. 20, 1968.

ternational markets, and correspondingly bolster the U.S. balance of payments.

UNITED STATES TRAILS SOVIET IN EXOTIC POWER

Mr. MANSFIELD. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a copy of an article which appeared in the Business and Finance section of the New York Times on May 18 under the headline "United States Trails Soviet in Exotic Power."

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

UNITED STATES TRAILS SOVIET IN EXOTIC POWER

(By Gene Smith)

LOS ANGELES.—The Russians have a word for it, and so do we. Scientifically it's known as magnetohydrodynamics (MHD).

It's one of several promising methods that are being carefully evaluated to determine the eventual successor to the tried and true systems of generating electricity—namely, steam generation by fossil fuels (coal, oil and gas) and water power.

EXPERIMENTAL WORK

The more promising challenges include: thermionics, thermoelectricity, electrohydronamics, fuel cells, fusion and MHD. The present evolutionary step is nuclear-fueled power which is in reality steam generation coupled with nuclear fission to supply heat to produce steam.

The breeder reactor, which produces more fuel than it consumes and is not expected to become practical until the mid nineteen-seventies at the earliest—is basically just a variation of existing pressurized water and boiling reactor water concepts.

Meanwhile, experimental work goes on around the world. Few would question that the leadership in nuclear power rests in this nation, a comforting thought in light of ever increasing demands for energy. But it is equally important to know where the United States stands in the race for development of the newer methods and when there will be a major breakthrough.

Joseph C. Rengel, executive vice president for nuclear energy systems at the Westinghouse Electric Corporation, in a discussion of all major methods, concluded that "Miss Nuclear Power is not easy to displace; Miss Fuel Cell has some promise, but Miss MHD is a long way back." He dismissed each of the other methods as well beyond reach of serious consideration at this time in an address to a forum on future power in mid-February in Washington, D.C.

More recently at a symposium on engineering aspects of MHD at the Massachusetts Institute of Technology, it became clear that the Russians are well in the world lead in the development of MHD. The top Russian scientist, Dr. Aleksandr Sheindlin, said he personally believed that thermionics and fuel cells are not in the proper perspective to large scale power developments, thus echoing Mr. Rengel's diagnosis.

An MHD generator somewhat resembles a rocket nozzle or a piece of pipe. Electrodes are imbedded in the walls of the pipe, which is placed between the poles of a powerful electromagnet. Hot gas from the combustion chamber or a nuclear reactor is forced through the pipe at high speed, butting the magnetic lines of force, which generate current in accordance with physical laws of induction. The current is picked up by the electrodes and then flows into a power distribution system.

LACK OF DISCUSSION

The theory comes under the same physical laws that govern the operation of conventional generators and turbines, but it has certain inherent advantages, chief among which are: the ability to handle extremely high temperatures, the ability to handle power levels of much greater magnitude and the fact that there are no moving parts.

In an interview after the M.I.T. meeting, Dr. Sheindlin said he felt that in this country there seems to be a lack of careful discussion of the other methods of power generation besides nuclear.

"In your country, nuclear power has a great potential for many years, but so does conventional power from fossil fuels and there will be equally important applications so long as fossil fuel still accounts for a large part of your over-all power generation," he said, adding:

"Look how orders for nuclear power have fallen off even in this country this year."

THEORIES CONFIRMED

Only last Wednesday was Westinghouse able to announce receipt of the first order this year for a large nuclear power plant. The 800,000-kilowatt unit was ordered by the Alabama Power Company.

Dr. Sheindlin said he expected to be able soon to place in operation a pilot MHD plant with a total capacity of over 75,000 kilowatts, of which the MHD generator would account for some 25,000 kilowatts.

"We are at that state of development where our knowledge is such that without a practical test we do not know exactly what the future limits will be," he said.

The Russian scientist was equally pleased to report that the work of the leading American MHD scientist, Dr. A. R. Kantowitz of the Avco Research Laboratory in Everett, Mass., had confirmed many of his own theories.

"Dr. Kantowitz has suggested that large capacity MHD peaking stations would cost significantly less than conventional units. He also pointed out that such plants could be started up in a few seconds and would, thus, have great significance on electric systems now in use. We intend to report this to our Soviet colleagues," Dr. Sheindlin said.

Dr. Kantowitz warned a House subcommittee in March, 1968, that "without your enthusiastic support, the United States, which was privileged to first create the promise of MHD, is now and will continue to fall behind the other leading countries where MHD has vigorous government support."

He called for funds to develop a 30,000-kilowatt pilot plant and pointed out that MHD could save this nation a billion dollars a year based on the present rate of energy consumption due to the 50 per cent or better efficiency of MHD plants.

THE FUEL CELL

He also stressed the fact that MHD plants would result in a dramatic reduction in thermopollution of water bodies as well as air pollution. Through 1968, the Avco Corporation, working with a group of electric utilities had spent $8-million to reach the technical competence for the nation, only to reach the point where Dr. Kantowitz predicted that MHD machines of the future would bear the "made in Japan" or "made in the Soviet Union" labels.

Much more attention has been paid to the fuel cell, which is a device consisting of a positive and a negative electrode and an electrolight that converts chemical energy directly into electric energy, thus eliminating heat engines and electromechanical generators. Those who backed fuel cells see in them the often-promised "little black box" that supplies all the power needs for each house and building.

Fuel cells have been given strong impetus by the nation's space program and have reaped the attendant publicity of the space age. The Columbia Gas System, working with the Pratt & Whitney Division of the United Aircraft Corporation, has been experimenting since 1961 with a natural gas fuel cell.

Officials of the gas company feel that such cells might become economically competitive and reliable by 1975. A large group within the gas industry has now joined in a $21-million, nine-year program to see whether this may come true.

There are more companies involved in this phase than in any of the other new systems. Chief among the would-be developers are Westinghouse; General Electric Company; Leesona Corporation; Bolt, Beranek & Newman, Inc.; Clevite Corporation; ESB, Inc.; Gulton Industries, Inc.; Union Carbide Corporation; Yardeney Electric Corporation, and others.

The search for new and economical means of producing electricity has gone into many fields. The Marks Polarized Corporation received in 1967 a patent for a charged aerosol generator that is described as a direct heat-to-power device and in mid-March the Edison Electric Institute announced it would sponsor a three-year research project at M.I.T. to determine the practicality of using super conducting magnets in power generators to increase output.

Mr. MANSFIELD. Mr. President, I was particularly struck by the fact that a major portion of the article is devoted to the assertion that the United States is trailing the Soviet Union in the development of a magnetohydrodynamic electric power generator. This, indeed, is a sad commentary on the attention this Nation is giving to advanced power generator techniques, especially since it was an American scientist who developed the Nation's first MHD generator just 10 years ago. The Soviets have used our 10 years of pioneering research and have put it to practical use to generate power for private and industrial use. MHD powerplants promise to be 50 percent more efficient than the most advanced electric power generators now available. Electricity is generated by passing a hot gas through a magnetic field. Because of its unique operating characteristics, it will operate without polluting the atmosphere; it will operate in areas which lack the water to sustain conventional plants, and MHD plants can operate with a variety of coals. This last point is especially important to Montana. Montana has extensive deposits of coal in the eastern half of the State.

It seems unfortunate, Mr. President, that so little attention is given to fuel generators, since coal is our most abundant resource. Today the United States manufactures only a small percentage of the total electric generators used in this country, and it appears from this article that we are now losing the opportunity to assume a major role in the future electric generator market, both here and abroad.

For some time now, my colleague, Senator METCALF, and I have been interested in the progress here in the United States involving magnetohydrodynamics. We have had correspondence with the Office of Coal Research in the Department of the Interior concerning the development of an MHD pilot plant in Montana which would generate at least 10 megawatts of electricity. We have asked the Appropriations Committee of the Senate to provide funds in the fiscal 1970 budget for such a pilot plant. The purpose of such a plant would be to work out

the practical engineering and operating problems of bulk power MHD generators. Hopefully this would lead to the construction of large-scale commercial MHD powerplants so that they can bring low-cost power to our growing population and to industry without the side effects of air and water pollution.

URGENT NEED TO EXPAND OUR FOOD ASSISTANCE PROGRAMS

Mr. MONTOYA. Mr. President, yesterday I testified before the Committee on Agriculture and Forestry in support of an expansion and improvement of the food stamp and commodity distribution programs. I ask unanimous consent that a summary of my remarks before the committee be printed in the RECORD.

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

SUMMARY OF STATEMENT BY U.S. SENATOR JOSEPH M. MONTOYA

INTRODUCTION

Mr. Chairman, I have a rather lengthy statement with attachments which I would like to submit for the record and proceed to summarize for the Committee the essence of the observations I have made therein.

I come to this Committee today with a sense of nostalgia having served as a member of the Committee for four years since first coming to the U.S. Senate. It was with regret that I left the Committee in January of this year. I had many fond memories of our deliberations and accomplishments. It's a pleasure to be back and to appear to testify on a subject I know is of considerable interest to the Committee—that is, food assistance programs.

I have always been a strong supporter of the Food Stamp Program and was pleased to have played a role in getting San Miguel County, New Mexico designated as one of the original national pilot Food Stamp project areas in 1961. We now have 22 of New Mexico's 32 counties participating.

HUNGER AND MALNUTRITION IN NEW MEXICO

There is hunger in New Mexico, my colleagues, just like there is hunger throughout the Nation.

I have appended a table, Appendix I, to my statement which shows a county by county breakdown of the number of "poor" families in New Mexico. The number is astounding—being almost twice that of the national average.

The percentage of poor families, by OEO standards, in the Nation is 15.1%, but in New Mexico it is a dramatic 27.4%.

The problem is even worse in many of the counties of the State. For example, in Mora County 67.1% of the families have been classified by OEO as poor; in Taos County, 63.5%; in Guadalupe County, 45.3%; in Rio Arriba County, 50.7%; in Sandoval County, 58.2%; in San Miguel County, 49.1%; and in Torrance County, 40.5% of the families are classified as "poor." Only three of the 32 New Mexico counties are on a par with the Nation as a whole—which itself is no source of pride. The other 29 counties have two, three, and four times, the national average of "poor" families.

In many of these counties, the average income is extremely low. In Taos County, for example, 29% of the families had no income and 30% of the families had incomes below $100 per month. The average family income was $76.20 per month with the average size of family being 4.13. This would average to less than $19 per month per individual to provide the necessities of life.

Cases of physical defects as a result of improper diets, undernourishment and malnutrition have been reported. There was even one case last year where one little boy was said to have "probably starved to death" in Socorro County, New Mexico. Nurses, educators and others have commented on hunger in New Mexico, and I have made additional references in my statement to some of these instances.

Suffice it to say that "there is hunger in New Mexico" and not just in isolated cases. Hunger in New Mexico, like elsewhere in the country, is too prevalent to let our conscience rest. We must do more than we have been doing to correct this despicable situation.

FOOD STAMP PROGRAM IN NEW MEXICO

The Food Stamp Program has been a Godsend to those 22 counties participating in New Mexico. The food-buying power of low income families has been increased measurably, improving the quality and quantity of their diets. Appendix II to my statement shows the level of participation by county on February, 1969.

Since inception of the first pilot program in 1961, through March of this year, the total value of coupons issued in New Mexico was $23,780,000, of which $10,771,000 was in "bonus" stamps. I think it is significant to note that two counties—Bernalillo and Los Alamos—have been added since December, 1968, increasing the number of participants by about 20,000—from approximately 36,500 to the present 56,500. Thus, the benefits to New Mexico have been significantly greater in the past five or six months than ever before and will continue to improve.

While we are speaking of "benefits," I think we should pause and ask ourselves, "Who does benefit from the Food Stamp Program?" The answer to this would be, "everybody!" Not only have the Food Stamp participants benefited but also the farmers and ranchers who produce the food; the processors who process the products; the wholesalers and the retailers who sell the products; communities which in turn receive additional revenues; and society which has been hamstrung by having to care for the sick, the deformed, and others who cannot contribute to society because of diseases brought on by malnutrition but who, instead, draw on our resources.

In New Mexico, for example, it was reported that, "The benefits of this program are manifold. Revenue to the State and communities received from the 4% sales tax collected on the food purchases made with only the bonus coupons amounted to $108,385.60 for the last fiscal year (FY 1968)."

Who benefits from the Food Stamp Program? Everybody!

IMPROVEMENTS NEEDED

Praiseworthy as the Food Stamp Program and other food assistance programs have been, the magnitude of the hunger and malnutrition problems we have seen revealed, attest to the fact that we have only scratched the surface in attempting to meet the nutritional needs of our citizenry.

Among the shortcomings and weaknesses I have heard voiced, I would list:

The fact that needy persons cannot afford the cost of the stamps;

Upon changing from the Commodity Program to the Food Stamp Program there is as much as a 60% decrease in participation partly due to more stringent requirements;

Lack of nutrition education and consumer education programs that would make available services and information concerning better nutrition;

Insufficient food stamp purchases for large, poor families;

A need for intensive outreach to increase participation of needy persons as well as additional Spanish-speaking persons administering the program in Northern New Mexico;

More stamp distribution centers; and

Lack of funds.

In New Mexico, out of an estimated 235,000 persons falling below the poverty level, only about 56,500 participate in Food Stamps. Another 18,000 or 19,000 participate in the Commodity Distribution Program. Thus, a total of approximately 75,000 participate in some kind of food assistance program in my State. While all of the remaining 160,000 individuals falling below the poverty level may not be in need of food assistance, obviously there is still a great need that is not being met.

The above-mentioned shortcomings and weaknesses in the program have led to this gap.

LEGISLATIVE PROPOSALS

You have pending before this Committee at least five bills proposing numerous amendments to the Food Stamp and Commodity Distribution Programs. Two of these bills, S. 339 and S. 1608, I introduced. A third, S. 2014, introduced by Senator McGovern, I joined in cosponsoring. Senator Talmadge has a bill, S. 1864, and Senator Mondale has a bill, S. 6.

I will not take your time to go into detail about these various proposals. I have attached as appendices III and IV summaries of my bills before you.

I think it is significant to note that all these bills, although differing in some lesser respects, are very similar, if not identical, in their major provisions. I would urge this Committee to pick the best features from the various proposals before you and to report out a measure that is meaningful in terms of meeting the problems we face.

As a minimum, however, I believe that any proposal recommended by this Committee should include at least the following provisions:

(1) Remove needless constricting limitations on the appropriation of funds for operating the Food Stamp Program in any fiscal year subsequent to 1969;

(2) Permit direct operation by the Secretary of Agriculture of a Food Stamp Program in any political subdivision of a State where local governing officials refuse or are not able to provide a food assistance program for needy families;

(3) Provide for cost-sharing arrangements whereby the Secretary of Agriculture could contribute up to 50% of the administrative costs of local food stamp programs;

(4) Authorize the establishment of minimum nationwide eligibility standards for participation in the Food Stamp Program;

(5) Provide free food stamps to the lowest income families;

(6) Lower the purchase price of stamps for those who pay;

(7) Increase the total stamp value so that all participants are able to purchase an adequate diet; and

(8) Place a limitation on the maximum percentage of a household's income that shall be charged for their coupons, and permit a family to purchase less than its full coupon allotment.

In addition to these suggested changes, I have itemized other changes on pages 6 and 7 of my statement which I feel are absolutely essential and to which I call your attention.

COMMODITY DISTRIBUTION PROGRAM

In closing, I would like to make a brief comment in relation to the Commodity Distribution Program. One of the bills I introduced, S. 339, refers specifically to the Commodity Distribution Program and not to the Food Stamp Program. The Commodity Distribution Program still plays a vital part

where there are no Food Stamp Programs and could play an even bigger role if improved upon and combined with the Food Stamp Program.

S. 339 would bring about a number of needed reforms. As I have stated, I have attached a summary of the provisions and the need for this bill as appendix V. Briefly, however, the bill would:

Specifically direct the Secretary of Agriculture to distribute food to needy families and households and in sufficient quantities and at a sufficient number of locations so as to provide recipients with at least the minimum daily nutritional allowances recommended by competent authority;

Direct the Secretary to establish food distribution outlets in any State or political subdivision where the need exists and where appropriate authorities have failed to provide either an adequate food distribution or food stamp program; and

Authorize the Secretary, when he has to take such independent action to contract with any competent person, firm, or nonprofit organization for the distribution of foods. Under such contracts, food must be distributed without discrimination, and recipients must be informed that it has been donated by the Federal government.

S. 2014, introduced by Senator McGovern and in which I have joined as cosponsor, would authorize operation of both the Food Stamp and Commodity Distribution Programs in the same community if such was found to be feasible and desirable in meeting the nutritional needs of the community. I urge your favorable consideration of S. 339 along with the other measures pending before you.

CONCLUSION

Mr. Chairman, I appreciate this opportunity to present my views on the need to expand and improve on our food assistance programs. I do not in any way mean to prejudge the findings and recommendations to be made by the Senate Select Committee on Nutrition and Hunger. That Committee, chaired so ably by Senator McGovern and on which five members of this Committee serve, has been doing a magnificant job in exposing the hunger problem in America and seeking solutions to it.

I do feel, however, as I know Senator McGovern, Senator Talmadge, Senator Mondale feel, in introducing their measures, that there are a number of basic adjustments that can be made at this time without waiting for the final report which is not due until after December, of this year.

There is much that can be done now. The Committee on Agriculture and Forestry has the primary jurisdiction in this matter. You are the legislative Committee. You have served us well in the past, and I am confident you will do so again. Thank you.

Mr. MONTOYA. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, the full text of my testimony before the Committee on Agriculture and Forestry on the need to expand our food assistance programs.

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

STATEMENT BY U.S. SENATOR JOSEPH M. MONTOYA

INTRODUCTION

Mr. Chairman, Colleagues. It is with a sense of nostalgia that I appear before you today to testify in support of legislation to extend and expand our food assistance programs. I say a sense of nostalgia because I have fond memories of the four years that I served as a member of this Committee. I have fond memories and recollections of our many deliberations and the many accomplishments of this Committee during that time. It is indeed a pleasure to be back at this time for I had not had the opportunity to visit with the Committee since leaving it in January.

While I look with fond memories at what has been accomplished in the past, I cannot help but reflect upon the fact that we could have done better. Of course, we can always say that we could and should have done better; however, action is the better test of our intentions. For that reason I wanted to take a few moments this morning to voice my strong support of measures presently pending before you to extend and expand on the success of the Food Stamp Program and other food assistance programs. I view the Food Stamp Act of 1964—in spite of all the anti-poverty measures that we have seen enacted in recent years—as the single most meaningful, and potentially most far-reaching, measure of any in the constant struggle against poverty.

I have always supported the Food Stamp Program. I am pleased to have played a role in getting San Miguel County, New Mexico, designated as one of the original national pilot Food Stamp project areas. Since then, I have fought for and supported not only the Food Stamp Act of 1964, but every effort to strengthen and expand it. I have introduced a number of measures of my own in the past and expect to continue to lend my support to the program.

HUNGER AND MALNUTRITION IN NEW MEXICO

I remember reading in *The Evening Star* a few weeks ago, an article reporting on testimony of our colleague, Senator Hollings. The article was entitled, "Yes, Senators, 'There is Hunger in South Carolina.'" I wish to state to you today that, "Yes, Senators, there is hunger in New Mexico." But more than that, there is hunger throughout this rich nation of ours. This, of course, is no secret. It certainly has been no secret to those who have been suffering. It has been no secret to us in Congress. And, in light of the revelations of the Senate Select Committee on Nutrition and Human Needs, on which five members including the Chairman of this Committee, serve, these conditions are no secret to the nation as a whole.

I would like to discuss with you the problems and needs of New Mexico—problems and needs which I am sure are reflected nationwide. New Mexico is a sparsely populated State. We are among the largest States in the Union in terms of geography, but among the smallest in population. We have only roughly over one million population. With perhaps 400,000 of these concentrated in Albuquerque, the remaining 600,000 citizens of New Mexico are scattered throughout the State, many of whom live in villages or communities of only a few people, far removed from other villages or from centers of commercial activity.

Poverty exists in New Mexico, but in Northern New Mexico, where the Spanish-speaking citizens and the American Indian citizens are concentrated, poverty abounds and is at its worst.

For the State of New Mexico as a whole, 27.4% of all families were "poor" in 1966 by the Office of Economic Opportunity standards. This compares with 15.1% for the nation as a whole. These 1966 OEO figures were based on the definition of poverty family income level of the Social Security Administration, according to family size and urban-rural residence.

The Executive Director of the New Mexico Health and Social Services Department stated to me in a letter in response to an inquiry on my part, that, "The most recent estimate of the number of persons below the poverty level in New Mexico indicates that we have 234,554 persons falling within an income class that could be considered as below the poverty level." This again, is out of a population of approximately one million.

However, the problem is even worse for many counties in New Mexico than even this gruesome statistic. For example:

In Mora County where approximately 85% of the 5,900 residents are Spanish surnamed, 67.1% of the families were classified as "poor" by the OEO in 1966. Of these, only 1,502 were participating in the Food Stamp Program as of February 1969.

In Guadalupe County with a population of 5,100, 45.3% of the families are classified as "poor" by the OEO.

In Rio Arriba County with a population of 26,300, 50.7% were classified as "poor".

In Taos County, with a population of 17,600, 63.5% of the families are classified as "poor".

Sandoval County has 58.2% of its families in the "poor" category.

San Miguel County has 49.1 of its families classified as "poor".

Torrance County has 40.5% of its families in the "poor" classification.

I could go on through the remainder of New Mexico's 32 counties and we would find that conditions are little better in very few of them.

In fact, only three counties out of 32 in New Mexico have a percentage of "poor" families lower than the national percentage: Los Alamos County has 2.1% of its families in the "poor" classification; Lea County, 13.0%; and Bernalillo County is right at the national average of 15.0% of its families "poor". All the other 29 counties are far above the national average in "poor" families—some of them as much as two, three, and four times, and more.

I am appending a table, Appendix I, to my statement showing the breakdown by county in New Mexico.

In Taos County, New Mexico, where, as I have stated, 63.5% of the families are classified as "poor" by OEO, the Program Director of the Emergency Food and Medical Project for the County, was quoted as stating that, ". . . this matter of hunger was one of the most hidden problems within the county. We at no time suspected that in a country so advanced that problems of food would exist . . ." He went on to state that, "We are more firmly convinced at this point that there is a starvation situation within many family units."

From a survey taken of 100 families in this county, 29% of the families had no income and 30% of the families had incomes below $100 per month. The average family income was $76.20 per month, 24% of the families were receiving welfare aid, and the average size of the family was 4.13.

In Rio Arriba County, a county health nurse was quoted as stating that six out of ten individuals handled through her office suffered from physical defects as a result of improper diets, undernourishment and malnutrition.

In Socorro County, a Community Action Program Director has reported on the malnutrition that exists in the county and says he knows of at least one little boy who "probably starved to death."

I will not bore the Committee with additional examples. I think it suffices to say as I indicated earlier that "there is hunger in New Mexico," and it is not just in isolated cases. Hunger in New Mexico, like elsewhere in the country, is too prevalent to let our consciences rest. We need to do more than we have been doing to correct this despicable situation.

FOOD STAMP PROGRAM IN NEW MEXICO

In these areas I have been speaking of in New Mexico, the Food Stamp Program has

been a God-send. San Miguel County in New Mexico was one of the eight original counties designated in 1961 for a pilot food stamp program. The success of the program in San Miguel County and in the other seven initial counties in the Nation, of course, have led to additional designations and eventually to the Food Stamp Act of 1964.

In those counties in New Mexico where the Food Stamp Program is in existence, the food buying-power of low income families has been increased measurably. As a result the quality and quantity of their diets has been improved.

We have 22 of the 32 New Mexico counties participating in the Food Stamp Program. The remaining 10 are participating in the Commodity Distribution Program. In February of this year, we had 56,340 persons participating in the Food Stamp Program, with a total coupon value of $950,493 of which $438,346 was in "bonus coupons". The "bonus" was 46% of the total value of the coupons, with the average bonus per person being $7.78 for the month of February. For the first eight months of fiscal year 1969 (July 1968 through February 1969), the total coupon value of Food Stamp coupons issued in the 22 counties in New Mexico was $5,607,858 of which $2,622,405 was in bonus coupons.

The total value of Food Stamps issued in the State since inception of the program in 1961 is approximately $22,000,000, including over $9,500,000 worth of "bonus" stamps.

The impact of this program has been of great significance. I might add that the impact is even greater than might appear from a glance of the above statistics. Bernalillo County, with almost 19,000 participants of the approximate 56,500 participants, has only been in the program since December of 1968. For the three months of December 1968 through February 1969, this County, because of its large number of participants, has received $1,034,930 in total coupons, of which $551,339 was in bonus coupons. This accounts for almost 20% of the entire amount received by New Mexico during an eight month period. The point I am making here is that in time, the Food Stamp Program will be of far more assistance to individuals in New Mexico than it has been in the past because of the increased number of participants.

Attached as Appendix II is a chart showing, by county in New Mexico, participation in the Food Stamp Program on February 1969.

I think one should pause in speaking of the aid that New Mexico, and the Nation as a whole, has received from the Food Stamp Program and ask ourselves, "just who has benefited?"

The answer to the above question would be, "everybody" Not only have the Food Stamp participants benefited, but also the farmers and ranchers who produce the food, the processors who process the products, the wholesalers and the retailers who sell the products, communities who in turn receive additional revenues, and society who has been crippled and hamstrung by having to care in its hospitals and other institutions for those who cannot contribute to society because of diseases brought on by malnutrition.

I think too often we hear the complaint that the only ones that benefit are those that are too lazy to work and who prefer to be leeches. This is a gross misrepresentation of the real facts and a revelation that those who make such charges are blind to the real situation.

Most of the individuals receiving Food Stamps have little or no income, not because they do not want to work, but because they do not have any work. In Rio Arriba County, New Mexico, for example, the unemployment rate is 20.7% as of 1967. In Mora County the unemployment rate was 12.5% in 1967, and had been as high as 17.7% in 1966 and 20.7% in 1964. In San Miguel County in 1967, the unemployment rate was 12.0% and was as high as 15.6% in 1964.

These are not individuals unwilling to work, as anyone who is familiar with the counties would inform you. They are individuals who simply have no work and no prospects of any jobs. They thus have no income with which to buy the necessities of life. To compound the matter, there are many others, not reflected in the above statistics, who are underemployed and consequently cannot earn enough to buy an adequate diet for their families.

Because of their lack of proper and adequate diets, individuals in these families suffer a higher incidence of illnesses, infant mortalities, and crippling diseases. Our welfare rolls are taxed, but so are our limited hospital facilities, our limited medical services, and other needs that must be met by society because of the increased illnesses. No one need remind us either that a sick man not only drains society but can do little or nothing to contribute to it. The cost of society by not providing an adequate diet for the less fortunate is far more in the long run than the cost of providing a nutritional diet.

As I have also stated, the farmers and ranchers of this country benefit as well from the Food Stamp and Commodity Distribution Programs. There is an increased demand for food and food products as more and more people are enabled to eat more and better foods. More livestock will be required. More feed grains to feed the livestock. More feed lots to feed the livestock. More crops will need be grown with the chain of other economic benefits that will thus be set off. More people can be put to work and eventually taken off the assistance programs.

Our food outlets likewise will benefit from increased sales, and sales of better quality foods. Sales of other necessities such as clothing and shelter will increase as money is released from the need to buy food.

Does this sound too far-fetched? I think not!

Let me quote, if I may, from a comment made by the Executive Director of the New Mexico Health and Social Services Department. He states:

"It is apparent that the increase in purchasing power of the families participating in the Food Stamp Program has a significant impact on the business community in those counties where the program is operating. The benefits of this program are manifold. Revenue to the State and Communities received from the 4% sales tax collected on the food purchases made with ONLY the bonus coupons amounted to $108,385.60 for the last fiscal year (FY 1969)."

If there is any doubt of the favorable impact of the Food Stamp Program on other segments of society, I think that this one example should dispel the doubt.

IMPROVEMENTS IN FOOD ASSISTANCE PROGRAMS NEEDED

Praiseworthy as the Food Stamp Program and other food assistance programs have been, the magnitude of the hunger and malnutrition problems we have seen revealed—some of which I have spoken of this morning—attest to the fact that we have only scratched the surface in attempting to meet the nutritional needs of our citizenry. There are many short-comings and weaknesses in existing programs.

In Taos County, for example, it was stated that: ". . . the Welfare Department and the Food Stamp Program in no way is adequate to offset the problem of malnutrition of starvation in the area. Less than 20% of the participants in the Emergency Food Project were receiving assistance from the Welfare or other programs within the area. The other percentage was left to hustle for themselves concerning the necessity for food."

In this same county it was indicated that the Food Stamp Program has a "very bad image" due to the fact that needy persons cannot afford the cost of the stamps. Some borrow money when stamps are available and then repay the loan as they are able to.

It has also been reported that upon changing from the Commodity Program to the Food Stamp Program there is a 60% decrease in participation in some areas partly due to more stringent requirements. In some of these areas there has been a gradual increase with time, but in others there is none.

Another complaint I have heard voiced on numerous occasions is that the high cost of food stamps is a very significant limiting factor on participation. One Community Action Program Director reports that, "The Community Action Program finds families every day that are living in poverty conditions, qualify according to the OEO guidelines, and yet are not eligible for Food Stamps or must pay 80 to 90 dollars. Large families are extremely victimized." He suggests that free Food Stamps should be made available to eligible families who cannot afford to buy the stamps.

The Executive Director of the New Mexico Health and Social Services Department indicates that in his opinion, among the conditions leading to malnutrition in New Mexico are: inadequate family income to provide proper diets; inadequate education about proper nutrition; the lack of nutrition education and consumer education; programs that would make available services and information concerning better nutrition; and the combination of quite minimum financial assistance standards and the relatively high purchase requirements in the Food Stamp Program.

These problems are echoed in county after county in New Mexico.

In addition to the problems of cost and minimum eligibility standards there is an additional problem with large, poor families for whom the food stamp purchases are very insufficient.

There is obviously a need for intensive outreach to increase participation of needy persons. In New Mexico out of an estimated 235,000 persons falling below the poverty level, only about 56,500 participate in Food Stamps. Another 18,000 or 19,000 participate in the Commodity Distribution Program for a total of approximately 75,000 participating in some kind of food assistance program. While all of them remaining 160,000 individuals falling below the poverty level may not be in need of food assistance, obviously there is still a great need that is not being met.

More stamp distribution centers are needed to facilitate transportation for participants. In many small communities there is no center and the costs of transportation make the program infeasible for many.

Persons need to be educated concerning the benefits they can obtain from the program and assisted in applying for certification. Spanish-speaking persons administering the program are essential in many communities for this type of outreach. I urge the Department of Agriculture to make a conscious effort to make such trained individuals available not only in New Mexico, but elsewhere where Spanish is the mother tongue.

LEGISLATIVE PROPOSALS

You have pending before you at least five bills (S. 6, S. 339, S. 1608, S. 1864, and S. 2014) aimed at meeting the food needs of the millions of Americans that are presently going hungry. Two of these measures, S. 339 and S. 1608, are bills which I have introduced. A third, S. 2014, the Food Stamp Reform Act introduced by our colleague, Senator McGov-

ern, I have joined in cosponsoring, as have some thirty other Senators. A fourth bill, S. 1864, has been introduced by my good friend from Georgia and a member of this Committee, Senator Talmadge. The fifth and first to be introduced this session, S. 6, was introduced by another former member of this Committee whom I remember having served the Committee so well, Senator Mondale. And finally, we have received a Presidential message and other statements from the Nixon Administration expressing support of some type of expansion of our Food Stamp program.

I will not take the time of the Committee to go into detail on each and every one of the above proposals or to urge consideration of my bills over the other measures pending before you. All of the measures introduced have been introduced with one purpose in mind; that is, to expand and improve on our efforts to carry out the declaration of policy expressed by Congress in passing the Food Stamp Act of 1964 of "maintaining adequate national levels of nutrition."

I think it is significant to note that the above-mentioned bills, although differing in some lesser respects, are very similar, if not identical, in their major provisions.

I would urge this Committee to pick the best features from the various proposals before you and to report out a measure that is meaningful in terms of meeting the problems we face.

As a minimum, however, I believe that any proposal recommended by this Committee should include at least the following provisions:

Authorize the establishment of minimum nationwide eligibility standards for participation in the Food Stamp program;

Permit direct operation by the Secretary of Agriculture of a Food Stamp program in any political subdivision of a State where local governing officials refuse or are not able to provide a food assistance program for needy families;

Provide for cost-sharing arrangements whereby the Secretary of Agriculture could contribute up to 50% of the administrative costs of local Food Stamp programs; and

Remove needless constricting limitations on the appropriation of funds for operating the Food Stamp program in any fiscal year subsequent to 1969.

The above are the main provisions of my bill, S. 1608, and are also found in one form or another in some of the other proposals before you.

In addition to the above, however, much more must be done. Senator Talmadge's bill, S. 1864, would make a number of additional significant improvements. Some of Senator Talmadge's suggestions are also found in S. 2104, of which I am a sponsor. S. 2104, in addition to the above provisions, would: provide free food stamps to the lowest income families; lower the purchase price of stamps for those who pay; increase the total stamp value so that all participants are able to purchase an adequate diet; provide that a family may purchase less than its full coupon allotment and that the price will be adjusted accordingly; provide that after June 30, 1971, no household shall be charged more than 25% of its income for its coupons; provide for nutrition education, including informing all eligible households of the program's existence and giving any help needed to apply it; provide that coupon issuance and the collection of payment be carried out through the local post office, by mail, in retail stores, or in any way to best insure participation of eligible households; and authorize the Secretary to pay the *full* cost of administering the program in any political subdivision *if* he determines that such payment is necessary to enable the program to be operated there.

The need for many of the above reforms in our Food Stamp program is obvious and should not need further commenting on in light of the conditions that exist throughout the country and the complaints that have been registered.

We must make a more conscious effort to educate all Americans on nutrition, to make more readily available to the needy the Food Stamps that they require, and to make them available at a cost they can afford even if this means giving free food stamps to some.

We must remove the funding limitations that we have imposed before to give the Secretary of Agriculture more flexibility in asking for appropriations sufficient to meet the problems. It does us little good to isolate the problem, analyze it, legislate on it, and then provide insufficient funding to solve it.

We must provide some national standards for eligibility so that potential participants may not be barred from the program by unnecessary restrictive standards within a particular state or states.

We must insure that if state and/or local officials either cannot or do not institute a Food Stamp program, that the needy of those communities shall not be denied the opportunity of participating in the program.

Finally, many communities simply do not have the resources available to cover the cost of administering an adequate food assistance program. In some cases, they cannot afford to begin to pay the administrative costs of starting a program locally. In others, their limited funds prevent expansion of existing programs to adequately reach out to all those who need it most. In New Mexico, for example, plans to expand the Food Stamp program to seven additional counties during FY 1969 (Catron, Dona Ana, Grant, Hidalgo, Luna, Sierra, and Socorro Counties) were dropped by the State because of lack of funds. The problem has been analyzed as simply a lack of money.

S. 1608 would authorize the Secretary of Agriculture to enter into cost-sharing arrangements and would greatly assist these resource-poor communities. It would permit the Secretary to contribute up to 50% of the administrative costs of these local programs. This would also help ensure that the certification and issuance of food stamps could be carried out at locations more convenient to all needy persons, rather than at a few, hard-to-get-to sites as is now the case in many counties.

S. 2014 would also authorize the payment of 100% of the administrative costs if the Secretary determines that this is essential to enable the program to be operated there.

Administrative costs are a real problem in the State of New Mexico, and I am sure elsewhere, not only for the Food Stamp program but other programs. In FY 1968, for example, the State of New Mexico turned back $40,000 in Federal funds for the School Breakfast Program because it lacked sufficient personnel to administer the program.

We should not place ourselves in a position where a major effort is undertaken on the Federal level but which is stymied when it gets to the States because of a lack of funds to administer the program. We should authorize cost-sharing of the administrative costs of the program and provide for a full 100% Federal funding when it is absolutely necessary and there is no other way to operate a program.

COMMODITY FOOD DISTRIBUTION PROGRAM

Finally, I would like to make some comments with regard to the Commodity Distribution program.

I think that the consensus of the Congress and of the country is that primary emphasis should be placed on moving from Commodity Distribution participation to Food Stamp participation. However, I think that the Commodity Distribution program still plays a vital part where there are no Food Stamp programs and could play an even bigger role if improved and combined with the Food Stamp program. But to make it meaningful, it, too, needs reforming.

One of the bills pending before this Committee, S. 339, is a bill which I introduced in a modified version last Congress and which I have reintroduced again this Congress.

Congress has committed itself to the concept that our overabundance of food, rather than be needlessly wasted, should be used to help feed the Nation's needy. Thus, under basic authority contained in section 416 of the Agricultural Act of 1947, the Secretary of Agriculture makes surplus foods available to States for distribution to needy persons.

However, due to the vague generality of this enabling statute, there are serious gaps in Congressional intent that leave implementation of this program to the whims of a Secretary of Agriculture and/or State and local agencies.

Specifically, there is no clear mandate directing the Secretary to make food available—no guidelines upon which to determine the quantity of variety of foods that should be distributed—no specific authority directing how the Secretary should proceed when State or local agencies fail to accept their responsibility—nor provisions authorizing alternatives for the Secretary to use in expanding distribution outlets to effectively serve recipients.

Sufficient evidence has been presented in the past year attesting to the fact that far too many persons do not receive, or cannot obtain, at least the minimum amount of food needed to protect their health and sustain productive lives.

To correct these deficiencies, I introduced S. 339. This bill would:

Modify existing language of Section 416, Agricultural Act of 1949, to specifically direct the Secretary of Agriculture to distribute food to needy families and households.

Direct the Secretary to make food available to such persons in sufficient quantity and variety, and at a sufficient number of locations, so as to provide recipients with at least the minimum daily nutritional allowances recommended by competent authority.

Direct the Secretary to establish food distribution outlets in any State or political subdivision where the need exists and where appropriate authorities have failed to provide either an adequate food distribution or Food Stamp program within 120 days from enactment of the bill.

Authorize the Secretary, when he has to take such independent action, to contract with any competent person, firm, or nonprofit organization for the distribution of foods. Under such contracts, food must be distributed without discrimination, and recipients must be informed that it has been donated by the Federal government.

The above bill was introduced independently of any consideration of expansion of the Food Stamp program. It was introduced in an attempt to streamline the Commodity Distribution program to serve those areas where Food Stamp programs did not exist. Since then, however, I have joined in sponsoring S. 2014, which would authorize the use of both the Commodity Distribution program and the Food Stamp program in the same community if such was found to be feasible and desirable in meeting the nutrition needs of the community. Traditionally, I know, the two have been separated and not authorized to operate in the same county. However, if it is found that one could feasibly complement the other to accomplish the end we all seek—that is, an attack on hunger and malnutrition—I do not see why we shouldn't

provide the authority to the Secretary of Agriculture to permit the two to operate together.

CONCLUSION

Mr. Chairman, I have gone on at some length here and I apologize for taking so much time of the Committee. However, this matter is one of very deep concern to me as I know it is to you.

The hunger problems of this country are shocking and impossible to justify The Senate Select Committee on Hunger and Nutrition, so ably chaired by our colleague Senator McGovern, and on which five members of the Committee on Agriculture serve, is performing a tremendous service to this country in not only exposing the problem but in seeking to find solutions.

I do not, by my recommendations for legislative action at this time, wish to prejudge the findings of the Select Committee nor to anticipate the recommendations the Select Committee may make. I do feel, however, like Senator Talmadge, Senator McGovern, Senator Mondale, and others, that there are a number of basic adjustments that can be made at this time without waiting for the final report of the Select Committee which is not due until after the end of this calendar year.

There is much that can be done now. The Committee on Agriculture and Forestry has the primary jurisdiction over the Food Stamp program and is the Committee with the legislative authority. It has served us well in the past, and I am confident it will serve us well again. Thank you.

APPENDIX I

NEW MEXICO

County	Percent Spanish surnamed (1960 census)	Percent poor families (1966), OEO community profiles	Estimated total population (1966), OEO community profiles	Number in public assistance (1964)	Number of persons participating in food program (January 1969), USDA figures	Type of food distribution program
Mora	85.4	67.1	5,900	950	1,055	FS
Guadalupe	72.5	45.3	5,100	645	880	FS
Rio Arriba	69.6	50.7	26,300	2,883	5,831	FS
Taos	69.1	63.5	17,600	2,319	3,711	FS
San Miguel	68.5	49.1	22,900	3,308	4,865	FS
Santa Fe	54.3	25.5	48,700	2,793	5,060	FS
Grant	47.2	28.9	18,700	753	1,115	CD
Socorro	46.8	40.5	10,600	821	2,145	CD
Dona Ana	42.1	25.0	69,400	2,363	4,836	CD
Torrance	41.7	40.5	6,300	526	737	FS
Hidalgo	40.6	27.4	4,800	169	482	CD
Colfax	40.1	29.0	13,300	980	780	FS
Valencia	35.9	24.6	40,400	1,648	3,562	CD
Luna	34.3	32.1	11,100	551	1,244	CD
Sandoval	32.0	58.2	16,200	1,014	2,890	FS
Quay	29.4	29.2	12,700	888	809	FS
Lincoln	28.9	30.0	8,000	350	279	FS
Catron	27.2	34.2	2,300	88	108	CD
Harding	26.5	34.7	1,800	95	80	FS
Bernalillo	26.0	15.0	313,200	11,253	18,879	FS
De Baca	25.0	33.6	2,700	189	149	FS
Union	24.3	28.3	5,300	241	20	FS
Eddy	22.1	17.3	53,000	1,695	2,377	FS
Sierra	21.6	30.9	6,600	630	755	CD
Otero	15.9	15.3	36,900	825	1,055	FS
Chaves	13.5	21.6	70,000	2,368	2,254	FS
McKinley	12.2	37.3	44,200	1,625	4,762	CD
Curry	11.2	23.8	37,600	1,082	1,540	FS
Los Alamos	11.2	2.1	14,500	9	----------	FS
San Juan	6.8	19.9	49,100	1,899	5,430	FS
Roosevelt	6.3	23.8	16,900	511	1,023	FS
Lea	4.8	13.0	53,900	1,394	1,039	FS

Note: Percent poor families in the United States, 15.1; percent poor families in New Mexico, 27.4.

APPENDIX II

Date designated	Project area	Participation (number of persons) P.A	Non-P.A.	Total	Monthly change (percent)	Coupons Total value	Bonus value	Bonus of total (percent)	Average bonus per person	Fiscal year to date Total coupons	Bonus coupons
	NEW MEXICO (22)										
Dec. 2, 1968	Bernalillo	10,128	8,669	18,797	----------	$329,891	$146,545	44	$7.80	$1,034,930	$551,339
Apr. 1, 1966	Chaves	1,264	967	2,231	−1	38,377	14,560	38	6.53	274,943	105,837
Dec. 1, 1965	Colfax	483	338	821	5	14,423	5,703	40	6.95	100,090	37,238
June 1, 1966	Curry	975	574	1,549	1	27,446	10,754	39	6.94	202,523	77,544
Feb. 2, 1967	De Baca	99	48	147	−1	3,032	974	32	6.63	21,998	7,214
May 2, 1966	Eddy	1,099	1,258	2,357	−1	38,349	16,399	43	6.96	294,219	121,561
Feb. 1, 1967	Guadalupe	479	440	919	4	15,681	6,342	40	6.90	112,776	46,568
Nov. 2, 1965	Harding	48	49	97	21	1,792	692	39	7.13	12,126	4,486
May 2, 1966	Lea	543	503	1,046	1	17,509	7,646	44	7.31	130,251	53,198
Mar. 7, 1967	Lincoln	150	128	278	----------	4,912	1,982	40	7.13	37,750	14,800
June 3, 1963	Mora	580	922	1,502	4	25,064	9,496	38	6.32	165,736	72,094
Mar. 1, 1967	Otero	453	648	1,101	4	16,743	8,760	52	7.96	109,885	54,295
Nov. 2, 1965	Quay	444	395	839	4	15,170	5,799	38	6.91	104,970	41,282
Mar. 2, 1965 Jan. 2, 1969	Rio Arriba Los Alamos	1,700	4,377	6,077	4	92,941	59,984	65	9.87	729,028	394,997
June 1, 1966	Roosevelt	348	692	1,040	2	16,152	8,200	51	7.88	131,030	62,763
Apr. 1, 1965	Sandoval	712	2,390	3,102	7	47,204	27,748	59	8.95	341,262	191,376
June 5, 1961	San Miguel	1,841	2,967	4,808	−1	82,090	35,456	43	7.37	602,612	267,584
June 3, 1963	Santa Fe	2,450	2,485	4,935	−2	82,918	34,576	42	7.01	604,264	253,816
Mar. 2, 1965	Taos	1,664	2,050	3,714	----------	63,570	29,574	46	7.96	460,809	211,261
Feb. 1, 1967	Torrance	418	380	798	8	13,637	5,812	43	7.28	105,832	41,984
Dec. 1, 1965	Union	113	69	182	−11	3,592	1,344	37	7.38	30,824	11,168
	Total	25,991	30,349	56,340	1	950,493	438,346	46	7.78	5,607,858	2,622,405

Note: Source: Department of Agriculture.

ANALYSIS OF S. 1608, A BILL INTRODUCED BY U.S. SENATOR JOSEPH M. MONTOYA, MARCH 20, 1969

PURPOSE

To eliminate four obvious legislative flaws in the Food Stamp Act of 1964, as amended, which hinder effective implementation of the inherent purpose of that Act.

PROVISIONS

1. Authorize the establishment of minimum nationwide eligibility standards for participation in the Food Stamp program;

2. Permit direct operation by the Secretary of Agriculture of a Food Stamp program in any political subdivision of a State where local governing officials refuse or are not able to provide a food assistance program for needy families;

3. Provide for cost-sharing arrangements whereby the Secretary of Agriculture could contribute up to 50 percent of the administrative costs of local Food Stamp programs; and

4. Remove needless constricting limitations on the appropriation of funds for operating the food stamp program in any fiscal year subsequent to 1969.

ANALYSES OF S. 339 INTRODUCED BY U.S. SENATOR JOSEPH M. MONTOYA, JANUARY 16, 1969

NEED

Congress has committed itself to the concept that our overabundance of food, rather than be needlessly wasted, should be used to help feed the Nation's needy. Thus, under basic authority contained in section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), the Secretary of Agriculture makes surplus foods available to States for distribution to needy persons.

However, due to the vague generality of this enabling statute, there are serious gaps in Congressional intent that leave implemention of this program to the whims of a Secretary of Agriculture and/or State and local agencies.

Specifically, there is no clear mandate directing the Secretary to make food available—no guidelines upon which to determine the quantity or variety of foods that should be distributed—no specific authority directing how the Secretary should proceed when State or local agencies fail to accept their responsibility—nor provisions authorizing alternatives for the Secretary to use in expanding distribution outlets to effectively serve recipients.

Sufficient evidence has been presented in the past year attesting to the fact that far too many persons do not receive or cannot obtain at least the minimum amount of food

needed to protect their health and sustain productive lives.

PROPOSAL

It is these deficiencies to which this bill is directed, namely by:

1. Modifying existing language of section 416, Agricultural Act of 1949, to specifically direct the Secretary of Agriculture to distribute food to needy families and households.

2. Directing the Secretary to make food available to such persons in sufficient quantity and variety and at a sufficient number of locations so as to provide recipients with at least the minimum daily nutritional allowances recommended by competent authority.

3. Directing the Secretary—when appropriate authorities fail to provide either an adequate food distribution or Food Stamp program within 120 days—to establish food distribution outlets in any State or political subdivision where the need exists.

4. Where the Secretary must take such independent action, authorizing him to contract with any competent person, firm, or nonprofit organization for the distribution of foods. Under such contracts, food much be distributed without discrimination, and recipients must be informed that it has been donated by the Federal government.

GUY H. HARVEY, OF SOUTH DAKOTA

Mr. MUNDT. Mr. President, it is with a feeling of sadness that I note the passing of an illustrious son of South Dakota, Guy H. Harvey, of Yankton.

Guy Harvey was a good man, an honest man, and he was a leader in the Masonic Lodge for many years. Guy was a leading Democrat in our State, and he and I used to indulge in some good-natured joshing about the fact. Nevertheless, he was a forthright citizen, and he was my friend.

The Daily Argus Leader of Sioux Falls, S.D., sums it up in an editorial about him. I ask unanimous consent to have printed in the RECORD the words of praise which the Argus Leader had for this able man.

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

HARVEY CONTRIBUTED MUCH TO STATE

Guy H. Harvey of Yankton was a great and good South Dakotan. In his many active years, he made a substantial contribution to that which was worth while.

His endeavors were varied. He devoted much time to charitable organizations and assumed a state leadership in the March of Dimes campaign. He served with enthusiasm and ability the cause of education and was an important official in Masonry. He took an active part in politics, vigorously promoting the principles which he endorsed. He was never so busy, it seemed, that he couldn't find time to promote a useful civil endeavor.

Men such as Mr. Harvey leave behind them a series of memorials in the good they have accomplished. Many such memorials in Yankton and in South Dakota generally are associated with his name. We are a better state because he was a part of it for so many years.

SALUTE TO THE FLAG

Mr. BROOKE. Mr. President, on Monday, May 12, Maj. Hal Hughes, executive director of the Volunteers of America, Inc., delivered a moving address on the two flags of America. I ask unanimous consent that the text of his remarks be printed in the RECORD.

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

A SALUTE TO THE AMERICAN FLAG

(Address of Maj. Hal Hughes, New Bedford Post, the grand field council, Volunteers of America, Philadelphia, Pa., May 12, 1969)

The United States has two flags, a visible red, white and blue banner that we see flying proudly wherever we go, and an invisible flag that we cannot see because it flies only in the hearts and imaginations of all the poor people, the enslaved people, the hopeless people of the world.

We all know about the visible flag; how the thirteen white and red stripes stand for the thirteen original colonies; the fifty white stars on the blue background stand for the fifty states of the United States; how the red, white and blue stands for equality, brotherhood and freedom.

In our history books we learned how a lady named Betsy Ross made the first American flag. In our flag books we learned the proper ways to show respect for the flag, how to hang it in display, how to carry it in a parade, how to fold it for respectful storage.

I am sure we all know quite a bit about the cloth flag that we see so often. However, I do not think we know as much as we should about the invisible flag flying in the hearts and imaginations of all the poor, mistreated and hopeless peoples of the world.

I'm sure it is because we know so little about the invisible American flag, that so many discourtesies are sometimes shown to the visible American flag.

The American flag has often been called God's flag, and there is a good reason for the heartwarming title. The American flag symbolizes the Constitution as well as the nation. The Constitution of the United States is the first government charter in history to grant to the poorest and humblest person the right to be free and equal in opportunity.

The American flag stands for much more than that. It represents the unconquerable foundation of the American government; the idea that the rights of freedom, equality and justice which all the people have, come from God.

Obviously, if the people's rights come from God, they can only be taken away by God. But if the people's rights come from the government, naturally the government has the right to take them away.

This is why dictators have to be atheists. This is why there is a strong atheist movement in this country. This is why there is so much unnecessary talk about separation of church and state. You do not hear any talk about separation of atheism and state. Remember this . . . if your rights do not come from God, if your rights come from the government, then the government can take all your rights away, and, undoubtedly, the government will.

It is a source of sadness to me that so often so many ignorant smartalecks show disrespect for the American flag, even going so far as to make a mockery of it and what it stands for.

One college art class in Massachusetts even made and displayed an American flag in the form of the Nazi swaszstica emblem.

Occasionally you read in the newspapers about the American flag burned or spat upon. I shiver a little because to me it is God's flag that is being burned or spat upon. I prefer to remember the story of the only man in New Bedford, Massachusetts who ever won the Congressional Medal of Honor. His name was Sgt. William Carney and he won the medal by picking up the American flag from the hands of a wounded flagbearer, carrying it to the top of a hill in the Civil War in the very face of Confederate gunfire. When he found himself alone with all his comrades killed, he brought the flag back safely to the Union lines with every rifle in the fort trying to shoot him down. He would not leave the flag behind, not even to save his own life. When he finally stumbled back to safety, he refused to give up his flag, except to his own officers, to whom he reported happily, "The old flag never touched the ground, sir."

I left out one detail of that story. Sgt. Carney was a Negro. To me color is not important, except merely as a detail of description. First and foremost, Sgt. Carney was an American of the highest type.

The American flag flies over Arlington National Cemetery and over Valley Forge. Great honor is paid to the tomb of the Unknown Soldier of World War I at Arlington. But at Valley Forge, there are graves of 3,000 unknown soldiers of the Revolutionary War. They died because they respected the newborn American flag.

During World War II, when the Communists were taking over China, a battle took place near an American religious mission which was being used as an orphanage. The place was so crowded with deserted babies that the nuns had ran out of clothes with which to cover them. In the midst of the barking guns, the nuns heard a baby crying outside the door. They ran and brought in a naked baby. Without clothes, how were they going to protect the child? Just then, the American flag was shot down off the flagpole. A nun ran out, brought back the flag and wrapped the shivering baby in it.

To me that is a most appropriate use of the flag, as a shelter and a hope for the helpless and the hopeless.

This is why the American flag still flies invisibly in the hearts and imaginations of all the poor, enslaved and hopeless people of the world.

And we had better make sure that the American flag flies invisibly in our hearts and imaginations.

If the American flag stops waving in our hearts and minds, it will not wave long in our streets and public buildings.

And those who secretly are eager to offer a so-called better flag in its place are lying to themselves, because there can be no better flag than God's flag.

The American flag is truly God's flag, the flag of hope and peace and self-respect for all the poor peoples of the world. If this great banner of civilization is torn down, mankind itself will slide back into a world of insane and meaningless savagery.

Let us all lend a hand to keep Old Glory from falling to the ground. On June 14, 1969 we celebrate the anniversary of the birth of the American flag . . . it will be 192 years old.

We must realize that the greatest menace to our freedom is ingratitude and lack of respect for constituted authority. Let us resolve to rededicate our loyalty to and respect for the Stars and Stripes, and instill in our children in their earliest years, this love and respect for the flag.

FEDERAL TRADE COMMISSION CIGARETTE ADVERTISING PROPOSAL

Mr. JORDAN of North Carolina. Mr. President, it appears that the Government is ready to strike again in its war on the tobacco industry.

And it is reviving for that drive some of the same tactics employed in an unsuccessful attempt of 4 years ago to achieve that goal.

I refer in this regard to the just-announced proposal of the Federal Trade Commission for regulation of cigarette advertising.

Unlike the Federal Communications Commission, which wants to prohibit such advertising on radio and television, the FTC does not propose an advertising ban.

It would, instead, impose a requirement for a much stronger health warning in such advertisements than that now provided under the Cigarette Labeling Act and would make failure to include the warning an unfair and deceptice act punishable by law.

There is nothing really new in the FTC proposal. It relies on the same unsubstantiated and, in some cases discredited, charges which have been brought periodically against tobacco by various Government agencies over the past 5 years.

It does, however, represent a new attempt to achieve arbitrary rule by administrative dictation pre-empting a legislative area which properly belongs to Congress.

As we all are aware, the Cigarette Labeling Act of 1965 specifically bars the FTC from imposing such advertising rules at any time prior to June 30 of this year.

In recognition of that, the proposal now unveiled calls for a public hearing on the rule opening July 1.

The House Committee on Interstate and Foreign Commerce has already completed extensive hearings on extension of the Labeling Act which would leave the regulation in the hands of Congress where it belongs.

Significantly, testimony in those hearings weakened rather than strengthened the case against tobacco and cast new doubts on the validity of claims against smoking.

In the face of this new FTC move, I think it imperative that Congress act promptly to approve the extension of the Labeling Act prior to the June 30 deadline.

I have supported, and will continue to support, meaningful research by both the Government and the tobacco industry to identify and remove factors in smoking which may be suspect. I think such research should be pursued swiftly and vigorously.

Meanwhile, however, I will oppose the FTC proposal as well as that advanced by the Federal Communications Commission earlier as unwarranted. Allowed to stand unchallenged they would, in my view, set dangerous precedents with far-reaching implications for all of the Nation's business and industry.

ENFORCEMENT OF TITLE VI OF CIVIL RIGHTS ACT OF 1964

Mr. CASE. Mr. President, if there are any who doubt the determination of the Department of Health, Education, and Welfare to enforce firmly and fairly the school desegregation program under title VI of the Civil Rights Act of 1964, I urge that they read a speech delivered recently by the Director of the Office for Civil Rights of the Department of Health, Education, and Welfare.

In a speech at Atlanta, Ga., before school officials from throughout the South, Leon Panetta, Director of the Office of Civil Rights, made it absolutely clear that the Department of Health, Education, and Welfare intends to continue effective enforcement of the title VI program to end discrimination and illegal segregation in formerly dual school systems. At the same time, he made it clear that the Department will move against illegal segregation which may exist in school systems which have never been organized formally on a racially segregated basis.

I congratulate Mr. Panetta for his unequivocal statement. So that all Members of Congress will have an opportunity to read it, I ask unanimous consent that it be printed in the RECORD.

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

OPERATION BOOTSTRAP

(Remarks by Mr. Leon E. Panetta, Director, Office of Civil Rights, Atlanta, Ga., May 16, 1969)

First of all, I would like to express my deep appreciation for this opportunity to appear before you today. Since I assumed this office only about 45 days ago, I don't feel I should be held accountable for a presentation on my first 100 days in office . . . at least, not yet. I can report, however that during that short time, I have already had the pleasure of meeting with a number of you and your southern colleagues . . . and, despite all of the occupational hazards involved, I am still able to be here. I consider that in and of itself a significant accomplishment . . . even for the first 40 days. Seriously, I do want to express my appreciation for this opportunity to be here with you. I am deeply honored by this invitation.

Each of you are responsible for the educational welfare of the children of the State of Georgia. Your positions present the most important and exciting challenge of our times. What America is today—what it can become tomorrow rest largely in your hands. It is a tremendous responsibility. But it is also a tremendous opportunity—to take young, untrained minds and shape them into productive citizens who will contribute to the continued growth and strength of this Nation. The fulfillment of these ends requires a great and total commitment to the advancement of education for all children. I know that each of you here have made that commitment. I can assure you that this Administration has also made that commitment to education . . . meaningful education . . . from childhood through manhood, from kindergarten through college.

We hear a good deal of criticism—from both young and old alike these days—about the problems of our educational system . . . and I am sure that all of us here would agree that it cannot afford to stand still . . . it must meet the challenge of change. We cannot return to just the 3 R's when the 3 R's are no longer adequate in facing the harsh demands of a highly competitive and advanced society. This is not, however, to deny that great progress has been and is being made in education—with new equipment, new methods of teaching, and imaginative designs for physical plants. The Department of Health, Education, and Welfare is currently devoting much of its time to studying and supporting these innovative efforts—plans have been prepared for the placement of the successful Head Start Program into a new and exciting Child Development Center at HEW; work has begun on developing and expanding Federal assistance for community colleges; the bilingual, cooperative and vocational education programs are well on their way to fruition; additional funds are being sought for experimental programs in education and for improved teacher training.

But all of these efforts—and many others—cannot succeed nor can meaningful educational opportunities result unless such education is presented equally—to all children, regardless of race, color, or national origin. One of the great problems facing this Nation today is that of race relations—are we to live as separate societies (as the Kerner Commission warned) or are we to go forward together (as the President urged)? These are the questions facing America. The answers—there are many—but the one that must be of the highest priority is the need to provide better education for all children.

I believe it is educationally and morally compelling for each of us to be committed to the principle of equal educational opportunities for every American child. But beyond that . . . yes, beyond that . . . it is also legally compelling that we be so committed.

The Congress and the courts clearly require that equal education—free from discrimination—be a reality in America. Since *Brown* v. *Board of Education* was decided exactly 15 years ago this month, the courts have continued to interpret and reinterpret the meaning of the 14th Amendment—each time making it clearer and clearer what they felt the Constitution required—the complete and immediate elimination of discrimination in our schools. In 1964, the Congress passed the Civil Rights Act and told, indeed, directed the Secretary of Health, Education, and Welfare that it was his responsibility to assure that school systems which received Federal funds do not discriminate on the basis of race, color, or national origin. From that date, there were no longer just commitments and promises that had resulted in 10 years of delay . . . but actions followed as well—significant actions that have resulted in bringing over 89% of the southern school districts into compliance with the law. This is a tremendously significant fact . . . but tragically, it is little recognized. I believe it is a fact that not only destroys the misconception that the South in general is unwilling to abide by the law but testifies to the significant and courageous steps that have been and are being taken by thousands of school superintendents throughout the South. To be sure, there are many who have sacrificed their jobs in attempts to abide by the law; to be sure, there are many of the remaining 11% which are truly difficult and challenging cases to resolve . . . but the clear fact is that a major portion of the task has been completed . . . that out of the 4,476 school districts in the 17 Southern and Border States, 3,961 are today in compliance with the law.

I realize that there are many who would disagree with the Civil Rights Act and the decisions of the courts—many who feel that both the Congress and the courts have gone too fast. But ours is a system based on law and order and the Department of Health, Education, and Welfare, just like every other arm of the Executive Branch, has the duty of doing what it is told by the Federal Legislature it must do, and has the duty of doing it in the manner that the Federal judiciary says it should be done.

I never cease to be amazed at how many people feel that somehow, someway HEW and the Office for Civil Rights can operate in a legal vacuum—free of the will of the Congress—free of the will of the courts. They contend that someway, HEW can accept what the Justice Department refuses to accept in court; that HEW can give what the courts have forbidden it to give; that HEW can avoid the responsibility that the Congress said it must assume. Over and over again, I am asked such questions as—

"Why can't we continue to use free choice?" The answer is not that HEW will not allow it . . . the answer is that the Supreme Court ruled against it. In May of 1968, the Court held in the *Green* Case that "if there are reasonably available other ways . . . promising speedier and more effective conversion to a unitary, nonracial school system, 'freedom of choice' must be held unacceptable." HEW's policies are controlled by that decision.

Again, I am asked—"Why can't we have more time to do the job?" And the answer again rests with the Supreme Court which held: "The burden on the school board today is to come forward with a plan that promises realistically to work, and promises realistically to work *now*." In addition to what the Court has said, it is clear that if additional time is allowed for any of the remaining 11% beyond that given to the other 89%, the entire structure of enforcement will be seriously undermined.

Finally, I am often asked the choicest question of all: "Did not President Nixon promise a slowdown on school desegregation?" Let me quote from the President's news conference of February 6:

"As far as school segregation is concerned, I support the law of the land. I believe that funds should be denied to those districts that continue to perpetuate segregation. I think that what we have here is a very difficult problem, however, in implementing it. One is our desire, a desire that was emphasized by Dr. Allen, to keep our schools open, because education must receive the highest priority. The other is our desire to see to it that our schools are not segregated. That is why I have, in discussing this with Secretary Finch and Dr. Allen, urged that before we use the ultimate weapon of denying funds and closing a school, let's exhaust every other possibility to see that local school districts to comply with the law."

Thus, the President himself has made it quite clear that the law will be enforced. Very simply, as the Secretary has himself reiterated, HEW is not in the business of making law . . . our job is to implement and enforce the law and, certainly, to assist those seeking to comply with that law. The policies of HEW—as contained in the so-called guidelines—merely implement the law as given to us. It would be a tragic charade for this or any Administration to wink at or ignore this law while pleading for respect for law and order on the campuses and in the streets of our Nation. Surely, should the Congress act or the courts render new decisions, we would be obliged to follow those laws . . . but until that happens, the law as it stands today must be enforced.

But beyond the controversy and resentment surrounding the law itself, there remains the more pressing issue of how shall that law be enforced. In this area, there is a great deal HEW can and will do.

In the past, the guidelines became a symbol of Federal bureaucracy—they were the first requirements a Superintendent saw; oftentimes, enforcement officials were young and inexperienced in the ways and problems of school administration. None will deny the fact that mistakes were committed in the past . . . that the scars of personality conflicts, of misunderstandings, of haphazard enforcement still remain. The total effort, therefore, must be to reopen lines of communication that have been closed by past controversy; to develop incentives to encourage a continuing dialogue between all the parties concerned; to recognize and support the efforts of the thousands of school officials who have successfully desegregated under the law; and to provide as much assistance as possible to ensure that the law is objectively enforced with understanding, compassion and fairness to every American.

How often I am asked: "Are you saying integration and to hell with education?" No . . . I am not saying that . . . but neither am I saying "education and to hell with compliance with the law." The effort must be to move forward on both fronts. HEW, as the Department responsible for education in America, must recognize that the desegregation of schools in accordance with the law brings with it complex social, economic and political pressures for a community to cope with. I have come to understand the tremendous burdens which are faced by the requirement to desegregate school districts—community apprehension, inadequate school facilities, limited finances, teacher preparation and curriculum adjustments. These presures cannot be ignored for they can mean the difference between success and failure in the broader effort to provide equal educational opportunities.

I believe the Federal Government and HEW have the responsibility to help these communities . . . I do not believe it is solely our task to tell a school district it is in noncompliance and leave it up to them to develop an answer. Oftentimes, courts have acted in this manner. Effective desegregation recognizing educational needs is not a matter for courts or lawyers, but for educators. There is no one way to desegregate the schools of all communities; the makeup and problems of each town and city are different. HEW must have the financial and technical flexibility to provide needed assistance to those who wish to comply with the law but lack the necessary resources to accomplish the task alone. It is our policy to offer Title IV assistance to each district in order that meaningful educational help on the development of alternative desegregation plans can be provided. What I believe is needed is not less but more Federal help aimed at implementing this mandated change as smoothly and as soon as possible . . . aimed at exhausting every possibility before the ultimate step of termination must be taken. Along these lines, the Secretary has requested an increase of $8 million for the Title IV program—and we hope additional legislation will be forthcoming in this area.

But even before such assistance can be provided—before steps can be taken to provide needed help to a school district—there must be a willingness to negotiate. No one is claiming that the problems are simple. No one is claiming that it will not be politically or educationally difficult to do the job. But these problems can never be answered if in the very least people are unwilling to sit down and reason together. If a school superintendent says "to hell with the law and HEW"—then there is little that can be achieved on behalf of the children in that community. If HEW says "obey the law or the hell with the school district" . . . then little can be accomplished. It is only when both parties, recognizing their responsibilities and the needs of the children, come together and attempt to find the answers that, in the end, answers can be found.

Am I being overly optimistic that solutions can be achieved by free and honest negotiations. . . . I ask you to consider Martin County, North Carolina and South Panola, Mississippi—both terminated in January and both returned to compliance in February as a result of negotiations. None gave either a chance of coming back . . . but they did through persistence on our part and through the willingness of local school officials to keep trying. Bleckely County, Georgia—terminated in April—returned to compliance in May before the effective date of termination. A majority Negro district that had some very difficult problems—but they overcame them with our help and with their persistence—we worked together to protect that district from losing its Federal funds.

Unfortunately, not all of our efforts are successful—of the 11 districts terminated by the Secretary, 7 refused to return to compliance . . . but we tried. In one district, we developed 8 alternative plans . . . in another, we provided an extension of the termination date in order for the school board to come to Washington. In the case of Washington County, Georgia, for example, immediately upon notifying them that termination would become effective in 30 days, assistance was offered to the district. One Title IV team developed several desegregation plans but the board rejected them. Another Title IV representative went in a few days later to recommend another approach . . . but no action was taken. On May 2, the school officials were invited to Washington and the possibility of an acceptable plan developed . . . an additional 30 days extension on the termination date was granted and the school board advised that a representative would be dispatched from Washington to assist them in developing a plan. . . . the response: members of the school board will be out of town. As so, HEW gets blamed for terminating funds . . . but the responsibility does not just lie with HEW, particularly when we can substantiate the fact that every possible step was taken to assist the district. . . . no, the responsibility is not just HEW's . . . it is equally the responsibility of every local school official to exhaust his alternatives as well, particularly where the welfare of thousands of school children, black and white, are involved. There can be no excuse for inaction—on the part of HEW or the school district.

As with all other difficult social problems, no one agency or level of government can hope to do the job alone. This Administration is committed to a local-state-Federal partnership in resolving the complex challenges of school desegregation. Too little has been done in the past to encourage State and local government to participate in this effort to achieve equal educational opportunities. I intend to seek out the assistance and counsel of State officials in this area. Local universities have already proven their value in providing consultant and training services in this area and should be given greater encouragement to exert leadership and assistance to schools in their region. Every possible step must be taken to nourish and develop the cooperation necessary to do this job right. We must at the same time see that this issue is not allowed to be one affecting one region of the country alone. For too long, the South has been singled out as the only villain in this area. Discrimination in education exists and is illegal in all parts of the country. For the first time, my staff is balanced North and South . . . and we only recently cited the first northern school district for noncompliance with Title VI. There is no question but that the law should and must be enforced equitably without regard to geography. In addition, the law should and must be enforced uniformly.

Too often, enforcement has varied between the Justice Department and the Department of Health, Education, and Welfare . . . too often, court ordered districts are getting away with less than is being required by HEW. In these areas, Justice has agreed to bring these districts up to minimum compliance with the law as soon as possible. In addition, in order to protect against prolonged termination of funds, a procedure is being developed whereby Justice will proceed against those districts that have been terminated and are still out of compliance with the law. It is also my hope to hold a conference of terminated districts this summer to reopen our lines of communication and hopefully provide whatever assistance may be necessary to bring them back into compliance.

Gentlemen, as educators, you must seek to improve education in your districts—but you must at the same time meet the challenge of providing equal educational opportunities. As Director of the Office for Civil Rights, I have a duty to enforce the law but I pledge

to each of you the support and assistance you need to comply with that law. The spirit and even the life of a community and the short and longterm well being of its citizens, both black and white, are at stake in every decision in this area. Misunderstandings respecting the law, confusion as to its enforcement and the encouragement of false hopes can pit man against man, student against student, and government against government. We must not allow this to happen. We must work together to see that a strong and equal education is provided to ensure a strong and equal America for tomorrow.

SENATOR BENNETT WINS GOOD GOVERNMENT SOCIETY 1969 AWARD

Mr. HRUSKA. Mr. President, I had the privilege and pleasure recently to attend the 1969 award banquet where the American Good Government Society presented its annual George Washington Award to our esteemed colleague and friend, the senior Senator from Utah (Mr. BENNETT).

In addition, for the other body the society presented its 1969 prize to the chairman of the House Appropriations Committee, Representative GEORGE MAHON, of Texas.

Another Senate colleague, the distinguished Senator from Mississippi (Mr. STENNIS), presented the award to Senator BENNETT and in his introductory remarks praised the Senator from Utah "as a living example of what can be accomplished by hard work and individual initiative." I feel that the full text of Senator STENNIS' remarks should receive the wide distribution available through the CONGRESSIONAL RECORD, and I request they be printed in the RECORD.

In addition, Senator BENNETT in his response gave a very thought-provoking and excellent speech which I also would like to see receive wider distribution. I ask unanimous consent that it, too, be printed in the RECORD.

As a past winner of the same Good Government Society Award, I know that Senator BENNETT and Representative MAHON have received many congratulations for this 1969 presentation, and once again I wish to add my own congratulations, publicly and in the RECORD.

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

INTRODUCTION BY SENATOR JOHN STENNIS, DEMOCRAT, OF MISSISSIPPI, AT GOOD GOVERNMENT SOCIETY 1969 AWARD DINNER, APRIL 30, 1969

Tonight I have the singular honor of presenting one of the 1969 Awards for Good Government to a truly great American, an outstanding Utahn, and an excellent legislator, Senator Wallace F. Bennett.

For 19 years I have watched him in action under all sets of circumstances. I have never seen him falter. I have never met a man who does not respect him.

Senator Bennett brings success to his every endeavor. This includes success as a businessman; as a United States Senator; in services to the Nation and to his beloved Utah. We honor him and trust him in the Senate—not alone for what he has done but for what he *is*. We *honor* the *man*.

He is the heir to the best frontier qualities of leadership, sound judgment and a capacity for hard work.

His father traveled across the plains as a child in a covered wagon with a group of Mormon Pioneers seeking to build a new life in a new land. This is exactly what they did.

Determination overcame all obstacles. With this spirit—which Senator Bennett inherited—his father transformed a bankrupt paint business into a thriving paint manufacturing and distribution organization. Senator Bennett entered this business as a clerk and became President of the Company in 1938.

From those beginnings he has continued to widen his range of interests. He has served as a school teacher and principal; as founder of an automobile dealership; as an important leader in his Church; as author of two books; as President of the National Glass Distributors Association; as the first representative of small business to serve as National President of the National Association of Manufacturers; as a member of six prestigious Senate committees.

He is a living example of what can be accomplished by hard work and individual initiative.

Many men who achieve this high prominence do so at the expense of their family life. But not Wallace Bennett. He has been happily married for 47 years to a woman we have all come to know and love. Wallace and Frances Bennett have raised five fine children and proudly claim the Senate championship for 26 grandchildren—26 at the last count.

Senator Bennett has accomplished his lifelong worthy attainments with the timely assistance of Mrs. Bennett, and because of his fortunate combination of fine personal qualities, his unfaltering faith, and his unswerving dedication to the basic principles of our republic. I know of no Senator more devoted to the concepts of representative government than Wallace Bennett.

I have always admired his abiding faith in his Divine Creator. He has been and is very active in his Church, where his work will bear fruit for decades to come. Those who attend the Weekly Senate Prayer Breakfasts know him as a dedicated member. His messages are always well-prepared, worthy and inspiring.

His committee work on both the Senate Finance and the Banking Committees has made him one of the most important monetary and fiscal spokesmen in the Senate.

It has been a heart-warming experience for me to work very closely with him in the Senate Ethics Committee. His judgments, when finally passed, reflect logic, a fidelity to duty, a keen sense of fair play, and above all, the courage of his convictions.

Too, it is Wallace Bennett who often walks eight miles to work in the morning; who works with and advises Presidents and Cabinet members; yet who cheerfully handles the most undramatic of Utah problems. This is Wallace Bennett, a winner of the American Good Government Society 1969 George Washington Award.

It is my very high privilege and honor to present this award to him and to read the citation:

"THE 1969 GOOD GOVERNMENT SOCIETY RESOLUTION OF TRIBUTE AND HONOR

"Wallace F. Bennett, statesman and industrialist, author and religious leader, gained the summit of his business career as president of the National Association of Manufacturers; and then came to the United States Senate where he is in his fourth term of quiet and steady service to his country.

"His recognized knowledge and understanding of fiscal and monetary problems have brought him the signal honor of being the only man serving on both the Finance and Banking and Currency Committees of the Senate, where he upholds sound policy—a sound currency and credit system and a sound dollar. He also serves on the Joint Committees on Atomic Energy, Defense Production and Internal Revenue Taxation and is vice chairman of the Senate's Select Committee on Standards and Conduct.

"Senator Bennett is a key leader to his church. He sets a high standard in public life, and gives a strong and honored leadership to all of us. The State of Utah should be proud of the illustrious son she has given to the United States of America."

GOOD GOVERNMENT IS REALLY GOOD PEOPLE

(Speech by Senator WALLACE F. BENNETT, Republican, of Utah, Apr. 30, 1969, at Good Government award dinner)

This is a great honor which you, my friends, have done me tonight, and I am humbly grateful for it. I value it especially as an expression of your faith in me and I am humbled by the realization that it places me in the distinguished company of the other, greater men who have been similarly honored including the Honorable George H. Mahon, the distinguished chairman of the House Appropriations Committee. And, I am especially delighted that Senator John Stennis who has already received this honor himself and whose friendship I cherish has been your spokesman in my behalf.

The fact that we are met here in the name of Good Government has naturally started my mind in search of the meaning of the phrase. What is "good government?" There is apparently no simple, single, definition of this vital concept—no exclusive set of principles, no one and only pattern of organization or administration. That being so, one must fall back on a variety of observations, in which, hopefully, some common basic elements may be discovered.

In such a situation, I like to begin with the meaning of the key word, in this case, "government". If we go to the dictionary, we learn that "to govern" means to steer—as with a rudder in a boat. No wonder a poet coined the phrase "The Ship of State." If government is to be good, those who steer it, must know and avoid all the hidden dangerous rocks and shoals that lie along its way, political, social and economic. The pilots of good government must also be capable of holding their course in rough weather when the waves of revolt are raging and the decks are awash.

If government can be likened to a ship to be steered through the reefs and storms to what fair harbor is she bound. Over the centuries many wise mariners with actual experience and good records as servants in government have made the same observation—namely that the goal and safe harbor of good government is the happiness of the governed.

This same idea must have been in the mind of Thomas Jefferson when he wrote into the Declaration of Independence his deathless phrase—"life, liberty and the pursuit of happiness."

Some have believed and many today still believe that government itself has the power as well as the specific duty to bring this about. But I agree with William Ellery Channings version of this theme. He wrote: "The object of good government is not to confer happiness, but to give men opportunity to work out happiness for themselves." To me, this is an accurate restatement of the words of Jefferson.

Why should the search for happiness, a quest that is intensely personal also be thought to be the goal of good government? There is an obvious answer—government is an institution which men have created in their own image—endowed with their own powers and charged with their own responsibilities. Into its laws they write their own standards of conduct—onto its own administrators they cast their burden of self-discipline—unto its courts they look for wise and prudent judgment on their weaknesses.

For government, even good government, has the same weaknesses as well as the same strengths as are possessed by its human cre-

ators. Just as water cannot rise above its source government can never possess superhuman or moral force wisdom.

When people created government as a device to solve their common problems they had to endow it with power to act and agree to be bound by its actions. Power thus became the vital living force in government and in this sense it may be likened to a huge magnifying glass capable of focusing the united personal powers of a whole people on their common problems. But magnifying glasses can become burning glasses if the power is carelessly concentrated. Similarly, governments too powerful can become destructive even of those who created them. Indeed, one might say that governments may be said to resemble the creature made out of human parts by Dr. Frankenstein and that for us as for the good doctor in the story the ultimate risk is that government may turn on its creators and destroy them.

Because power can corrupt and destroy as well as serve—it's easy to understand why the men in every generation have been concerned with its size and its rate of growth as well as today. One quotation of government will serve to represent the feelings of most of us. This comes from Oliver Wendell Holmes who said, "The less government we have—the better." Today perhaps we might be inclined to paraphrase that by saying good government should be like a miniskirt—large enough to perform its essential function without waste.

I began these rambling remarks by saying that there is no simple single definition of good government. But as these apparently unrelated ideas have developed in my mind I began to realize that there is at least one common thread that runs through all of them—one ultimate key to good government. To me, the common key is "good people."

In our American concept of government the ultimate sovereignty rests with the people. If government is an institution created by the people then it takes good people to create good government. If those selected to pilot the ship of state are to be good public servants, they cannot be truly representative of any but good citizens. If the power of government is to be kept under control those who exercise it must be good people, with an attitude of service rather than personal ambition—and at the same time those who selected them must also be good people with faith enough to obey the laws their good representatives have made in their names.

If government falters or fails only the faith and coinage of good people can renew its strength. And if, as is the more frequent occurrence—it becomes too powerful only good people can drain away that excess by assuming more responsibility themselves. Leon Blum, the one-time French Premier, has wisely said: "No government can remain stable in an unstable society and an unstable world."

If the key to good government is good people then one of the responsibilities of good government is to preserve the source of goodness in people—stable families, happy homes, sound educational systems and churches free to speak out for righteousness.

Good people—may there always be enough of them.

NOMINATION OF JUDGE WARREN E. BURGER TO BE CHIEF JUSTICE OF THE UNITED STATES

Mr. DIRKSEN. Mr. President, on behalf of the distinguished Senator from Colorado (Mr. ALLOTT), I ask unanimous consent to have printed in the RECORD a statement by him relating to the nomination of Judge Warren E. Burger to be Chief Justice of the United States.

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

STATEMENT BY SENATOR ALLOTT

At this time in our Nation's history, when respect for the law has never been under greater attack, all loyal Americans, I am sure, take heart from the appointment by President Nixon of Judge Warren E. Burger as Chief Justice of the United States.

I have known Judge Burger as a friend for more than 25 years. I know him to be a man, as President Nixon suggested, of unquestioned integrity and having the quality of judicial temperament so desperately needed on the Supreme Court today.

If Judge Burger holds true to his reputation—and I have every reason to believe that he will—the Court will be working long and hard to keep up with its caseload.

I have heard a great deal of talk about whether Justice Burger is a "conservative," a "moderate," or a "liberal." If labeling a political figure is often difficult, if not meaningless, labeling a judicial figure is impossible. What is important is that Judge Burger believes that the primary business of the Court is the interpreting of laws, not the legislating.

The President could not have, in my judgement, made a better selection for what he describes as one of the most important appointments of his Presidency. It is a selection for the times in which we live, and indeed for all times, for I predict the work of Warren Burger will be far more appreciated even by future generations, than by the present.

I congratulate the President on having made this appointment. I congratulate Judge Burger on his selection and wish him and his family the very best from my family as he carries out this most difficult of assignments.

THE RUSSIANS ALSO READ

Mr. HART. Mr. President, time is running out on chances to achieve a meaningful arms limitation agreement with the Soviet Union.

With each new hardline statement from Washington and Moscow, the atmosphere becomes less conducive to fruitful talks.

With each delay in starting talks, chances for international incidents which might block such talks increase.

With each advance in development and deployment of new weapons systems, the task of reaching agreement becomes more complicated.

Mr. President, if we miss this opportunity for arms talks, the world may well witness an escalation of the arms race that will postpone indefinitely an end to this madness.

I do not contend that arms limitation negotiations with Moscow will be easy or even that they will necessarily be successful.

However, to refuse to move promptly into such talks because they will be difficult or because they may fail is to demand conditions for negotiations which probably will never come.

To demand such conditions may be, in effect, to rule out arms talks for perhaps the foreseeable future.

Mr. President, our intent should be to improve and not damage chances for successful talks.

In a column published today in the Washington Post, Marquis Childs makes a good case that hardline statements about Russian intentions issued by defense officials in support of immediate deployment of the Safeguard ABM system have "damped the prospects for arms talks."

Mr. Childs' point is that even as Kremlin experts pore over statements emanating from the Soviet Union, the Russians also can and do read statements emanating from Washington.

Let us turn the current situation around.

What would be our reaction if Moscow at the same time were charging us with development of a first-strike capability and calling for disarmament talks?

I suggest that we might well doubt Moscow's intention to participate in serious arms talks.

Since the Russians also read and interpret our statements, I suggest that the voice of the Defense Department may well be drowning out the voice of the State Department which says that this Nation wants arms negotiations.

Mr. President, there is no reason why chances of successful talks should be endangered in an effort to win the debate over immediate deployment of the ABM.

Let this Nation speak with one voice, and let that voice be in favor of immediate arms talks.

I ask unanimous consent that Mr. Childs' column be printed in the RECORD.

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

[From the Washington Post, May 23, 1969]

PROSPECTS FOR ARMS TALKS SEEM TO BE LOSING GROUND

(By Marquis Childs)

Not long before he left on his Asian trip, Secretary of State William P. Rogers met with Soviet Ambassador Anatoliy F. Dobrynin. Rogers wanted to reaffirm to Dobrynin what he had said publicly—that the United States would be prepared to enter into arms negotiations with the Soviet Union in the late spring or early summer.

Reporting the discussion to colleagues, Rogers stressed Dobrynin's concern over delay in the long-heralded talks. He quoted the Soviet Ambassador as saying with the wry humor that is one of his characteristics: "You are sure you don't mean Indian summer?"

It now appears there will be a delay in the start of the effort to checkmate another sharp upward spiral in the nuclear arms race. What in bureaucratese is called "slippage" has taken place. From White House sources comes word it may be August before the American side bears out this pessimistic estimate.

As the days slip by, the fear grows that a last chance to head off another and perhaps the ultimate round in the race will be lost. Two reasons underscore this fear. One is evidence of a hardening attitude in Moscow. The military appear to have increasing weight in the Kremlin.

The second fear is of an accident that suddenly in flaring headlines puts an end to all hopes of talks. The U–2 spy plane shot down in 1960 wrote finish to the attempt of President Eisenhower to abate the cold war and arrive at competitive coexistence with the Soviets. The Russian invasion of Czechoslovakia last August cut across the carefully laid plans of President Johnson to begin arms talks. An accident would all too obviously suit those who in private oppose arms limitation.

If any single factor has damped the prospect for arms talks it is the decision of the Nixon Administration to start deployment

of anti-ballistic missiles to safeguard intercontinental missiles. This is not so much because it will mean any significant change in the strategic balance between the two nuclear giants, but because of the loud propaganda coming from Secretary of Defense Melvin R. Laird and other defense officials to convince Congress the Soviets are preparing a first-strike capability to cripple the United States.

No walls of silence, such as can be imposed by an authoritarian system, surround the United States to keep the angry ABM debate within the American family. All of the speeches and statements by Laird, Dr. John S. Foster Jr., director of defense research and engineering, and others carrying the torch for ABM are avidly read in the Kremlin. It is hardly necessary to add that they serve the cause of the hardliners who, it is a safe conjecture, argue that it is useless to try to come to any agreement with the warmongering imperialists in Washington. A recent visitor from the Soviet Union put this question:

"What if Grechko was saying the things Laird is saying?"

Imagine Marshal Andrei A. Grechko, Soviet Defense Minister, writing in Pravda or trumpeting in a speech on Armed Forces Day that the United States was accelerating the build-up in both offensive and defensive nuclear weapons. And what for? Why, to knock out the Soviet's retaliatory capability, with America triumphant in a first strike and the Soviet Union forever crippled, if not destroyed.

The consequences for any future arms talks would be pretty serious. How can we ever deal with people like that who charge us with such dastardly intentions? The argument that the Laird blasts do not matter, since there is no public opinion in the Soviet Union, is fallacious. A kind of opinion at the very highest level is subject to the news from everywhere and particularly from the other nuclear giant across the great divide.

The director of the Arms Control and Disarmament Agency, Gerard C. Smith, will be the principal negotiator in the first round when—and at this point caution dictates an if—it begins. Smith is determined that the talks will succeed. While they may not bring a reduction in nuclear arms, at a minimum they should checkmate a new spiral. The disarmament agency is hopefully setting a date between July 15 and August 1 for the start of the talks. Since spring ends on June 20, July 15 would still be within Secretary Rogers' pledged timing.

No one questions Smith's dedication and sincerity. But he faces many handicaps within the Administration. A month ago the word was put out that he would have a strong, capable deputy. An approach was made to William H. Sullivan, former Ambassador to Laos and one of the ablest Foreign Service officers. Subsequently, Sullivan was named Deputy Secretary for the Far East, with emphasis on the Vietnam task force, which may say something about priorities. No deputy has been named.

Why are the forces in the inner council cold, hot and lukewarm on the arms talks? What is the reason for the slippage? This will be examined in a following column.

DR. KISTIAKOWSKY DISCUSSES THE ABM

Mr. PERCY. Mr. President, I ask unanimous consent to have printed in the RECORD a significant article written by Dr. Irving S. Bengelsdorf and published in the Los Angeles Times of May 6, 1969. The article, drawing heavily on the experience and judgment of Dr. George B. Kistiakowsky, President Eisenhower's science adviser, questions the effectiveness of the proposed Safeguard ABM System. It is an important contribution to the debate on the merits of ABM deployment.

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

[From the Los Angeles Times, May 6, 1969]

OF ATOMS AND MEN: EXPERT TELLS HAZARDS OF ANY ABM SYSTEM

(By Irving S. Bengelsdorf, Ph. D.)

Let's make a nuclear fission bomb, known more popularly as an A-bomb. The essential explosive ingredient is either uranium 235 or plutonium 239. The amount of explosive required depends upon the fissionable material used—somewhat more for uranium 235 than for plutonium 239. In either case, the quantity of fissionable material needed for a nuclear explosion to take place is called the supercritical size.

Imagine a ball or sphere of U 235 or Pu 239 of supercritical size. Suppose the U 235 or Pu 239 explosive is fabricated into the shape of a half-sphere or hemisphere of such size that when two hemispheres are brought together they then form a sphere of supercritical size. Now you have your nuclear fission bomb. Since each hemisphere is below supercritical size, it can be kept in storage and will not explode. When you want the bomb to go off, just bring the two hemispheres together to produce a supercritical size and explosion.

HOW IT WOAKS

Both hemispheres of fissionable material must be brought together suddenly and vigorously. So, each hemispherically shaped nuclear explosive is surrounded with ordinary chemical explosives, arranged and shaped in such a way, that when the chemical explosion occurs, the two hemispheres are pushed and driven together. Pow!

During World War II, Dr. George B. Kistiakowsky helped in the development of American nuclear fission bombs. He worked out the arrangement and shape-design of chemical explosives used to push together pieces of fissionable material so that they suddenly would come together to form a mass of supercritical size. Kistiakowsky is professor of physical chemistry at Harvard and is one of America's outstanding scientists. In mid-1959, he was selected by President Eisenhower to be his special assistant for science and technology.

One of the first problems Dr. Kistiakowsky faced was the Army's request to install an antiballistic missile system (ABM) called Nike Zeus. It had serious technical shortcomings. The performance of both its radars and intercepting missiles was poor for the defense job that had to be done. President Eisenhower decided not to deploy the Nike Zeus ABM. So did President Kennedy.

In recent testimony to the U.S. Senate, Dr. Kistiakowsky pointed out, "Had the deployment of Nike Zeus been authorized in 1960–1961, we would have just about now the full system in operational readiness, after spending what was then estimated at $20 billion and could have been—judging by analogy with other large weapon systems—twice as much. Considering the current numbers and sophistication of offensive missiles now being deployed by the superpowers, it is technically certain that the Nike Zeus ABM system would now be of little value."

And the same can be said of the small Soviet ABM defense system that for several years has ringed Moscow and has not been expanded into a massive Soviet ABM system to protect other Soviet cities or sites.

Kistiakowsky added, "Nike Zeus would be obsolescent or even obsolete, judging by the fact that the probably somewhat more modern Soviet (Galosh) ABM defenses around Moscow are rated of little value to the Soviet Union by our competent military experts." ABM systems of the Soviet Galosh type easily can be overwhelmed by sophisticated penetration aides of the types carried by American offensive missiles.

FUNCTIONAL UNCERTAINTY

Dr. Kistiakowsky also expressed doubt about the smooth functioning of any complex ABM system. He stated, "The components used in presently proposed American ABM systems, the radars, missiles and computers, are much more advanced than were those of Nike Zeus. But the new systems are extremely complex and a massive failure cannot be excluded for a system that must function the very first time it is tried out as a whole."

"The proposed ABM systems involve mammoth computers because in the few minutes that would pass between detection and interception of incoming missiles, no human command organization could decide upon and then manually execute the proper defense tactics."

But computers, however fast they are in making decisions, must be instructed in advance by humans on what to decide upon in every situation that will confront them.

"Thus, however, elegant the electronics, in the end one must trust that the computer programmers (the humans who write the sets of instructions or programs that computers follow) will correctly anticipate all the future tactics that will be used against our defenses. They must write correct programs for discriminating between warheads and decoys, without knowing for sure what their characteristics will be."

This dependence on radars and computers to make "Doomsday" decisions has led Dr. Herbert F. York, UC San Diego physics department chairman, to state, "When we pursue the ABM we are not on the track of the ultimate weapon, but on the trail of the ultimate absurdity."

Dr. Kistiakowsky concluded, "Having tried to use the Boston automatic telephone system after a great snowstorm of a few weeks ago, I feel sensitive about the ability of complex automatic devices to overcome even the blind vagaries of nature, not to mention skilled human intellects of a potential enemy."

KUSKOKWIM BATTLE: THE STORY BEHIND IT

Mr. GRAVEL. Mr. President, the American public has recently been informed about the development of cooperatives in Alaska, primarily because of the controversy surrounding a particular case on the Kuskokwim River in 1968.

The following story, taken from the weekly newsletter of the Rural Alaska Community Action Program, describes the real meaning of the controversy. The author of the article, Mr. John Wiese, is the fisheries editor of the Anchorage Daily News. Mr. Wiese is unquestionably one of the foremost working experts on Alaska fisheries, and the leading commentator on Alaska fisheries matters.

As many Senators well remember, the Kuskokwim case involved the sale of a harvest of king salmon to a private Japanese company. The sale was negotiated by the Kuskokwim Co-Op, a wholly owned and operated Eskimo co-op, under the management of local Bethel fishermen.

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

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

KUSKOKWIM BATTLE: THE STORY BEHIND IT

(EDITOR'S NOTE.—The RurALCAP board of directors last week passed a resolution supporting the Kuskokwim Fishermen's Cooperative in its efforts to be an independent business and in its rights to proceed with competitive business transactions without interference from the Fish and Game Board. RurALCAP helped the cooperative last year in getting established. The following analysis of the situation is reprinted with permission of the Anchorage Daily News.)

(By John Wiese)

The big flap over Kuskokwim river salmon, a fishermen's co-operative and Japanese buyers involves a broader issue than that which appears on the surface. It's like an iceberg. . . .

At first glance it appears to be a case of officialdom looking askance at a small group of Native fishermen delivering salmon to a foreign outfit, with some observers disapproving because they feel that it amounts to unwarranted action against a deprived people, while others see the Kuskokwim project as an unfair activity on the part of those fishermen and foreign competitors.

Beneath the surface there is a history of chronic conflict that involves a long-established set of fisheries operators—generally called "the Alaska canned salmon industry"—and most of their fishermen.

The industry people are almost exclusively from out-of-state. The fishermen are principally Alaska residents, including Natives and non-natives.

In the past few days the Alaska Board of Fish and Game adopted a policy opposing any arrangement to allow foreigners to buy salmon from Alaska fishermen. The board's act—the exact impact of which is hazy at this time—drew reactions from several leaders among fishermen that help to illuminate the issue.

For the most part these expressions condemned the board's position. Where it wasn't condemned it was condoned—but out of a feeling of futility.

Truman Emberg, a veteran leader of Bristol Bay resident fishermen, observed: "The board sure exceeded its authority in that one. In the past, whenever any fishermen's group has gone to the board for a regulation based on an economic rationale, the argument has been rejected with the excuse that the board only has authority in biological-conservation matters.

"This makes a man wonder who got to them. If the fishermen in Alaska are ever going to make any headway they've got to get some competition to face the canned salmon industry and it looks like the board acted to make sure that this won't happen."

In Cordova, fishermen's co-op business manager Harold Hansen said, "This is an issue affecting fishermen of the entire state. The canned salmon boys must have influenced the board. And the board did something that makes it clear that they want to remove the Alaska fishermen from any competitive market whatsoever.

"They want to keep the fishermen here in the state totally dominated by the Alaska canned salmon industry. Their action to try to keep Japanese competition out is completely arbitrary and it comes from a board that wants to see the fishermen totally dominated by the canned salmon industry, just as they were prior to statehood."

In Kodiak, Sam Selvog who is president of a fisherman's marketing organization said, "It is unrealistic to try to use Japanese buyers as competition and it isn't going to make any difference."

Selvog contributed this pessimistic observation supporting his sense of futility:

"We have tried to use the threat of Japanese against our canners but over 90 per cent of the fishing fleet is owned and controlled by them in one way or another—at least here in Kodiak—and we're only kidding ourselves trying to run a bluff with a threat like that.

"We had cases here recently—when we were trying to make a deal with them—where they cut off the groceries and credit and forced fishermen to take what they wanted anyway. I can't see bucking a situation making empty threats. It only does harm in the long run.

"The Japanese have never left us anything good anyway, as I see it. So I don't see why we should let them in."

Commercial salmon fishermen of Alaska are faced with a unique condition that is historic and chronic. They are producer-laborers in an outmoded industrial operation in which few modern-day benefits reach them.

Technically they are "independent entrepreneurs" but their independence is largely mythical. They are legally restricted from employing any effective form of collective bargaining.

As a substitute they are permitted to get together in what is termed "marketing cooperatives," but which are usually ineffective because of legal restraints and because they lack any appreciable degree of independence from canners.

Leaders in the past several years have placed hopes for a remedy in a three-pronged assault on the status quo:

1. Bring in meaningful competition to the established canned salmon industry, even if this means bringing in Japanese buyers as a temporary expedient. This was begun in 1964 when Cordova fishermen and canners deadlocked and the fishermen, aided by a sympathetic state regime, sold most of their catches to Japanese (plus one breakaway canned salmon operator.)

2. Establish genuine fishermen's cooperatives to compete with (or to replace, if necessary) the established industry. Since this requires funds far beyond the present abilities of fishermen, there has been slow progress in this direction.

3. Work for the establishment of modern processing facilities in fishing towns to compete with canneries, especially public cold storages. These facilities would have to be financed by such public funds as the U.S. Economic Development Administration or the Small Business Administration.

Three such facilities have been applied for and are moving forward, exclusive of the one secured for the Kuskokwim Fishermen's Cooperative at Bethel. The three would be located at Dillingham in Bristol Bay, at Cordova and in Yakutat.

It is understandable, then, that Alaska's fishermen generally are closely following the latest Kuskokwim River flap.

If the Kuskokwim co-op and its program can be scuttled, they too can founder. If it succeeds, then they have a precedent to help their cause.

And, conversely, the masters in the established canned salmon industry of Alaska are aware that a successful Native-Japanese venture on the Kuskokwim can spell trouble for them. . . .

If the Kuskokwim Native fishermen can be advanced toward their goal of a genuine co-operative operation, and a freezer of their own, by interim Japanese competition this year (especially after last season's ruckus) then the same formula can be worked out for Bristol Bay, or for Cook Inlet, or Cordova, or anywhere else.

BERNICE GIBBS ANDERSON—ONE OF THE TRUE MOVERS OF THE GOLDEN SPIKE CELEBRATION

Mr. BENNETT. Mr. President, the recent Golden Spike Centennial Celebration was a special tribute to one lady, Mrs. Bernice Gibbs Anderson. In the words of the Salt Lake Tribune, Mrs. Anderson is "undisputedly acknowledged as the persistent force behind the preservation of Promontory Summit as a national historic site and the memorializing of the driving of the Golden Spike."

The Tribune goes on to point out that "her struggles have spanned nearly half a century and at an estimated personal expense of $10,000 primarily in transportation costs, stationery, and postage."

When she was 5 years old, Mrs. Anderson's family moved to Corinne, Utah. More than any other town in the State, Corinne was a railroad town. It had come into existence because of the construction of the transcontinental railroad and owed its existence to the railroad. While living there, Mrs. Anderson developed a fascination with the railroad.

This fascination was deepened by her research. Some of this research has already been published and has brought international interest.

Mrs. Anderson's great knowledge of this subject and her untiring efforts to bring proper public attention to the wedding of the rails at Promontory Summit made an enormous contribution to the success of the centennial celebration of the driving of the Golden Spike.

Mr. President, I ask unanimous consent that the article written by Hazel S. Parkinson, published in the May 17, 1969, Salt Lake Tribune, outlining Mrs. Anderson's accomplishments, be printed in the RECORD.

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

[From the Salt Lake Tribune, May 17, 1969]

DREAM OF GOLDEN SPIKE COME TRUE

(By Hazel S. Parkinson)

CORINNE.—The matron of honor at the "wedding of the rails" centennial was Mrs. Bernice Gibbs Anderson (Mrs. Laren G.) undisputedly acknowledged as the persistent force behind the preservation of Promontory Summit as a national historic site and the memorializing of the driving of the Golden Spike.

Her struggles have spanned nearly half a century and at an estimated personal expense of $10,000 (primarily in transportation costs, stationery and postage).

With the big centennial day now recorded in history, she and her husband are relaxing, recovering from the strain of the occasion. And they have time to reflect both the recent and past events.

LOOKS TO FUTURE

She is contemplating the future as well . . . the annual May 10 re-enactment presented by the Golden Spike Association of Box Elder County of which she is president. She is hoping the association will sell lots of centennial souvenirs including the association's own medallion which preceded the medal minted by the Golden Spike Centennial Celebration Commission (the federal commission). Funds, she says, will be used to sponsor May 10 ceremonies in the future.

Taking the national honors bestowed upon her in stride, she talks about the fact that Secretary of Transportation John Volpe paid tribute to her during his address last week at the Promontory Summit ceremonies. And she modestly shows the framed certificates for "appreciation" presented her by the National Park Service and the American Assn. of Railroads.

She almost forgot the gold centennial medal given her by the GSCCC. She was

given the third (of the first six minted), the first two being presented to former President and Mrs. Lyndon B. Johnson. Gov. and Mrs. Calvin L. Rampton each received medallions of the first six.

SOMETIMES DISCOURAGED

Like any struggle there have been many discouraging moments, trying to get people interested in her cause and in getting support and in seeking donations (for expenses for annual driving of the Golden Spike reenactments).

Murray Mason, former secretary of the Brigham City Chamber of Commerce and ardent supporter, told her after an especially trying experience, "You'll never amount to anything until you've been kicked out of eight or 10 offices." She remembered that advice when things were dark and it helped, she said.

The broad shoulders of her husband were used for "crying." He has encouraged her all these years to continue, though he sometimes admits to being a little vexed at having to fix his own supper.

He teases her by saying she was just too stubborn to give up. The six Anderson children, too, have encouraged their mother's work. Daughters, Mrs. Ruth Michelli, Corrine, and Mrs. Gay Nelson (now living in Venezuela) are most interested of the children, she says. Though sons, Wayne (living in Tremonton); Clinton, (Plymouth Meeting, Pa.); Darrell, (Palm Dale, Calif.) and Max G. (Pleasant View) also support their mother's efforts. The Andersons have 27 grandchildren and four great-grandchildren.

As a child of five, Bernice moved to Corinne with her grandmother (who raised her). She recalls cattle being nervous when the trains roared by. Trains were being re-routed over the old line when trestles of the Lucin Cutoff (built, 1904–05) were being repaired. The trains were fascinating to the child. And when from a horse and buggy, she helped her grandmother herd cattle over the Promontory enroute to summer range in Black Pine Canyon, it was exciting, especially when the cowboys encountered would tell tales of the coming of the railroad, wedding of the rails and their experiences.

And her interest in the history of the Pacific Railway and in Corinne was consuming. In the early 1920s, she began writing, recording and researching.

COLLECTION'S PRIVATE

Her private collection of historical data, pictures, negatives is priceless. Many of her writings have been published. An article published in the Home Magazine section of The Salt Lake Tribune in 1942 (when the old line was dismantled), found its way all over the world. Historians by the scores wrote for more information, she said. Mrs. Anderson was a Tribune correspondent for many years.

It was the interest of college students in the history of the joining of the rails and Utah history that has been the motivation many times for her to continue the fight. She has shared many historical facts with students, historians.

Yet she still has material that has never been printed. Perhaps now that the Visitors' Center is built and the historic site is preserved and will be maintained by the National Park Service, Mrs. Anderson will find the time to publish all of her research.

She'll find release from writing, talking railroad in the iris garden behind the white frame home. The garden is the pride of her husband.

CUBAN INDEPENDENCE DAY

Mr. DIRKSEN. Mr. President, on behalf of the distinguished Senator from Colorado (Mr. ALLOTT), I ask unanimous consent to have printed in the RECORD a statement by him relating to Cuban Independence Day.

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

STATEMENT BY SENATOR ALLOTT

On May 20, 1902, or 67 years ago, the island nation of Cuba became independent. Today it is an understatement that Cuba is no longer independent. Rather, she is completely dependent upon the Communist bloc.

It is easy to forget how dangerous the continued presence of Fidel Castro's Communist regime is to the United States in view of our involvement in Vietnam, the problems in the Middle East, and the turmoil at home.

The people of Cuba who have been enslaved for a decade now cannot forget. The people of Latin America who must constantly fight Cuban-trained rebels and cope with Cuban-originated subversion and propaganda cannot forget. The American people must not forget either.

Cuba is as much of a menace as she ever was. Recent reports in the press and elsewhere have documented the fact that campus revolutionaries are receiving aid from Cuba. Many of the leaders of the campus revolt, and also of the Black Panther movement, have been trained in Cuba.

Refugees from Cuba continue to report the presence of dangerous missiles on the island with a striking capability that poses a clear and present danger to large American cities. Just recently, some newly arrived refugees have said that there are now more missiles in Cuba than at the time of the 1962 missile crisis.

I have no way of verifying what these refugees report, but it does seem clear that Cuba remains a military and diplomatic threat to the United States.

Just last month, in fact, the United States found it necessary to deny re-entry visas to two Cuban diplomats on the grounds that they conducted intelligence activities and gave financial and directional aid to the Black Panthers. The same action is expected to be taken against an additional five Cuban diplomats involved in the same activity.

With the threat to our cities that these revolutionaries pose, especially this summer, we cannot in any way tolerate continued support by Cuban Communists for militant disruptive activities.

Nor can we tolerate Cuban aid to student rebels. Nor should we tolerate the "exporting of revolution," which Castro mentions so frequently, to our neighbors in Latin America.

Presently, the Administration is looking toward the re-building of bridges to Latin America. The Administration is also searching for a new and effective policy toward Cuba. Certainly the best favor we could do for all of our neighbors in Central and South America—as well as for ourselves—would be to rid Cuba of Communism. Undoubtedly the President's ultimate policy will be directed toward that end, because in Mr. Nixon's own words last year: "Havana cannot remain forever a sanctuary for aggression and a base for export of terror to other lands." I emphatically support a policy directed toward that end.

STEUBEN SOCIETY MARKS 50TH ANNIVERSARY

Mr. HRUSKA. Mr. President, the Steuben Society of America is a national patriotic society of persons wholly or partly of German descent, founded 50 years ago this week—on May 19, 1919. The society this year is celebrating its golden anniversary.

Founded just 6 months after the First World War, the society concentrated its efforts on healing the wounds of war and the reestablishment of good relations with the new government and people of defeated Germany. As the flames of war subsided, Congress was considering the creation of a law to control immigration. The Steuben Society raised its voice then and assisted in obtaining a generous quota for German immigrants. Since this first law in 1923, the society has participated actively in discussions on every revision to the present, including passage of the special Emergency Relief Act of 1953.

The Steuben Society stands for the pride of ancestry that places each ethnic group's strength into the melting pot that is America. These diverse heritages are woven into the American heritage and blend to become a force of democracy unequaled in the world today.

Some of the brightest colors in the weave, some of the strongest threads, some of the most exciting designs, come from the German origin represented by the Steuben Society.

The Germans and my people, the Czechs, came to Nebraska in the early days because the land was good and prices were low. Many Germans were farmers who had, and who still have today, a love for the soil and a talent to make it bloom. Many Germans were tradesmen with a keen eye for goods and a kindness for people. These men and women came to this country and to Nebraska with ambition and a willingness to work diligently. This is the kind of honesty, integrity, and sincerity that is the foundation of this Nation and the hallmark of the Steuben Society.

I have been an honorary member of the society since 1967 and have seen the dedication and perseverance of people who feel close to a heritage and close to America.

As the Steuben Society meets on May 24, 1969, for its golden jubilee, its 50th anniversary, I am proud to commemorate this outstanding achievement which is a tribute to those who believe in the kind of devotion for America felt by Friedrich Wilhelm von Steuben, who said:

I should willingly purchase at the expense of my blood the honor of having my name enrolled among the defenders of your liberty.

EVANGEL COLLEGE STUDENTS HOSTS TO SENIOR CITIZENS

Mr. SYMINGTON. Mr. President, we read so much in the daily press and see and hear so much on television and radio about the unrest on the college campuses throughout America that we all too often overlook the fine work being done by the great majority of students.

As an illustration I ask unanimous consent to have printed in the RECORD a press release from Evangel College of Springfield, Mo., about Senior Citizens Day on their campus on Friday, May 9.

At that time, Evangel students brought to the campus senior citizens from the area for a 1-day visit to the college halls.

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

PRESS RELEASE FROM EVANGEL COLLEGE

Evangel College students will build bridges across the generation gap Friday as they play host to elderly Springfieldians from three rest homes.

It will be Senior Citizens Day, sponsored by SCOPE, the all-student Christian outreach organization at Evangel.

The corridors connecting Evangel's buildings, a legacy from the days of O'Reilly Hospital in World War II, will simplify the campus visit. Many of the guests will be in wheelchairs, or walking with canes.

The collegians will furnish the cars and call for their guests at 7:30 a.m. at Mercy Villa, Grand Acres, and Sunshine Acres. Each guest will receive a name tag, prepared by the students. The students have also made posters promoting the day and placed them in the college halls.

First scheduled event will be chapel service with the student body at 8:30 a.m., when the senior citizens will be honored. Speaker will be Wayne Kraiss, Evangel director of development.

After chapel, refreshments of angel food cake and punch, suitable for diabetics, will be served in the college cafeteria. Slides of the college and SCOPE will be shown.

Following will be a classroom visit and campus tour, ending at the library, where the guests will be picked up to return home in time for lunch.

Senior Citizens Day is the climax of a rest home visitation program carried on by SCOPE throughout the school year. Judy Zimmerman, rest home visitation chairman and chairman for Mercy Villa, is coordinating the day. She is a junior elementary education major from Bedford, Penna. Rosanna Stoughton, St. Louis, also a junior elementary education major, is chairman for Grand Acres, and David Murray, Cusseta, Ga., a freshman history major, is chairman for Sunshine Acres.

"Since we go to the rest homes regularly, this is a chance for them to see where we live. We want to give them an enjoyable day. Another purpose is to have the kids think a little about these people who are so often forgotten," Miss Zimmerman says.

This is the second year the students have sponsored Senior Citizens Day. Last year, 16 senior citizens were guests. The students expect considerably more Friday.

SAFEGUARD ANTI-BALLISTIC-MISSILE SYSTEM

Mr. BAKER. Mr. President, previously I addressed the proposition that congressional debate on ABM should be free of partisan crystalization and hopefully as free of emotion as possible. In that light, I am especially pleased to invite the attention of the Senate to a resolution adopted without dissent by the Senate of the State of Tennessee endorsing the proposed Safeguard ABM system.

The resolution was signed by 26 of the 33 members of the Tennessee Senate and was authored by a leading and distinguished Democratic member of that body. It had total bipartisan support.

I commend the Tennessee State Senate for their statesmanlike handling of this matter, and I commend their action and attitude to the attention of this body. I ask unanimous consent that the text of the resolution be printed in the RECORD.

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

RESOLUTION OF TENNESSEE STATE SENATE

A resolution commending President Richard M. Nixon for his foresight in the decision to deploy a Safeguard Anti-Ballistic-Missile System and petitioning Congress to appropriate the necessary moneys for immediate implementation of same

Whereas, President Richard Nixon has, for the safety and security of the United States, announced his decision to deploy an anti-ballistic missile system designed to protect U.S. land-based retaliatory installations which constitute the greatest deterrent to nuclear war with the Soviet Union and

Whereas, As envisioned by President Nixon, the outlined "Safeguard" ABM system will have the additional merit of defending our country against the threat of attack by Communist China, whose nuclear potential is less sophisticated and more limited than that of the Soviet Union and

Whereas, Opponents of President Nixon's "Safeguard" ABM plan have expressed concern as to its effect upon Russian public opinion, as expressed in the government-controlled press, even though Soviet Russia has already established an ABM system, apparently without concern for American public opinion and

Whereas, Said opponents seem to have many greater concerns, including that noted above, than concern for the safety of this country, being in many instances the same individuals who have given aid and comfort to the North Vietnamese and Viet Cong Communists against whom Americans and South Vietnamese young men are fighting a bloody war, by publicly harassing every President who has been charged with the unwelcome responsibility of directing the conduct of that war; and

Whereas, The United States Congress will be asked for funds to implement the "Safeguard" system; now, therefore

Be it resolved by the Senate of the 86th General Assembly of the State of Tennessee, That President Richard M. Nixon be commended for his courage and foresight in taking this action which is so vital to the welfare of the people of the world; and

Be it further resolved, That the Congress of the United States be petitioned to provide moneys necessary for the system deployment without delay; and

Be it further resolved, That these presents be spread upon the official records of this body and that copies thereof be sent to President Nixon, to Defense Secretary Melvin Laird, to the members of the Tennessee Congressional delegation and to the news media.

MAJOR OIL COMPANIES USE TAX-FREE PROFITS TO SQUEEZE OUT SMALL BUSINESSMEN

Mr. PROXMIRE. Mr. President, for a long time I have been working to close the gaping tax loopholes enjoyed by the oil companies. Because the oil companies do not pay their fair share of the tax burden, we all have to pay more in taxes than we should. However, there is another, just as significant, inequity resulting from the present tax treatment of the oil industry.

The present tax structure encourages the oil industry to shift as much of its profit as possible into the producing end of the business in order to take advantage of the oil depletion allowance, intangible expensing and so forth.

The independent gasoline and fuel oil distributors and gas station operators do not have the benefits of all these tax loopholes. They do not have gigantic untaxed profits, but must compete with the major oil companies who do.

I have received two letters from such independent businessmen. I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

The letters, from small businessmen involved in the oil business, point out precisely the points which I have been making. They cannot compete with the major oil companies which do not have to make a profit in the distributing and marketing of oil because of their untaxed profits in the producing of oil.

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

CLAREMONT, CALIF.,
May 20, 1969.

Senator WILLIAM PROXMIRE,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am an independent gasoline jobber in Southern California and I am writing to you because the retail price wars and the predatory pricing of the major oil companies are ruining me financially. These conditions are also ruining fellow independent jobbers and independent gasoline dealers in this area. Here are the facts about our situation:

1. In February 1969, the major oil companies raised the price of crude oil 20¢ per barrel. Since they own their own crude oil sources, they were, in effect, raising the price to themselves on crude oil production where they happen to get a 27½ percent depletion allowance. They have thus increased their net, untaxable income by 5.5¢ per barrel.

2. In late February and early March of 1969 the major oil companies raised the wholesale price of gasoline to their independent customers and dealers from 0.6¢ to 1.0¢ per gallon because, they said, the price of crude oil had gone up. Thus the oil companies raised the buying price of all their small independent customers who have no tax advantages, because of a price increase in crude oil which the companies buy from themselves and on which they receive a 27½ percent depletion allowance.

3. In late March 1969, the retail market in the Los Angeles basin began to drop. It is still doing so. The small, independent jobbers, such as myself, the independent service station operators and the dealers of the major oil companies were all caught in the margin squeeze—the wholesale price was up and the retail price was down.

The major oil companies have placed themselves in an ideal position: They are getting more for their crude oil, more for their gasoline, more depletion-allowance protected profit, and are forcing the retail market down to wipe out the small, independent gasoline merchants while making more money than ever.

While the major oil companies fight in Southern California and crush the small gasoline retailers here, they maintain high retail prices elsewhere throughout the United States and the world. But after they have put us out of business here, or hurt us so badly that we are no longer a factor, they will raise retail prices in Southern California and move to other markets to drive other jobbers and dealers out of business. Thus, eventually, they gain control of the entire retail market. All the time the major oil companies are doing this, the small businessmen whom they are destroying, and the

other taxpayers, are carrying the tax load that these corporate giants are evading through their depletion allowance.

Major oil corporations don't vote. They don't pay their fair share of taxes. But they do try to buy influence, to pose as social benefactors who must be sheltered for the national good; and they use the tax benefits taken from our gullible society to get a stranglehold on every facet of the oil industry, to destroy their independent competition and to branch out into other businesses. Among their widening interests are: real estate, banking, grocery stores, trucking, airframe and space technology, plastics, paint and chemicals.

We feel that the major oil companies should be allowed to sell gasoline only at a definite, established wholesale price free from rebates, competitive allowances and all other devices used by them to lower retail markets in local areas and thereby destroy their independent competition.

We believe the oil depletion allowance should be carefully scrutinized by Congress, and either abolished entirely or else regulated so that it can only be used against actual drilling costs. Further, we believe that all oil companies receiving a depletion allowance should be divested of all their holdings that do not relate to oil production, refining or marketing, including real estate.

We small businessmen vote, the American taxpayers vote; we work for our candidates and on election day each of us is more important than the largest oil corporation.

We ask you for the protection of our government from destruction by these corporate monsters; we must have it now or we will surely perish.

Sincerely yours,

JAMES L. BEEBE.

S. E. RONDON CO.,
Pasadena, Calif., May 19, 1969.

Hon. Senator WILLIAM PROXMIRE,
New Senate Office Building,
Washington, D.C.
(Attention of Mr. Martin Lobel.)

DEAR SIR: Upon the suggestion of Mr. Martin Lobel, in which I had a long distance phone conversation May 19, 1969 12 noon Pacific Daylight time, I am writing my complaint on unfair competitive advantage of the major oil companies in the retailing of gasoline.

The S. E. Rondon Company has been a gasoline jobber and distributor for 24 years in Southern California.

The major oil companies increased the price of crude oil 20¢ per bbl. and as a result increased wholesale prices 9/10 of a cent to 1¢ per gallon. This was their justification: This increase in price gives the majors another increase of tax advantage, as a result, of 5½¢ per bbl. on the depletion allowance.

All majors in most cases have enough crude oil to supply their own needs up to 90%. In effect they increased the crude oil price which they are buying from themselves.

In Southern California retail prices of gasoline in major stations have dropped from a normal 34.9 to a low of 24.9. Resulting in elimination of competition by financial squeeze. This competitive advantage by the major is due and only due to 27½% depletion allowance which is used to support their drop in retail price of gasoline.

By using the depletion allowance they take specific areas to destroy independent competition of small business men who do not have this tax advantage. After competition is destroyed they raise the retail price and move to another area. Small independent business men pay a fair share of the tax and vote. Oil corporations pay little tax and don't vote.

I sincerely hope you can prevail to restore competition on an equal basis then the tax paying public would not be footing the bill of the major in these costly retail price wars.

Sincerely yours,

S. E. RONDON.

P.S. I'll gladly fly to Washington to further relate my problem as a small business man or pay your expenses to come to Southern California for a personal observation.

U.S. RELATIONS WITH CUBA

Mr. DOMINICK. Mr. President, on March 30, Mr. John Plank wrote for the New York Times magazine an article entitled "We Should Start Talking With Castro." In effect, the article urged us to turn over Guantanamo Naval Base to Castro; to reopen trade and diplomatic relations; and to treat that Government as though it were normal; instead of as being repressive, repulsive, retrogressive, and exporting revolution as it seems to most of us with sound vision.

On May 11, 1969, Mr. Paul Bethel's letter to the editor replying to Mr. Plank was printed in the New York Times. It is, as usual, effective, knowledgeable, readable, and backed by facts instead of the wishful thinking of Mr. Plank. Mr. Bethel is an expert not only on Cuba, but on Castro's revolutionary activities throughout Central and South America.

I ask unanimous consent that the letter be printed in the RECORD.

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

[From the New York Times Magazine, May 11, 1969]

LETTERS: A POLICY FOR CUBA

To the EDITOR:

John Plank in "We Should Start Talking With Castro," March 30, asserts that there is "one school of thought in the hemisphere that, unhappy with current policy, would turn—instead of toward accommodation with Castro's regime—toward increased pressure, military or other, against it. Paul Bethel, who with Spruille Braden and others, speaks for the Citizens Committee for a Free Cuba, reflects this viewpoint. . . ." So, may we add, does President Nixon.

In his public utterances made during last fall's campaign, Mr. Nixon had this to say about Cuba: "It has become the center for external aggression and the export of revolution to the Western Hemisphere. . . . Therefore, U.S. foreign policy requires—and foreign policies of all other nations of the world require—that this kind of government be quarantined; quarantined for the sake of peace." Moreover, Mr. Nixon said: "New leadership is pledged to do better."

Mr. Plank also implies that it is only through groups such as the U.S. Citizens Committee for a Free Cuba that, in his words, "one gets a steady stream of alarmist reports: of Cuban caves chockablock with missiles, of secret Soviet submarine bases along Cuban coasts. . . ." Then he states: "Such thinking is certainly unhelpful and could be dangerous." Unhelpful to whom? Dangerous to what? These are strong accusations.

Here is what Hanson Baldwin, recently retired military editor of The New York Times, had to say on the subject of missiles: "Caves on the island are known to be packed with military equipment of various sorts, and if missiles are not included in these below-ground inventories today, it is perfectly possible that they may be tomorrow." On submarines, Mr. Baldwin states that the "likely utilization of a Communist Cuba by Russia is as a naval and submarine base or refueling and replenishing station."

Mr. Plank, in saying that the U.S. Naval Base at Guantanamo ought to be turned over to Castro, overlooks Mr. Baldwin's warning. It is only the incredibly naive who can believe that by handing the base to Cuba we would not, in fact, be turning it over to the Soviet Navy—and Bayles Manning, dean of the law school at Stanford University, Henry Wriston and many others hit hard at the thought of relinquishing control. In the face of this formidable array of expertise, Mr. Plank flatly asserts: "It is legitimate to ask who would be more disturbed, the United States Navy or Fidel Castro, if we were to decide to turn the base back to Cuba. A persuasive case can be made that our presence at Guantanamo is more useful to Fidel than to us." If such a case can be made, Mr. Plank has failed to present it.

As for the indirect threat to the hemisphere and the United States itself, Mr. Plank states that we should not "exaggerate" Castro's capacity to export wars and subversion. He also finds Soviet diplomatic and economic penetration of Latin America to be a wholesome development. As to the latter point, there is abundant evidence that the Soviet Union is using its trade missions and diplomatic establishments to advance Communist penetration, as well as to help Castroite guerrilla wars.

It should therefore be a matter of concern, not of subdued elation by Mr. Plank, who notes a "growing number of serious voices . . . calling for a fundamental reassessment" of the isolation of the Castro regime. It is not difficult to imagine, since the missile crisis resulted in the lodgment of Soviet power in the Caribbean, that Mr. Plank's "serious voices" actually are frightened voices, de-escalating in their determination to maintain their free domain inviolate.

Another point regarding the Russian-Cuban combination is this. Castro's allegiance to Moscow is strong, perhaps irreversible. Knowing this, Mr. Plank solves the problem by simply inviting the Russians to take a seat in hemispheric affairs, advancing the obvious fiction that they are merely "regularizing" their diplomatic and trade relations and no longer are acting like Communists. The Kremlin knows that its office is to wait upon events and policies such as those advanced by Mr. Plank to gain recognition of its position in Cuba.

Should the United States accommodate the Castro regime, it would result in an intolerable bipolarization of power in Latin America. The left would see in it a license to seize power; the traditional right would move to prevent it; weak political institutions in the middle would be overwhelmed. Capital investments would simply disappear, along with the Alliance for Progress.

From the Marxist-Leninist point of view, the Cuban "revolution" can be considered successful only to the extent that it envelops Latin America and isolates the United States. Only by submitting ourselves abjectly to Castro's wishes (actually proposed in detail by Mr. Plank) would even a frail coexistence be possible. It would break whenever we refused to do so. This was true in 1959; it is even more true in 1969.

I have not taken the time to challenge Mr. Plank's assertion that Castro enjoys "vast popular support," simply because Mr. Plank saved me the trouble by writing, "he has exported or imprisoned most of his potential and actual effective opposition," quite obviously the mark of an unpopular and oppressive regime.

A policy of rapprochement at this time could have no effect other than to rescue Fidel Castro from the wrath of his own people and advance him along the road of conquest.

I might add that the quotes of Hanson Baldwin and the positions cited by Bayles Manning and Henry Wriston appeared in a book of essays published in 1967 by the

Brookings Institution, "Cuba and U.S. Policy." The editor, curiously enough, was John Plank.

PAUL D. BETHEL,
Executive Director, Citizens Committee for a Free Cuba, Inc., Washington.

FOURTH INTER-AMERICAN CONFERENCE OF THE PARTNERS OF THE ALLIANCE—A MAJOR SUCCESS

Mr. BENNETT. Mr. President, Salt Lake City recently was host to the Fourth Inter-American Conference of the Partners of the Alliance. All Utahans joined me in the anticipation that the Partners Conference, May 10–14, would be a productive and successful meeting of peoples representing the private sector in North, Central, and South America. I am pleased to report to the Senate today that the conference was a major success.

From the reports that I have seen following the conclusion of the conference in Salt Lake City, I am convinced the working sessions in which more than 300 U.S. and Latin American delegates, repsenting 37 U.S. States in partnership with 37 areas in 16 Latin American countries, reflected a determination on the part of the delegates to develop specific action-oriented projects designed to make an impact on the fields of agriculture, education, public health, and business and industry.

Many favorable reports have also reached me regarding the outstanding leadership displayed by the cochairman of the Fourth Inter-American Partners Conference, Mr. Royden G. Derrick, president of Western Steel Co., of Salt Lake City; and Dr. Edgar Barboosa Ribas, outstanding physician of Curitiba, Brazil, who joined, in exemplary partnership fashion, to conduct an outstanding conference of citizens who are voluntarily giving of their time and talents collectively to attack the basic problems impeding the economic and social development of this hemisphere.

One of the highlights of the Partners Conference was an address by the Assistant Secretary of State for Inter-American Affairs and the U.S. Coordinator of the Alliance for Progress, Hon. Charles Appleton Meyer, who addressed the banquet session on May 13, 1969. In his speech, Mr. Meyer praised individual and group initiatives in the field of foreign relations, stating that such initiatives are perhaps "the shortest description possible for the Partners of the Alliance." He added:

> In fact, you and hopefully more like you, may be the great ingredient that, together with science and technology, enables Latin America to close the gap between what are called less-developed nations and developed nations.

At the beginning of his remarks, Mr. Meyer delivered a message from President Nixon who characterized the participants in the Partners of the Alliance program as "the vanguard of voluntarism in the Americas." I ask unanimous consent that the text of the President's message to the delegates be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, May 12, 1969.

I want you to know the great importance that I attribute to your work. The Partners of the Alliance exemplify the best of the Hemisphere's joint efforts. Any working Alliance for Progress which has set challenging goals such as ours must be a partnership of people as well as nations. You have recognized this, and you are meaningfully advancing our common objectives.

Productive international cooperation must be between partners—partners who listen to each other, who share a cause, and pursue it with equal vigor. Your continuing success in furthering such cooperation is rewarding for all of us.

The creative potential of our societies can be fully realized only if individual citizens exercise initiative and are willing to reinforce the work of their governments. It is imperative that we realize this full potential if we are to deal effectively with our immense problems and achieve the kind of progress we seek.

As civic-minded individuals and groups, the Partners of the Alliance are in the vanguard of voluntarism in the Americas. You are using your talents and your time constructively for our benefit, and for that of all our Sister Republics.

I send you my warmest best wishes for sustained achievement.

RICHARD NIXON.

Mr. BENNETT. Mr. President, I ask unanimous consent that the address delivered by Secretary Charles A. Meyer be printed in the RECORD.

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

ADDRESS BY CHARLES MEYER, ASSISTANT SECRETARY OF THE STATE FOR INTER-AMERICAN AFFAIRS

Jim Boren, aided by two of my associates, Datus Proper and Hoyt Ware, labored mightily to write a speech for me to deliver to you tonight. It is a good one and it challenges you Partners with ideas. I don't know that you need challenges with ideas. You may be like the U.S. farmer who wrote to the Department of Agriculture and said: "Please don't send no more of your manuals on how to farm better. We ain't farming as well as we know how right now."

In honesty I should have been here all day Monday and Tuesday to learn more about your successes, your disappointments (if any) and your plans. Had I, I would not run the present risk of saying the unnecessary. Given my preferences, my wife and I would have sneaked out of Washington Friday, spent the weekend in our house at Vail, Colorado, and been here late Sunday night, 50% courtesy of Uncle Sam! Instead we looked for, found, and on Monday made a down payment on a house in Washington.

Six weeks ago today I was sworn in but not paid for; our house in Philadelphia was sold but not paid for; our house in Washington is found but not paid for. I am in the process of exchanging offices with Him Fowler, Deputy Assistant for AID, and redoing both. Not only am I committed by personal conviction but when Uncle Sam pays the bill for the revised office arrangement, he can't afford to hire me without at least a second thought.

So damas y caballeros—

Here we are on May the 13th. Yesterday Governor Nelson Rockefeller began his series of four survey trips to each of the twenty-two nations represented by my bureau. President Nixon, in his address to the Pan American Union told us all that Governor Rockefeller's report (or reports) would weigh heavily in this, the president's decisions re Policy for us.

As many of us present know, President Nixon has been interpreted as disenchanted with the Alliance.

I am learning the dangers of interpretive reporting. It seems that if the president were to say:

"Today is absolutely beautiful", he could be interpreted as follows:

"Nixon criticized yesterday and cast some serious doubts on tomorrow."

The fact remains that the administration has not leapt into the first 100 days with policies on everything—including us.

The fact *is* that I agree with this deliberate technique one hundred per cent.

Everything in my experience points to the fact that anything important and constructive involving millions of others that is done quickly is wasteful or worse.

The old saying, "Rome was not built in a day", is still valid. Brasilia may be an exception.

We are, in short, too important to be rushed into programs. Time is important too, but relative. One hundred days or two hundred days invested in deliberative analysis of the future of 450 million North, Central, Caribbean and South Americans—with as much as 400 years or countless centuries of past history on these continents and, God willing, a limitless future, seems to me a *good* investment.

There is, however, impatience in the air. Our U.S. press reflects this. Our U.S. Congress feels it. All of us have been so conditioned to motion, to a cult of "instantaneousism", to a new model every year that we feel adrift without a pause (except for coca cola).

If this is true, it is not applicable to people-to-people relationships as exemplified by you, the Partners of the Alliance. Or it need not be. Flying West today (and it has been an absolutely beautiful day), it kept occurring to me that there would be little or perhaps nothing between Washington, D.C., and San Francisco, if the U.S. Government had had to plan it all. It kept occurring to me that Central and South America are a land area two and one half times the size of the U.S.A. and that our governments have been involved in developmental planning for this massive area with increasing intensity for about 20 years.

The extraordinary complexity of the development task loomed bigger and bigger and it occurred to me somewhere in Kansas that programs only accomplish what people accomplish. No organizational chart is worth a damn—only the people it represents, and people with a defined objective can do wonders with no organizational chart at all.

In short, I honestly believe it would have been impossible to build the U.S.A. with a master plan. The U.S.A. with its strengths and weaknesses is only the sum of all its parts, which parts are almost wholely the sum in turn, of individual and group initiatives, aided, abetted and regulated by government.

Individual and group initiatives—perhaps that is the shortest description possible for the Partners of the Alliance. In fact, you and hopefully more like you may be the great ingredient that, together with science and technology, enables Latin America to close the gap between what are called less-developed nations and developed nations.

It may be that you and more like you can plant or have planted the basic ingredient of *motivation* without which no individual can believe he or she can succeed.

Admittedly, in the human race, given equality at any grade on the scale from none of the advantages to all of the advantages, some humans just aren't motivated. I have just read of (and have asked one of my right arms to check more on Thursday) a social scientist from Harvard who has conducted

developmental sessions in India to identify those who are unmotivated; those who have latent entrepreneurial talents, and to develop confidence in them to break out of inherited resignation or traditionally imposed ceilings of commercial achievement. And this appeals to me as an exciting concept and one that is potentially implementable on a partnership basis. One other thing that is exciting about the Partners. I do not believe we in the U.S.A. know everything. I know that we can learn from Latin America. Sure, there are certain basic fundamentals in the conduct of a modern society that are immutable, but we in the U.S.A. can and often do assume that our way of doing things within those norms is the only way. Often, in my experience, we overpower the less-developed nations. Putting it another way, big governments and big business and even big labor think in terms that are unrealistic because these terms are U.S. terms, but with our people-to-people approach like the Partners, there can be give-and-take on a scale appropriate to the local situations.

One final expression—faith in people. I firmly believe that the same formula that made Ivory Soap famous is applicable to the human race—.99 44/100% pure was that slogan. The world and this hemisphere, then, depends on quality of leadership. And that quality is vitally important in the less-developed nations. You, Partners, are leaders. You can lead and have led others to an understanding of profit and its contribution to development, you can spark and have sparked creative concepts. You can and do build ties that bind. Don't get bogged down in organizational politics, don't sacrifice performance at all levels for organization at the top. The world and this hemisphere have lots of politics and even more committees, and both are essential in their appropriate contexts. The Partners should continue to be Partners.

Mr. BENNETT. Mr. President, I invite special attention to the Utah Partners Committee on Arrangements who so successfully hosted visiting delegates from not only the United States, but also were so gracious and hospitable to our guests from Central and South America.

General chairman, Royden G. Derrick, drew together a number of talented men and women who voluntarily served the purposes of planning and executing a successful conference, and much credit is due him for the skill he displayed in this organizational effort. I ask unanimous consent that the roster of the committee on arrangements and a listing of the companies and institutions which assisted in the conference arrangements be printed in the RECORD.

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

FOURTH INTER-AMERICAN CONFERENCE, PARTNERS OF THE ALLIANCE COMMITTEE ON ARRANGEMENTS, UTAH PARTNERS

General chairman, Royden G. Derrick; special assistant, Douglas R. Mabey.

Vice chairman, Gary Neeleman.

Finance Chairman, Gordon L. Lawry.

Personal services, R. Perry Ficklin; transportation, E. Dale Peak; pre and post conference trips, Frank Murdock; hospitality, Lyle M. Ward; entertainment, Allen Behunin, registration, Laird Snelgrove.

Program and Activities, J. Clark Ballard; conference program, Lyman Tyler; conference promotion, J. Clark Ballard; physical arrangements, Frank Newman; exhibits, Richard Groen; barbeque, Don Lund, and Bill Waldron.

Communications, R. Hecter Grillone; publicity, J. R. Allred; langugae services, Bruno E. Tokarz; duplicating, William Backman; distribution, Ned Anderton; technical equipment, Richard A. Welch.

THANKS

The Committee on Arrangements expresses its most sincere gratitude to the many individuals, companies and institutions which voluntarily assisted them in accomplishing a multitude of vital tasks in connection with the Fourth Inter-American Conference of the Partners of the Alliance, including the following:

American Paper Supply, Ballet West, Bonneville International Corporation, Brigham Young University, Christensen Diamond Products Company, The Church of Jesus Christ of Latter-day Saints, Deseret News, East High School, Eimco Corporation, Moore Supply Company, Murdock Travel Agency, Murray City, Prudential Insurance Company, Salt Lake Council for International Visitors, Salt Lake Mormon Tabernacle Choir, Salt Lake Valley Convention and Visitors Bureau, Snelgrove Ice Cream Company, United Air Lines, United Press International, University of Utah, Utah Cattlemen's Association, Utah State University, Warshaw's Giant Foods, Western Steel Company, ZCMI.

PFEIFFER COLLEGE STUDENTS OCCUPY SCHOOL BUILDING FOR A GOOD CAUSE

Mr. ERVIN. Mr. President, in recent months our university and college campuses have been victimized by a handful of selfish individuals who are more concerned about violating property and individual rights than gaining an education which will better enable them to make meaningful contributions to society and the Nation. Probably the most tragic thing about these disruptions is the total disregard these individuals have for the rights of thousands of students who desire to benefit from an orderly educational process. I should like to point out to the Congress, and to the public in general, that not all campuses are beset by this lawlessness. At Pfeiffer College, Misenheimer, N.C., students have occupied the administration building for laudable reasons. These students have unselfishly embarked upon a program to share their knowledge with local youngsters who have had difficulty with certain subjects in their regular schooling. I should think that the activities mentioned in newspaper articles in the Winston-Salem Journal of April 29, 1969, entitled "New Twist to Campus Activities," and the Salisbury Evening Post of April 26, 1969, written by Alene Ventura, would be of interest to college officials and students who have a sincere desire to engage in constructive activities, rather than disruptive tantrums.

I ask unanimous consent that these two newspaper articles be printed at this point in the RECORD.

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

[From the Winston-Salem (N.C.) Journal, Apr. 29, 1969]

PFEIFFER STUDENTS TEACH KIDS: NEW TWIST TO CAMPUS ACTIVITIES

MISENHEIMER, N.C.— When Pfeiffer College students decided to occupy the school's administration building, officials similingly vacated the premises.

It was for a good cause.

The students offer tutorial assistance in the building one night each week to underachieving students in nearby elementary schools.

Since the program began about eight weeks ago, 41 students have shown up each Wednesday night to teach the youngsters reading, mathematics and other subjects they've had trouble with in school.

It is not, say the college tutors, a program to benefit them as future teachers. Less than half plan teaching careers.

It is, say the tutors, a program that allows them to do something constructive; at a time when many college students are engaging in disruptive activities.

William Tyson, a faculty adviser for the program, said, "This has been a tremendous learning and growing experience for both pupils and instructors.

"The contact of our college students with three or four elementary children in a highly personal situation has been most valuable," he said.

The classes are limited to four or five pupils per instructor.

The program has been successful enough to draw the support of local public school officials, who say the college students are fulfilling a function worth thousands of dollars to the school system.

Many parents have appealed to Pfeiffer to offer accelerated courses next year.

Tyson said the program has been budgeted for next year and many of the student tutors have said they again will help.

[From the Salisbury (N.C.) Evening Post, Apr. 26, 1969]

PFEIFFER STUDENTS OCCUPY CAMPUS BUILDING—FOR USEFUL REASON

(By Alene Ventura)

MISENHEIMER.—A group of Pfeiffer College students has taken over the Administration Building on the campus here.

But not for the usual publicized reasons.

This group is not protesting anything.

Neither are they asking for anything.

On the contrary, they are giving something.

These Pfeiffer students are a clean-cut group of young men and women dedicated to the cause of assisting youngsters to obtain a better education.

There are no beards among the men—nor do they wear necklaces.

They are clean-shaven, well groomed young men, attired in neatly pressed suits or sport coats and slacks, and a shirt and tie. The women are attractively dressed in sports clothes.

The Pfeiffer students were spurred into action by an editorial months ago in The Pfeiffer News, the campus publication.

A spokesman said that the editorial in essence asked why assistance to "underachieving children" couldn't be provided by Pfeiffer students.

The article's challenge gave the incentive for members of the Pfeiffer Chapter of the Student National Education Association to design and plan a program of tutorial service for area elementary school children.

Joe Internicola of Elmont, Long Island, N.Y., a rising senior, along with other interested students formed a committee to set up a tutorial service on the campus.

APPROVED

Given the green light by the college administration and the teacher education committee, the program was launched. Letters were sent to the Richfield and New London elementary schools to be given to patrons. Along with the letter was an application blank for participation in the tutorial classes.

For lack of time to select a name for the service—the effort has unofficially been named the Pfeiffer Tutorial Program.

Joe is chief coordinator or director, with

two assistants—Mike Africa who is from Pennsylvania, but presently calls Atlantis, Fla., home; and Sandra Allen of Gastonia.

Joe is a social studies major, and Mike and Sandra are majoring in elementary education. All three plan teaching careers.

Seven weeks ago, the service was formed and classes began. The eight-week series will conclude Wednesday.

On the first night of classes, people were startled to see the lights burning brightly in the Administration Building where there was a beehive of activity.

Pfeiffer College had its first traffic jam on an ordinary working day that first night.

Two college students were required to direct traffic for those clamoring for registration.

There were 173 elementary students enrolled for the courses that first night. Every Wednesday night since then, the average attendance has been 130 students.

Bill Tyson of the college department of education is faculty adviser for the tutoring group.

He said the program has 41 tutors, including 11 men and 30 women of the Pfeiffer student body.

Surprisingly, there are about half of the tutors who are freshmen, and less than half who plan to be teachers.

DRESS SET

Tyson, a tall young man who could pass for one of his students, wryly remarked that when the mode of dress for instructors in the program was discussed "I thought they were carrying things a little too far."

But, he admitted that the requirement of shirt and tie for men had lent dignity to the program.

Sometimes on a warm night, the men do remove their coats while instructing—but immediately don them again on leaving the classroom.

Only one showed up last Wednesday night without a coat and tie. He was late for his volunteer job as tutor—coming directly from the athletic field.

Joe says "we try to steer away from a school-like atmosphere as much as possible. Instead of being called "principal," he encourages the students to refer to him as a coordinator. He handles organizational matters, while Mike's job concerns discipline problems—if they occur. But, both are tutors too.

The service offers four subjects from which the pupil may choose—English or language arts, science, history and mathematics.

There are two 45-minute sessions, beginning at 6 p.m.

The first session is a reading workshop for the students, regardless of what subject they have enrolled to take. After the reading period, the other 45 minutes are devoted to the chosen specialized area of study.

Classes are small. There are no more than five students per tutor in each class period—sometimes only two pupils.

The "administrators" of the tutoring service believe the small class gives more individual attention to students.

Tyson said that "this has been a tremendous learning and growing experience for both pupils and instructors" in the tutoring program.

He commented that "the contact of our college students with three or four elementary children in a highly personal situation has been most valuable. Their enthusiasm confirms the fact that Pfeiffer students are eager and ready to work in community service projects."

All the students attending the tutoring classes this year are from New London and Richfield elementary schools.

The program has the full support of C. P. Misenheimer, principal of Richfield School, and J. F. Turner, New London School principal.

Regular grade school teachers in the two schools provided textbooks and backgrounds on the individual students responding to the introductory letter.

Parents have also given their whole-hearted support to the program, providing transportation for the children.

Many of the parents "wait" while their children get the extra individual instruction from 6 to 7:30 p.m. on Wednesday.

Tyson said that transportation sometimes presents a hardship for parents, interfering with farm chores and other family activities.

But, most of the parents and children have been faithful in attendance.

Tyson commented that the Pfeiffer student volunteers for the program "wouldn't tell you themselves, but I will—they have provided coffee for the waiting parents out of their own pockets."

He revealed, too, that the group has had so many requests for "excelerated work," that the program has "wound up a higher excelerated program requiring more work than originally anticipated."

Joe said he had been working in physical education with students at the Richfield and New London schools for a year or so.

On his first day at one of the schools, Joe said he walked in and told his class name.

"My Yankee accent, plus my name, threw them," he laughed.

MR. INTERN

On the spur of the moment he came up with a shorting of his name (Internicola) and told his students he was simply "Mr. Intern."

Since then, they call me Mr. Intern, or sometimes "Mr. Doctor!"

Wednesday night Joe was teaching the New Math to a class, and it was clear his students adored him and were learning the new method.

All hands went up when Joe asked the equalization of 7 plus 3, according to Mode 5 (whatever that means).

The smug look on the face of one visitor when most of the students answered "20" to the problem, changed perceptibly to astonishment when Joe said "right, very good."

Later, the visitor was overheard asking to be notified when classes start next year—she wants to enroll.

Tyson tells the story about one young woman instructor who took her students on a stroll across the campus to the lake.

Seems that because of insurance reasons, Pfeffer instructors were asked to keep their students within the confines of the building.

The faculty adviser watched the young woman and her pupils slowly stroll across the grass, not talking, evidently in deep concentration.

"Where were you going," Tyson later asked the young woman.

"Across to the lake," she replied.

"What were you doing?"

"We were listening to the sounds of nature!"

Tyson wondered how one could chastise such an instructor for a broken rule.

The faculty adviser says the problem has been a great success—so much so that it has been budgeted for next year by the Pfeiffer Student Government.

Joe, or Mr. Intern, is obviously pleased with the program, commenting that the student tutors are not professional teachers and that was not the idea, anyway.

"In no way are we trying to interfere with the regular teachers," and that the idea was not to discover geniuses or uncover spectacular talent.

"We are sorta playing it by ear," he explained, "Trying to provide a stimulating boost through individual attention to the children who may be having difficulty with one subject or another."

Joe says that he hopes for a more expanded program next year, possibly including students through the ninth grade.

Credit for the program and its success goes to a number of other people.

Dr. Lloyd Lowder, chairman, division of education; Miss Elizabeth Huntly, department of education; and Dr. Fred Hollis, adviser, student NEA; who assisted the tutors in developing the reading program.

Also, N. E. Lefko, audiovisual coordinator; Charlie Misenheimer, maintenance manager; and Wallace Martin, college business manager.

Sharing in the tutorial program are students from the great Salisbury area.

They are Charlotte Cooper, James M. Shoaf, and Nancy Shoaf, president, student NEA.

Miss Cooper is the daughter of Mr. and Mrs. Grant Cooper, Henderson Street, Spencer; Miss Shoaf, the daughter of Mrs. H. W. Shoaf, Third Street, Spencer; and Shoaf, son of Mr. and Mrs. Walter C. Shoaf, Gold Hill Drive, Salisbury.

THE ATTORNEY GENERAL'S ROLE

Mr. GRIFFIN. Mr. President, a recent column by Laurence Stern in the Washington Post cast additional light on the Attorney General's role in the recent controversy concerning a Justice of the Supreme Court. I ask unanimous consent that this column be printed at this point in the RECORD.

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

MITCHELL IS UPSET BY REACTION TO HIS ROLE IN FORTAS CASE

John Mitchell, the New York bond lawyer President Nixon appointed his Attorney General, is not exactly the kind of man whose presence warms up a room. He is a quiet, frosty-eyed gentleman not given to displays of pique or recrimination.

Yet he is known to be disturbed at press criticism of his conduct in the matter of former Justice Abe Fortas. Mitchell is smarting at suggestions that his visit to Chief Justice Earl Warren on May 7 and his subsequent public confirmation that the session had taken place were politically motivated acts.

All the evidence, in fact, suggests that Newsweek magazine's disclosure of the meeting between the Chief Justice and the Attorney General was nothing more than lively journalistic enterprise. By the same token the scoop that broke the case, Life magazine's disclosure of the first $20,000 payment from financier Louis Wolfson to Fortas, was gathered in the declining days of the Johnson Administration and well before Mitchell entered the Justice department.

All this would amount to little more than intramural gossip if it were not for the implicit assumption that the Nixon-Mitchell Justice Department was out to get Abe Fortas—and eventually did.

No doubt there are those in the Justice Department and Congress who would like nothing better than to frolic through the files of the Kennedy and Johnson Administrations, unearthing every real or imagined misdeed. But nothing in Mitchell's official behavior so far suggests that he shares this passion for a witch hunt.

There is a species of story in Washington—and the Fortas case is an example—that is particularly hard for liberal establishmentarians here to swallow. When the controversy over the TFX first broke in the McClellan Committee it was intellectually fashionable to portray it as an attempt by the Pentagon brass hats to put a round through the white hat of former Secretary of Defense Robert S. McNamara. Subsequent

events proved the TFX critics on Capitol Hill to have been right.

In the early stages of the Bobby Baker scandal there was the same cold-eyed suspicion toward the story by those who identified the former Senate Majority Secretary with the parliamentary good works of his political mentor, Lyndon B. Johnson.

Now in the Fortas affair the charge is incontrovertible, having been acknowledged by the central figure in the case. Nonetheless it is being cast in some quarters as a political vendetta by a malevolent Justice Department. One can disagree with Attorney General Mitchell on a wider range of issues, from wiretapping to counter-insurgency on the campus, and still sympathize with his private annoyance at this sort of kneejerk surmise.

The background of Mitchell's actions in the Fortas case might be no more Machiavellian than this:

When the Life story broke the only known financial involvement between Fortas and Wolfson was the $20,000 disbursed to the then Justice by the Wolfson Family Foundation and returned 11 months later.

By the time the magazine appeared on the stands, however, Mitchell knew that the $20,000 check was only the first installment in a life-long sinecure, transferable to Mrs. Fortas upon her husband's death.

This is not a crime, short of evidence that Justice Fortas interceded with Government officials in Wolfson's behalf. But it might easily have occurred to the Attorney General that the life-time stipend arrangement between a convicted stock swindler and perjurer, on the one hand, and an Associate Justice of the Supreme Court, on the other, might fall short of the standards of conduct expected on the Nation's highest tribunal.

And so on May 7, two days after Life's story appeared, Attorney General Mitchell went to see Chief Justice Warren and provided him with "certain information." It was not until his resignation eight days later that Fortas acknowledged the existence of the lifetime contract with the Wolfson Family Foundation.

The differences between the first Fortas statement published on May 5 and his final letter to Chief Justice Warren reveal the full measure of Fortas' talent as a draftsman. With his amazingly precise use of words, the former Justice etched two sharply contrasting though literally consistent versions of his relationship with Wolfson. It was a triumph of lawyerly skill over personal credibility.

Had Fortas told his story straight the first time, Attorney General Mitchell's trip would probably not have been necessary.

A MOTHER EXPRESSES CONCERN

Mr. CRANSTON. Mr. President, every Senator occasionally feels overwhelmed by the bulk of mail which pours into his office. Then, from time to time, a single letter seems to crystallize a prevalent mood of restlessness and dissatisfaction. Such an insight makes me grateful that Americans do take the time to write their representatives with candor and with confidence that their voices will make a difference.

I would like to share with my colleagues a letter from Mrs. Robert Konrath, of Madera, Calif. She speaks as an average American wife and mother, and her concerns both symbolize and summarize those of thousands of my correspondents. I ask that her letter be printed in the RECORD.

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

MADERA, CALIF., *May 14, 1969.*

Senator ALAN CRANSTON,
U.S. Senate,
Washington, D.C.,

HONORABLE SENATOR CRANSTON: I am a mother and I am afraid!

While we sit together, discussing the overwhelming problems of our beloved country, as we debate and yes, even argue, I begin to realize many thousands of other mothers must be faced with the same distressing fear. We have guided and nurtured our children to ready them for their place in life as responsible adults. We see their future threatened!

Senator Cranston, we are directing this to you because we are *sure* of your integrity, out-spokenness and sensitivity, a saneness (that seems to have abandoned some of the others).

We are three, my husband, age 50, has a modest position. I teach an adult class at the high school one night a week; a wife and mother the rest of the time. Our son, Bob, will soon be 19. We three are trying to provide funds for Bob's college education. He was awarded a small scholarship at Stanford after a year's stay in Germany having won an American Field Service Scholarship. We have a modest home, live within our means trying to educate Bob and still put a little away for the future. I think we are an average American family.

My husband and I look upon the faces of our college students; we hear, see and feel their intelligence, we rejoice in their idealism, we are over-whelmed by their impatience and we are embarrassed by their questions. Today's youth is aware! But the clouds of fear approach.—

Because of their awareness, their impatience, their knowledgeability they feel trapped. We understand their questioning, concern, for their future and their children's future and the future of America. They see their parents troubled by the complexities, contradictions, and inequalities of American life; the growing inflation and taxation. They feel trapped and we feel fearful. These are the reasons:

1. They see billions upon billions of tax dollars spent for an unending war in Vietnam, poverty programs, agricultural pay for "no-grow," on foreign aid, on military budgets with no real effectiveness and no end in sight.

2. They see an insidious development of a military-industrial-labor complex, a war economy. They don't want their futures limited to those fields of human endeavor. They feel that the constant threat of Communism is a gimmick to justify military and defense expenditures.

3. They see yet another vast expense for the A.B.M. that even the top scientists say can't work and they ask, "is this just another scheme to bolster the economy such as the F.D.R. highway program?" They believe China or Russia would hardly commit suicide by attacking us first. They ask about radar and all the other protective paraphernalia they were told was protection.

They view the burgeoning population which results in mindless air and water pollution; the decaying cities.

4. I feel anxious concern because the students are vulnerable. The number of young people involved with these problems grows ever rapidly, they are seeking answers. The Students for a Democratic Society have some answers—here is one—taken from a pamphlet sent to me from the Stanford Campus. "M.D.S." Movement for a Democratic Society" (off-campus non-student wing of S.D.S.), 131 Prince Street, New York, N.Y. "Consumption: Domestic Imperialism." "We propose a strategy that posits on the one hand a critique of the reality of meaningless jobs, manipulated consumption, maldistribution of wealth and on the other hand a vision of the liberating potential of a fully automated, fully communistic society."

Our students are exposed to black and white militancy, Mexican-American militancy, they see militancy *win* as college presidents resign under intolerable pressures. In one instance the militants were rewarded with $1700 worth of Bongo drums! We are sickened by the recipients of federal aid who riot, burn and destroy; who would desecrate our schools.

5. They have lost faith in the representative when they see his obvious interest in war-implemented employment in his voting district.

6. They are disenchanted while facing military conscription. Conscription has allowed wars (like that in Vietnam), to be directed by administrative policies rather than Congressional action. They ask about the effectiveness of the United Nations.

7. They see their universities, the home of reason, the halls of knowledge, suffering the indignities of ruthless attacks by black and white militants; the sight of guns on campus.

8. They are faced with such realities as: (1) biological-chemical research, (2) hunger in the U.S. (Appalachia included), (3) unspeakable living conditions of the poor, (4) the death of their friends in an insane war, (5) men in high positions making fortunes, manufacturing instruments of war.

Senator Cranston, what are parents to do about it? How can we honestly tell them "everything will be all-right, change takes time?" Because they will ask, "how long, in our life time? Is the only recourse to sit down, demonstrate so that somebody will listen?"

We must not be complacent about the small minority involved in college riots because we have seen that barely one percent of the Russian people, mostly students and intellectuals brought about the Russian revolution. Consider the Nazi minority!

I don't know that I have any answers but since I am a worried, concerned mother about our students today and their place in the world tomorrow, may I offer these suggestions?

1. Colleges and universities should encourage student participation in planning their education as it relates to the new environment and future of this environment. Free and open discussions between trustees, administrators, faculty and students.

2. Colleges and universities should permit no militancy, including seizure of buildings or other wise breaking the law and no rioting. The participants should be arrested and jailed. Federal Aid should also be denied. (A kind of preparatory college for black students, before entering a university might encourage a more sensible attitude toward improving relationship with whites and a future of integration. I believe Rutgers University has such a plan.)

3. A *thorough investigation* of the S.D.S. is vital. Prosecution if necessary.

4. I support the idea of a voluntary Army. Through competitive pay scales the military manpower needs can be met. I believe, easy access to an almost unlimited number of conscripts has contributed to the use of military force rather than political diplomacy.

5. Pull out of Vietnam now.

6. Take the R.O.T.C. out of the colleges and universities. Take war-related research out of the universities.

7. An all-out program against drug abuse should be instigated immediately.

8. We have a Peace Corp. Why is it not feasible to undertake a project which could acquaint, educate and involve student groups with Washington Senators, Congressmen, etc.? Is it possible they could learn from each other and in so-doing find some degree of understanding? (Opinions are uninfluenced except by their desire for a better America.)

Finally, I join with all the other concerned mothers in asking that America begin to listen, respect and cherish the *voices of tomorrow*—let us build a bridge that not only spans the "generation gap" but gives to the dedicated students and leaders of tomorrow a *path* to the dedicated leaders of today.

Very respectfully,

(Mrs.) ROBERT KONRATH.

SENATOR JAVITS PROPOSES HEALTH CARE PROGRAM

Mr. GOODELL. Mr. President, in an address to the AFL–CIO Conference on Community Service at the Shoreham Hotel in Washington, D.C., on May 20, the distinguished senior Senator from New York (Mr. JAVITS) announced that he will soon introduce legislation aimed at bringing adequate health care within the reach of all Americans, including those now on medicare and medicaid, through a universal health insurance program. Senator JAVITS' speech described America's burgeoning health crisis which threatens to deny adequate care to growing numbers of Americans and to obstruct the progress of expanded medical services to the disadvantaged in urban and rural areas. I commend the speech to all Senators and ask unanimous consent that it be printed in the RECORD.

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

UNIVERSAL HEALTH INSURANCE: PRESCRIPTION FOR AMERICA'S HEALTH CRISIS

America's capacity for the cure and prevention of illness and disease has never been greater. Yet our ability to deliver needed health services at a reasonable cost and to provide for the most basic physical needs has never been more in doubt. We face a burgeoning health crisis which threatens to deny adequate care to growing numbers of Americans and to obstruct the progress of plans for expanding medical services to the disadvantaged in urban and rural areas. This crisis is evidenced by skyrocketing health costs and exacerbated by marked shortages of doctors and other health personnel and by seriously inadequate, obsolete and outmoded health facilities.

Our objectives for the next decade must be to provide every American with accessible health care. When Walter Reuther said, "The people of the United States have in the last few years made an addition to the Bill of Rights. The right to good health for all has become a stated national purpose and an integral part of national policy," he espoused a principle ennunciated by Herbert Hoover in his inaugural address more than 40 years ago. President Hoover equated the right to public health with public education. He said: "Public health service should be as fully organized and as universally incorporated into our governmental system as is public education. The returns are a thousand-fold in economic benefits, and infinitely more in reduction of suffering and promotion of human happiness."

Every person—no matter what his economic status—must have the means to obtain comprehensive health care. This will require a two-pronged national health program: First, to guarantee that every American has the purchasing power to acquire at least a "floor" of health services; and second, to allocate sufficient resources to bring about necessary change in the health care system—so that the "supply" of health services which are to be "delivered" are adequate to meet the increased "demand" which will be established. It must be emphasized that, if the medical personnel and facilities are unavailable, insufficient or difficult to secure because of remoteness or shortages, then the financial means to purchase adequate health care is but a promise which cannot be fulfilled.

Neither the massive growth of private health insurance over the last thirty years nor the increasing role of the Federal Government in health has been adequate to overcome these everworsening problems.

Although about 85 percent of the American people have some form of private health insurance, that insurance covers only about one-third of their health care expenditures. Moreover, those who need protection the most cannot afford to join a voluntary health insurance program because rates are not adjusted to income.

Similarly, the major Federal programs—Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Law—are not adequate to meet the need. We must regard both of them essentially as first steps in establishing a Federal obligation in the field of health care. In New York City, only 35 percent of the Medical costs of the aged are covered by Medicare. Moreover, neither Medicare nor Medicaid has brought about significant changes in the national system of health care. While both programs give additional Americans the power to "purchase" health care, neither brought that expansion of our new allocation in medical resources which made that health care more accessible to all Americans.

Accordingly, in going forward, we must profit from and remedy these weaknesses. We must establish a national system of prepaid comprehensive health care for all Americans, and it is my intention to introduce legislation which will move us toward that goal in the immediate future.

In order for such legislation to be effective, it is crucial that it take a comprehensive approach to the problems of health care. It must not only increase purchasing power and thereby equalize access, but it must also bring about significant change in the health care system.

Thus, the program for which I will seek enactment will not be aimed at just one aspect of this problem. It will recognize the interrelationship of four elements: first, health, manpower and facilities; second, financing and health care cost control; third, organization and delivery of health services, and fourth, the quality of health care.

I will introduce legislation in this 91st Congress that has the following objectives:

First, a system of prepaid comprehensive health care designed so that it may eventually replace the existing Federal health assistance programs, including Medicare and Medicaid.

Second, financial support of the system would come from employer-employee contributions and, on behalf of indigent and dependent persons, from Federal, state and local government contributions. An employer-employee based contributory health insurance system is far preferable to the financing of all health services out of general public revenues. Beneficiaries make a direct financial contribution to the system and, consequently, have a personal stake in its fiscal health.

Third, there must be a wide diversity of systems of prepaid comprehensive care, with free "consumer choice" between competing plans, although ultimate participation in a plan would be compulsory. The Federal government must provide incentives and requirements to groups of "consumers" to negotiate and enter into contracts with groups of "sellers" of health care, including insurance companies, hospitals, and physicians, to provide the full range of health case services.

Fourth, each plan would be required to provide full health care—preventive, diagnostic, ambulatory and rehabilitative care, as well as physicians' and acute hospital treatment.

Fifth, each plan would have to submit itself to realistic and meaningful cost controls and to the requirements of state health facilities planning agencies.

Sixth, the Federal government should finance the necessary capital development and construction costs of participating institutions, which will permit them to "reach out" to the prepaid population they serve with neighborhood family-care clinics, expanded outpatient departments, and other forms of ambulatory care.

Seventh, the health care system must be structured in such a way as to insure the availability of adequate medical care to everyone no matter where they live.

We must recognize that, if any such program of prepaid comprehensive health care is to be successful, we must at the same time provide for a dramatic increase of health personnel and of facilities, through "companion" Federal programs.

To many Americans, the "health crisis" means escalating costs. There has been a fantastic increase in the cost of health services. While the general Cost of Living Index rose 70 percent between 1946 and 1967, medical care costs increased almost twice as much, 123 percent. The average cost of a day in a hospital in New York State, for example, went up from $10.72 in 1950 to $21.00 in 1960 to $58.00 in 1967. In 1968 one day of care in a hospital increased more than 12% over the 1967 figure, and average cost now stands at $65.24. In many hospitals in New York City, the daily charge is now well in excess of $100 a day.

However, the crisis in health care in America is not solely a matter of rapidly rising costs. Rather, it is a crisis in inadequate and misallocated resources and in our inability to provide medical care in a rational, effective, and systematic manner. Health care is today provided in a chaotic "multitude of individual transactions" way. There is insufficient community planning and control which would bring efficient utilization of facilities and health manpower. The many types of skills required to provide the potential range of services essential to the maintenance of health, the prevention of illness, and the care and therapy required by those who have become ill must be brought together in such a way that they are effective and efficient.

There are serious shortages of doctors and nurses. For example, vacancies in nursing positions in hospitals in New York State range from 20 percent in the best-run hospitals to an incredible 75 percent in some proprietary and in most municipal hospitals. Upper and middle-income persons have long waits before they can see a doctor or enter a hospital.

For the poor, often their only contact with health care is through the outpatient department and/or emergency rooms of "core-city" hospitals. During 1968, for example, Johns Hopkins outpatient department registered a total of 480,000 visits, including 119,000 visits to the emergency room. For the poor, this means incredibly long waits—up to and beyond four or five hours—at the end of which they often receive brief examinations and impersonal care. And yet, there is nowhere else for the poor to go for medical care. They must go to an emergency room even for minor illnesses. In the East Baltimore slum in which Johns Hopkins Hospital is located, there are only eight physicians, most of whom are elderly and do not practice actively, to serve about 100,000 people.

New York City figures mirror a national disparity in health services between rich and poor. In 1964, Bedford-Stuyvesant contained nine percent of Brooklyn's population but produced 24 percent of its tuberculosis deaths and 22 percent of its infant deaths. And yet, only four new physicians located in that area between 1960 and 1966. In 1964, a New York City child from a family earning less than $4000 a year was half as likely to

have had a polio immunization as a child from a family earning over $6000. A former New York City health commissioner has rated poverty as the third leading cause of deaths in that city.

We must overcome the slow and steady aging process which today has brought one-third of this nation's hospitals into the obsolete, outmoded and outdated column. Time may well be a healer, but it will not heal outmoded hospital facilities or cure mounting costs. Delays are costly in economic and human terms. Each year of delay means that some American is shortchanged on health care. We need only examine the crisis which now surrounds the closing of Harlem Hospital in New York City—an example of the price that we pay by continually putting off the modernization of hospital facilities and the recruitment of adequate medical personnel.

We cannot provide 20th century medical care in 19th century hospitals. The Federal government can no longer stand immobilized as problems escalate. At the Federal level, I have introduced the Hospital Modernization and Improvement Act, which, at a relatively modest cost of $12 million the first year, will provide needed hospital modernization and also the development of new techniques in hospital procedures and construction. The idea is to use the resources of the private enterprise system by making available Federal guarantees of up to 90% for loans for hospital modernization and to provide subsidy payments of interest charges above 3%. This loan-guarantee, interest-subsidy plan is the key to moving forward in providing health services regardless of the other demands of the Federal Government. This is a necessary beginning.

We must give priority to the expansion of specially designed health facilities and pilot projects in slum areas. I commend the Administration and Secretary Finch for their emphatic recommendation that the Hill-Burton Act be amended to devote greater financial resources to the construction of innovative projects reflecting critical needs of national significance, such as outpatient clinics and neighborhood health centers.

Certainly, we must overcome the severe shortages of health manpower. This means greatly increased Federal assistance to medical schools and to medical students, to nursing schools and nursing students. It also means that we must develop new careers in the allied health professions and give qualified young men and women—such as medical corpsmen discharged from the armed forces—the opportunity to enter them.

The recruitment and training of health assistants in public and private employment and in hospitals, nursing homes, home health agencies, laboratories, clinics, health departments and other health facilities are essential to the efficient provision of health services of the highest quality. Persons employed in the production and distribution of such services must have proper training in the special skills required. Within the month I will offer legislation to assist the expansion of the allied health—or so-called paramedical—professions and to develop new curriculum and innovative programs to provide efficient utilization of such new types of personnel in the health care system.

Finally, we must not forget that hunger and malnutrition is perhaps the primary health concern of the poor. We must begin to immediately establish a national system of health care, of disease prevention and nutrition which will extend to every American child the fruits of our scientific and medical knowledge and the opportunity for a full and rich life.

I am convinced that this is the year such legislation must be offered and that we must make a beginning on the establishment of an organized, coordinated and total health care system—a system which emphasizes delivery and accessibility to every person in need. I believe that there is a growing willingness within the medical profession, particularly among medical students and young doctors, to establish and participate in such a system. Increasingly, leading medical schools have begun to emphasize community health and the delivery of health services, and several of them have initiated demonstration programs of prepaid comprehensive health care. And there seems to be a renewed interest among both private and public leaders in making this commitment to health care. There have been an increasing number of hearings in both Houses of the Congress on this subject and of statements from political leaders, businessmen, insurance companies and labor leaders.

We have talked about these issues for decades. We have made great progress in health, but that progress has been largely in the quality of available health care. That exceedingly high quality is a great tribute to the medical profession and to the hospitals and medical schools of this country. However, the sad fact remains that to many, many Americans, quality health care is still unavailable.

The objective is difficult: to improve and broaden accessibility, while improving and preserving quality of health care. In a word, we must, at long last, end the chaos which characterizes health care in America and begin to move toward the organization of a system which will benefit all Americans.

THE CHINESE HARD-LINE STAND

Mr. SCOTT. Mr. President, at a time when a United States-Red China so-called detente continues to be discussed in the news, I believe that we must take a more realistic look at recent events in the latter country to get some much-needed perspective. The proceedings of the Ninth Party Congress in Red China indicate that, in the words of New York Times correspondent Tillman Durdin:

> The Chinese Communist Party has adopted as its basic program a plan for continued hard-line revolutionary action, both at home and abroad.

Since World War II, I have held the view that no country which is at war with the United Nations should be a member of the U.N. Every pronouncement emanating from Peking indicates that there has been no significant change in word or deed to negate its belligerence toward the United Nations and, as such, I must continue to object to Red China's admission.

I will continue to support our efforts to relieve tensions and to improve communications with Red China. But I believe that Red China must adopt a more conciliatory stance before any meaningful headway can be made.

Mr. President, I ask unanimous consent to have inserted in the RECORD, following my remarks, articles entitled "Chinese Affirm Hard-Line Stand in Party Report," by Tillman Durdin; "New Charter a Paean to Mao," by Donald Kirk; "Lin: Prepared for A-War," by Robert E. Udick; and a New York Times editorial entitled "Lin Piao's Chinese Stalinism."

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

[From the New York Times, Apr. 28, 1969]

CHINESE AFFIRM HARD-LINE STAND IN PARTY REPORT—LIN ASKS WAR PREPARATION—UNITED FRONT TO OPPOSE UNITED STATES AND SOVIET URGED

(By Tillman Durdin)

HONG KONG, April 27.—The Chinese Communist party has adopted as its basic program a plan for continued hard-line revolutionary action, both at home and abroad.

The program was set out in a 24,000-word report by Lia Piao, the party's deputy chairman, and adopted at the ninth party congress, which met in Peking the first 24 days of this month. It was made public tonight by Hsinhua, the official Chinese Communist press agency.

Mr. Lin, who is also Defense Minister, denounced the United States and the Soviet Union, and said that China must prepare for the eventuality of nuclear war with either country. He pledged continued support for revolutionary movements everywhere and called on nations to form a united front to resist Soviet and United States efforts to divide up the world.

SPEECH MADE APRIL 1

The report said that the Chinese had rejected an offer by the Soviet Premier, Aleksei N. Kosygin, to discuss the Chinese-Soviet border dispute over the telephone.

The report asserted that the Cultural Revolution, initiated by the party chairman, Mao Tse-tung, in 1966 to purge Communist China of revisionist leaders and influences, had achieved a smashing victory. However, it declared that the revolution was not yet over and that further long struggle lay ahead before complete political transformation in China and world revolution abroad were attained.

The report underlined the new primacy of the military in the affairs of Communist China by quoting Chairman Mao as having said, "The main component of the state is the army." It proclaimed Mao Tse-tung's thoughts, in equal status with Marxism-Leninism, as the basis for all the actions of the people of China.

Mr. Lin gave his report, which sums up the genesis, development and future perspective of the Maoist Cultural Revolution, on April 1. It was adopted by the congress after protracted discussion and some emendations on April 14.

The report is the basic document for policy and action to come from the congress of 1,512 carefully selected delegates—the first party congress held since 1958. In addition to adopting the report, the congress approved the draft of a new party constitution, the text of which has not been made public, and named a new governing party Central Committee. A majority of the members on the previous Central Committee were purged in the Cultural Revolution, which shattered the party and government structure.

The holding of the party congress was intended to represent a consolidation of a purged and renovated Communist system. Delegates to the congress were selected by the new Revolutionary Committees, which have emerged as the organs of control for provinces, cities and lower social units.

A large percentage of the delegates were military men or political commissars of military units. The new Central Committee, consisting of 170 regular and 109 alternate members, has roughly 40 per cent military men among the regulars and 35 per cent among the alternates.

REPORT IS REVOLUTIONARY

The report was, on the surface at least, a tougher and more revolutionary document than had been expected by many specialists in Chinese affairs here. It not only contained a clarion call for revolution and opposition

to the world status quo, but also proclaimed continued conformity to Maoist doctrine and pursuit of Maoist economic and social policies internally.

However, aside from proscribing further internal struggle against opposition elements, the report was not specific about economic or social programs. It gave no indication of what role the new Revolutionary Committees, which combine both party and governmental functions, would play in the new party system.

Continuation of the production drive now under way was indicated by injunctions that the people must "firmly grasp revolution and energetically promote production and fulfill and overfulfill our plans for developing the national economy."

SLOGAN IS ECHOED

Mr. Lin did not call for another Great Leap Forward—the drive in 1958–59 to achieve rapid industrialization, which seriously set back the economy—but used a slogan of that time: "Going all out, aiming high and achieving greater, faster, better and more economical results in building socialism," to emphasize the demand for intensive production efforts.

He repeated charges that have frequently been made from Peking about the aggressiveness of the United States and the Soviet Union, their "paper tiger" weakness caused by internal economic and social problems and their aims to collaborate to oppose and encircle China. He denounced the United States for its "occupation" of Taiwan and said that Chinese troops "are determined to liberate their sacred territory of Taiwan and resolutely, thoroughly, wholly and completely wipe out all aggressors."

Mr. Lin pledged Communist China's support for revolutionary movements in the United States, the Soviet Union and elsewhere, citing in particular backing for Albania, the Vietnamese people "in their struggle against the United States" and "the revolutionary struggles of the people of Laos, Thailand, Burma, Malaya, Indonesia, India, Palestine and other countries in Asia, Africa and Latin America."

The report reviewed the history of the Chinese Communist party in the light of struggles to maintain proletarian predominance against continued threats of bourgeois, counterrevolutionary influences and, quoting Marx, Engles and Lenin, portrayed Mr. Mao as having consistently advocated the correct party line.

Liu Shao-chi, Chairman Mao's former deputy who since 1959 has been China's head of state, was denounced as "a hidden traitor, scab and a crime-soaked lackey of the imperialists, modern revisionism and Kuomintang reactionaries." Accusations against Mr. Liu were the same as those that have already been made repeatedly in the last two years.

No other person was referred to by name as associated with Mr. Liu, but he was called the "arch-representative" of "renegades, enemy agents and capitalist-roaders in power" who formed an underground bourgeois headquarters and schemed against Mr. Mao to restore capitalism and serve the interests of the "U.S. imperialists, the Soviet revisionists and the reactionaries of various countries."

LENIENCY IS BACKED

There was no indication what punishment, if any, would be meted to Mr. Liu, but in discussing policy toard opposition elements, Mr. Lin again endorsed leniency toward those who confess and can be reformed.

He said "the policy of killing none and not arresting most should be applied to all except the active counterrevolutionaries against whom there is conclusive evidence of crimes, such as murder, arson or poisoning and who should be dealt with in accordance with law."

Calling attention to the continued presence of class enemies and revisionist influence, Mr. Lin said that though the establishment of Revolutionary Committees marked a "great decisive victory" for the Cultural Revolution, the "revolution is not yet over." He said the proletariat must continue to advance, "carry out the tasks of struggle-criticism-transformation, and carry the socialist revolution in the realm of the superstructure through to the end."

He cited a quotation from Mr. Mao that was new to China-watchers here, quoting the party chairman as having stated in October, 1968, presumably at the meeting that month of the old Central Committee, that the defeated class enemy was still around and would still struggle. In view of this, he quoted Mr. Mao as having said "we cannot speak of final victory, not even for decades."

Mr. Lin depicted the road to continued success as lying in absolute reliable on the thoughts of Chairman Mao and his leadership. He said the wide dissemination of Chairman Mao's thoughts in Communist China "is the most significant achievement of the Great Proletarian Cultural Revolution." He called for a further "deep-going" mass movement for the study of the thoughts

Mr. Lin repeatedly emphasized the congress was a demonstration of victory and unity. He praised the military forces as the "pillar of the dictatorship of the proletariat" and said the solidarity of the people and the army had insured the defeat of the opposition elements.

[From the Washington Evening Star, Apr. 30, 1969]

NEW CHARTER A PAEAN TO MAO

(By Donald Kirk)

HONG KONG.—The new constitution of the Chinese Communist party epitomizes the vast changes that have shaken China since the previous constitution was adopted 13 years ago.

"The Communist party of China takes Marxism-Lenninism-Mao Tse-tung thought as the theoretical basis guiding its thinking," proclaims the constitution adopted this month in Peking by the 9th Congress of the party. "Mao Tsetung's thought is Marxism-Leninism of the era in which imperialism is heading for total collapse and socialism is advancing to worldwide victory."

Never before the 9th Congress, analysts here said, had "Mao Tse-tung's thought" been elevated to the level of "Marxism-Leninism," embodying the most sacred dogmas of the Communist movement.

ALL HONOR TO MAO

The new constitution, in fact, appears to be a paean to Mao, the "great helmsman" who has guided his troubled country through three years of turmoil optimistically described as "the Great Cultural Revolution."

It is not really a legal document, but a series of slogans and catchwords aimed at uniting and galvanizing the populace behind Chairman Mao.

The constitution contrasts completely with its predecessor, whose 60 articles set forth literal rules for guiding the party and did not mention Mao.

Indeed the 1956 constitution opposed the kind of personality worship in which Mao has immersed himself throughout the "cultural revolution."

DRAFTED BY MAO'S FOES

The reason for the neglect of Mao in the old constitution was that the 8th Party Congress which adopted it was dominated by the men who later merged as Mao's most bitter foes, former Chief of State Liu Shao-chi and the ex-party secretary, Teng Hsiao-peng.

In 1956, one of the best years for China economically, the country was definitely headed on a pragmatic if not "revisionist" course.

Mao was not prepared 13 years ago to retaliate directly against Liu, but he revealed his own penchant for radical idealism by launching the "great leap forward" in 1958.

After the "leap" proved a failure, Mao began to turn on Liu and eventually mustered the support that enabled him not only to oust the chief of state, but also to produce a constitution that defied his own figure.

THEORY, PRACTICE HELD LINKED

"Comrade Mao Tse-Tung has integrated the universal truth of Marxism-Leninism with the concrete practice of revolution," says the new constitution, reflecting the purges that eliminated not only Liu and Teng but also two-thirds of the party central committee produced by the 8th Congress as well as thousands of other "power-holders" in all phases of national life.

Perhaps the single most unusual feature of the new constitution is that it attempts to insure the continuity of the ideals of Mao by proclaiming his own handpicked successor, Lin Piao, who, it says, "has consistently held high the great Red banner of Mao Tse-tung's thought and has most loyally and resolutely carried out and defended Comrade Mao Tse-tung's proletarian revolutionary line."

Even while formalizing as law the unprecedented adulation for Mao, however, the constitution also indicates some of the problems now besetting the country. While calling for "unified discipline" in the party, for instance, it also states that "party members have the right to criticize party organizations and leading members at all levels and make proposals to them up to and including the central committee and the chairman of the central committee."

COULD CREATE CONFUSION

Analysts here believe these provisions are designed to give the top leadership of the party more authority on a local level. At the same time, the effect of the provisions could be to create more nationwide confusion and lack of discipline.

In any case, the constitution, for all its brave slogans, is a vaguely worded document designed, perhaps, to please as many of China's diverse elements as possible.

In this respect it may reflect the bitterness created by the "cultural revolution and the desire for moderation and unity."

The constitution, in fact, probably represents the same kind of compromising that has enabled the army to gain more control than ever before on the new central committee and politburo.

Although it would seem to give the party more scope than ever, it carefully calls on politburo leaders to set up "a number of necessary organs, which are compact and efficient," to "attend to the day-to-day work of the party, the government and the army in a centralized way."

INTEGRATION SUGGESTED

The mention of party, government, and army on the same level suggests an attempt at integrating overlapping functions of these organizations and perhaps even reducing the party's power.

The army almost certainly would be the only organization capable of enforcing this kind of reform.

Thus the constitution, although it might at first appear to represent an overwhelming personal triumph for Mao, carries in it the seeds for still more changes.

This time, however, the military leaders in power hope to effect the changes in an atmosphere of moderation and efficiency—all in the name, of course, of Chairman Mao Tse-Tung.

[From the Washington Daily News, Apr. 29, 1969]

RED CHINA SAYS U.S. DAYS ARE NUMBERED—LIN: PREPARED FOR A-WAR

(By Robert E. Udick)

HONG KONG, April 28.—Communist China has declared itself prepared for full-scale war and even a nuclear exchange with its two arch-enemies, the U.S. and the Soviets.

Peking Radio made the disclosure yesterday in a broadcast of Defense Minister Lin Piao's 24,000 word political report to the Ninth Congress of the Chinese Communist Party, which ended last Thursday.

It was a complete restatement of China's hard line policy—to carry out revolution at home and export it abroad as Peking has in Southeast Asia, Africa and the Middle East.

"Whether it is revolution that leads to war or war that leads to revolution, the days of U.S. imperialism and Soviet revisionism are numbered," reported Mao Tse-tung's No. 1 deputy.

"We should make adequate preparations, be prepared for a full-scale war with them, be prepared for their all-out war effort, be prepared for a long-term war with them and also be prepared for nuclear war with them," Lin said.

INEVITABLE STRIFE

He indicated that Peking's stance internationally is based on the belief that either global revolution or global war is inevitable.

Observers here, hoping to find a new, neighborly tone from Peking, found little warmth in Lin's quoting Mao as seeing two possibilities in the international situation: either that war would lead to revolution or that revolutions would occur first, preventing a war.

Lin said that, if a third world war was "imposed," it would only help "arouse the people of the world to rise in revolution and send the whole pack of imperialists, revisionists and reactionaries to their graves."

Lin did re-state that China approved of peaceful co-existence with countries of different social systems on the basis of the "five basic principles" mentioned by Peking frequently in the past.

But minutes later, after endorsing the principle of noninterference in each other's affairs, he elaborated on Peking's policy of "firmly supporting the revolutionary struggles of the people of all countries."

The world trend, according to Mao, is that "the enemy rots with every passing day while for us things are getting better daily," Lin said.

In line with "things getting better" he described the "armed struggles of the peoples of South Vietnam, Laos, Thailand, Burma, Maylaya, Indonesia, India, Palestine and other countries and regions of Asia, Africa and South America."

He said it was also heartening that "an unprecedented gigantic revolutionary mass movement has broken out in Japan, Western Europe and North America, the 'heart' areas of capitalism."

LESS EFFECTIVE

The "batons" of both the U.S. and Russia are "getting less and less effective," he declared.

As for the U.S., Lin said: "Since he took office, Nixon has been confronted with a hopeless mess." Then turning to Russia, he denounced "two foul performances" by the Soviets in the cases of Czechoslovakia and Chenpao Island.

He also revealed that Soviet Premier Alexei Kosygin tried to talk by telephone with Peking's leaders at the height of the Chenpao Island Sino-Soviet border incident. Lin said Mr. Kosygin was told that hot line effort was "unsuitable" and he could forward anything he wanted to say by diplomatic channels.

Despite the hard international line expressed by Lin, analysts here still saw hope that in the weeks ahead Peking will exhibit a willingness to crank up its foreign relations, paralyzed since the Red Guard movement began.

[From the New York Times, May 12, 1969]

LIN PIAO'S CHINESE STALINISM

Lin Piao's major policy speech to the Chinese Communist Party Congress gives very little comfort to those who have hoped for greater stability within China, and for a more moderate Peking foreign policy. What emerges most vividly from the speech is Mr. Lin's dedication to a sort of permanent cultural revolution within China, and to deep and really ferocious hostility toward both the United States and the Soviet Union.

Many key features of Mr. Lin's speech propel the reader's mind inevitably back to the atmosphere that existed in Russia at the height of the Stalin tyranny. Here again is the obsequious and servile public worship of the great leader—Mao Tse-tung in this instance—whose every word is treated as holy writ and whose infallibility is proclaimed as a self-evident truth for which no evidence is required. Here again, too, is the vicious attack upon a defeated party great—yesterday's close comrade in arms now cursed as the soul of treachery from the day of his birth. For the uses to which Stalin put Trotsky, Lin Piao employs Liu Shao-chi, Liu, who a few years ago stood second only to Mao, is now described as a "crime-soaked lackey of the imperialists" who as early as the 1920's "betrayed the party, capitulated to the enemy and became a hidden traitor and scab."

Stalin used to argue that the closer the Soviet Union came to attaining its ideological goals, the more dangerous and fierce was the opposition of internal enemies. This was the rationalization for the secret police and the slave labor camps. Maoism, as presented by Lin Piao, sees counter-revolution as an ever-present threat, requiring unending struggle and unending vigilance, until the world revolution triumphs. On this premise turmoil of the sort that convulsed China in 1966 and 1967 could be started again at any time.

The spirit with which Lin views China's former ally is best typified by his description of the Soviet Union as "a dark, fascist state of the dictatorship of the bourgeoisie." Like Stalin, Lin Piao, moreover, based his analysis of the world's future on the Leninist assumption that "imperialist wars are absolutely inevitable." Lin seems almost to welcome the prospect of a third world, declaiming that such a struggle would "help arouse the people of the world to rise in revolution and send the whole pack of imperialists, revisionists and reactionaries to their graves." He lumps what he calls "U.S. imperialism" and "Soviet revisionism" together, predicts they will not last long, and calls on the workers of the world to "bury" them.

Some will claim, no doubt, that this is all empty rhetoric, sycophantic nonsense designed only to assure Lin Piao his role of crown prince while Mao is still alive and has power. The precedent will be recalled of Stalin's bootlickers—notably Khrushchev—who reversed themselves completely after the old tyrant's death. Perhaps future developments will show Lin Piao as a Chinese Khrushchev. But his speech to the Ninth Party Congress was Chinese Stalinism.

A NEW SPIRIT IN THE COOPERATIVE EXTENSION SERVICE

Mr. HUGHES. Mr. President, when American institutions which have served the country well in the past demonstrate their ability to adapt to changing conditions and new needs, it is worth noting. In this connection, I was interested in an editorial that appeared this spring in one of Iowa's respected newspapers, the Creston News Advertiser, about the "new spirit" in the Cooperative Extension Service. Long associated almost exclusively with agriculture, the Extension Service is now moving ahead to provide significant services for town as well as country. Mr. President, I felt that this encouraging commentary was worth sharing with my colleagues, and, at this time, ask unanimous consent to have the editorial included in the RECORD.

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

EXTENSION—A NEW SPIRIT

The other day we had the privilege of sitting in with the Iowa State Extension Service advisory committee. This is a particularly unusual time to become involved with the extension service programs.

They are heading out into new country, as it were.

For years, most of us have considered the Cooperative Extension Service as dealing with agriculture. Once upon a time, the county representative was known as the "county agent." It is amazing how that county agent tag has stuck down through the years.

But the extension service has properly noted some changes in the way of things. First, the number of persons engaged in agriculture has declined quite drastically over the years. Second, the agriculture community has become more and more identified with urban associations. We can't say that living in the country is the same as living in town and vice versa. But certainly things that affect one also affect the other more than ever.

Extension has a marvelous organizational setup, not only here in Iowa but throughout the nation. It is probably in one of the best positions—because of its inter connections with both farm and city—to evolve programs in keeping with the changing times.

Extension will continue its efforts to assist in matters of agriculture, as it should. This is a basic field. In addition now it is developing programs that cover social and economic development, in town as well as in the country; and on improving the quality of living. These sound pretty general, we agree, but broken down—which we intend to do in future discussions—they are covering some of the most vital fields.

Now to cite just a case—in the new type of program—already under way: a food and nutrition educational program in which sub-professional food aides are employes. By sub professional is meant persons who haven't had special professional training in the field. Non professional might be a better description.

This program is just getting underway in a dozen or so counties in Iowa as a sort of pilot effort. Union and Adair counties, in this area, are involved.

The results to date—and it is just getting started—are amazing. They are working basically with low income families, helping devise ways to make the family food budget go farther and so on. And the people doing the "teaching" are these non professionals who reside right here in the community. All under the general direction of the home economists in the extension service.

The people being contacted live in town as well as in the country. This is extension working in the entire community. There is no rural Mason and Dixon line here.

It is too early to say that things are a big success. But the responses from the nonprofessional aides and from people they have contacted has been good. For example, an "aide" arranged to call on a low income wife. By the time the aide got there, two neighbors had joined in and she was able to go over things with three families instead of one.

The new Extension is reaching out to the people of the entire community more completely than in its history. This can be just quite a thing for all of us.

A NATIONAL POLICY ON LIQUEFIED NATURAL GAS

Mr. INOUYE. Mr. President, Carl Bagge, Commissioner of the Federal Power Commission recently delivered a thoughtful address in Honolulu on liquefied natural gas and the need for a rational national policy in this area. I commend this speech to the attention of my colleagues and request unanimous consent that it appear in the RECORD.

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

THE LIQUEFIED NATURAL GAS REVOLUTION: THE NEED FOR A RATIONAL NATIONAL POLICY

(An address by Carl E. Bagge, Commissioner, Federal Power Commission, before the Sixth Mid-Pacific Gas Marketing Conference, Honolulu, Hawaii, Feb. 19, 1969)

Governor Burns, President Gary, distinguished representatives of Pacific Basin nations, members of the Board of Directors of the American Gas Association and participants at this 6th Biennial Pacifica Gas Energy Forum.

I am pleased to be here. My delight in accepting your invitation, however, was not inspired solely by a desire to visit Hawaii. It was based, at least in part, by the opportunity which this forum provides for me to continue a dialogue in a setting which is not only beautiful but could not be more appropriate for my subject.

The recent emergence of a new LNG technology and what it means to the Nation are exciting developments which have interested me for quite a while. Last April, I was privileged to address the First International Conference on LNG, where 700 experts in LNG technology and marketing from fourteen countries gathered to evaluate the potential of LNG on a world-wide scale. Shortly after that, I again directed my attention to LNG in an article published in the October issue of *Pipe Line Industry*. In both of these forums, my purpose was to demonstrate the need for a national LNG policy and to call for its establishment.

Perhaps it was presumptuous to expect an answer. I listened carefully, but heard none. And, lest my echo fade unnoticed, I will use this forum to answer myself—to outline the essential elements of a national LNG policy—one which both encourages and responds to the new technology.

Just months ago, twenty-one cities, including Washington, D.C., were visited by a car propelled by LNG. And, only weeks ago, an LNG tanker from Libya arrived in Boston Harbor with 2,000 tons of LNG. What could be told as fiction not long ago has thus come to pass. And in its wake has surfaced a new fuel.

LNG has a truly revolutionary potential. It could change the structure of the gas industry as we know it today. It could rechannel the international trade in energy, or alter well-established marketing practices, or even shatter the efficacy of contemporary regulatory principles.

I am convinced that the interaction between the new technology and government policy will affect the direction and success of the developing LNG industry. Government policy will either inhibit or encourage the interstate and international movement of LNG. And it will affect the Nation at large. Hawaii and Alaska, isolated from the main stream of natural gas, will, if government policy permits, figure prominently in the LNG trade.

Next May, I will have served four years as a member of the Federal Power Commission. In that short time span, I have observed developments which have had a profound effect upon the gas industry. One of the more significant was the accelerated pace at which the industry matured from fratricide to fraternity. It has become an industry more capable of meeting the inexorable competitive challenges of the future because of this.

It would be impossible to pinpoint the instant that maturation was initially discernable—for several come to mind. Was it the revitalization of the Industry Better Understanding Task Force following the heated exchanges between Bud Rutherford and Stan Learnard in 1966—or the initiation of the Long Range Supply and Demand Study in 1967—or was it another? When it happened does not matter. It matters only that it happened.

As I look back on the past four years, there are other moments which stand out as auguries of all that followed. These were the moments of significant decisions—when government or the industry, or both, set major policy for the future. None of these decisions stopped the march of time. But to innumerable consumers, investors and personnel of the gas industry, and often to the Nation at large, these were the moments that really counted. As I observe the industry today, I believe that time has brought upon us such a moment once again.

The technological advances in cryogenics and the rapid pace of these developments challenge us to formulate a government response to LNG technology. But to delineate the detail, we must first appreciate the general—national energy policy.

Energy resources are critical to the security and economic welfare of the Nation. So it follows that an object of the Federal government is to develop and maintain adequate supplies of low-cost energy. In the United States, unlike some other countries, this does not burden the industry with centralized energy production plans and allocation directives. The government instead is called upon to establish an environment conducive to the growth of the energy industry. Government is the economic climatologist charged to forecase only sunny days. But, unlike the weatherman, an error in prognosticating the effect of government energy policy means more than just a foot in a puddle.

Government energy policy offers incentives to promote the exploration and development of various fuels. It embraces conservation laws to prevent the waste of valued resources. And it encourages scientific research to increase supply and decrease cost. Often imports and exports are regulated. Always interfuel competition is favored. And when the muscle of competition does not flex, government regulation is no ninety-seven pound weakling.

National energy policy aspires to make available maximum number of alternative fuels to satisfy consumer demand. It is a quest for flexibility of supply. It is compatable with LNG technology.

Mirrored with the image of the new technology what posture should the Federal government assume over LNG? Should government policy instinctively, perhaps quixotically, extend the Natural Gas Act to LNG—or should the dynamics of the market define its future role? Like so many issues of regulatory policy, these questions light fires under the cauldrons of semantic and legal debate. And often, when the fires dim, the questions remain unanswered.

We must not ensnarl ourselves in such a debate. Arguments flourish on both sides. And though the Gas Act's literalists may hail and embrace the advent of LNG, even they must concede that the draftsmen never contemplated an LNG fuel with a multitude of markets and a market structure then beyond imagination.

I do not seek refuge from a hard decision. I simply call for objectivity. Of course, we must consider the application of the Gas Act to LNG. But as government policy takes its form, the Gas Act's scheme must be a frame of reference and not a point of conclusion. To stipulate for convenience that the Gas Act reaches LNG would do little more than to forsake an opportunity to weight the implications of the new technology in the light of current economic demands and regulatory needs.

Rather than forge a national LNG policy in the crucible of offsetting legalisms, I submit that we should instead look at LNG as a welcome addition to the energy market. Our touchstone should be to determine the government response that will best promote the Nation's energy policy. Our method must evaluate the new technology. It must appreciate the new form of energy. And it must assess its potential for competition. Only then should we prescribe what government intervention, if any, the public interest demands.

In offering this alternative, I recall the Commission's policy pronouncement of 1963, which stated, upon the advice of counsel, that the Commission would assert jurisdiction over all phases of LNG. I submit that this policy should be re-examined.

THE DEVELOPMENT OF LNG TECHNOLOGY

What was the chronology of LNG development? How did it happen? And why? These line the backdrop of my proposals.

The economic motives to liquefy natural gas trace their lineage to the seasonal variations in consumer demand. Injecting gas into nearby storage during the months of low demand afforded distributors plentiful supplies to meet the peaks of winter's cold. Soon these practices became commonplace. Distributors found solace in the nearness of reliable supply. And consumers benefited from year-round operating efficiencies. But where geology denied distributors access to natural storage formations, alternative methods were explored. And through these efforts the technology of LNG storage made its way ahead.

The success of LNG storage technology foretold other advances in LNG. In 1958, the Methane Pioneer, forerunner of today's LNG tanker, proved the feasibility of LNG tanker transport. Imagine, the sages must have thought, gas could move by ship. No longer did pipelines hold the single key to unlock gas reserves. International trade of LNG now stood clearly on the horizon.

International projects soon appeared. Algerian LNG was imported into England and France. Libyan gas supplied the needs of Italy and Spain. Boston hosted LNG from Algeria. And soon there will be more. Alaskan LNG for Japan. Venezuelan gas for Philadelphia.

The LNG tanker antedate even greater developments. Trucks and trailers carry LNG—the pavement but a concrete pipeline. Air Products & Chemicals, Inc., Cryogenic Enterprises, Ltd., Pratt & Whitney Aircraft—names unknown to natural gas transmission are now moving to center stage. From California to Florida to British Columbia, they are the authors of the LNG drama. And there is more to come. Before the curtain falls, many isolated communities and homes which have been denied gas service will greet the truck that brings them LNG. At San Diego Gas & Electric Company this is happening now. Regularly that company serves LNG by truck to a remote military camp and to an isolated trailer park.

THE PROMISING USES OF LNG

Once thought far-reaching, these storage and transportation advances soon will fill the shadows of exciting new uses for LNG. Mr. Jack Lofstrom, Supervisor of Marketing Research at the Institute of Gas Technology, recently wrote[1] that LNG's domestic market

[1] *Uses of LNG for the Future*, Pipe Line Industry, October 1968, Vol. 29, No. 4, pp. 95–97.

potential for the year 1980 totals 12.9 trillion cubic feet. Of this sum, only 3.25 trillion cubic feet represents the conventional utility uses of local distribution and power generation. A total of 9.65 trillion cubic feet represents markets to date unknown to the gas industry. These are markets that will consume LNG as a liquid commodity, distinct from the vapor characteristics of natural gas. Given even modest penetration of these potential markets, Mr. Lofstrom writes that we can expect LNG's share in 1980 to be 2.3 trillion cubic feet. And of this, nearly one trillion cubic feet will fuel new industrial and transportation uses.

A nation-wide tour of a conventional automobile modified by the San Diego Gas & Electric Company to consume LNG recently portrayed the imminence of these new markets. The automobile is a standard 1967 six cylinder vehicle with a cryogenic fuel tank in the trunk. It looks and operates no different from gasoline-fueled vehicles, but it has the advantage of reducing smog-producing exhaust emissions. It has indeed an added social value.

The transportation fuel uses to which LNG is particularly suited include the SST, military aircraft and missiles. The marine industry and the railroad industry could use LNG as a propellant. Vehicles used in agriculture and industry, fork-lift trucks, delivery trucks, cranes and bulldozers, could operate on LNG. So could virtually all motor-driven equipment. And still there are more new uses for LNG. It could be used in water desalination processes—and even in magnetohydrodynamic production of power.

But the most likely use of the LNG commodity in the immediate future will be to fuel buses and other commercial and passenger vehicle fleets. Perhaps government agencies, Federal, state or local, will be first to fuel their fleets with LNG. With these fleets will come demand for LNG fueling stations—perhaps entirely new chains that link the Nations highways. And these, in turn, will signal the demand for more LNG vehicles—an endless spiral.

REGULATORY IMPLICATIONS

When used for these new purposes there is a sharp distinction between LNG and natural gas. LNG in this perspective is not the life-blood of a gas utility. It is not the backbone of a service requiring public oversight. LNG in this perspective is a new liquid fuel, its essence and character different from natural gas. It is a distinct physical commodity. And it has distinct economic attributes.

I believe that the LNG commodity is a potentially competitive fuel, and that it will indeed be a competitive fuel. Its markets are those chaarcterized by aggressive competition. Its marketers will be those prepared for competition. Government's response is critical—it must not hinder this competition. And to effect an appropriate government response, I submit that the transportation and sale of the LNG commodity should not be subject to Federal Power Commission regulation.

Authority over the rates and safety of LNG transportation in interstate commerce are matters properly before the Interstate Commerce Commission, the Federal Maritime Commission, and the Department of Transportation. Analogous issues at the state level lie within the province of the state utility commissions. Other than this, the LNG commodity is ripe for the marketplace.

THE HINSHAW EXEMPTION

The LNG commodity offers gas distribution companies a unique opportunity to expand their operations into new markets and an unregulated enterprise. This is a constructive development for the gas industry. But a deterrent may exist—section 1(c) of the Natural Gas Act, the so-called Hinshaw exemption.

Section 1(c), simply stated, exempts from the juridsiction of the Federal Power Commission a gas distributor whose gas is received and consumed entirely within its state of franchise. It should be made clear that a distributor's Hinshaw exemption will not be jeopardized by the sale of the LNG commodity for new uses. And, it should be made known that section 1(c) will not hinder development of the LNG industry.

The sale of LNG by exempted distributors for new uses as fuel or cargo in vehicles or aircraft moving in interstate commerce, in my opinion, should not deprive distributors of their Hinshaw exemptions. I do not believe that these kinds of situations bear relevance to the jurisdictional status of distributors insofar as section 1(c) is concerned. The very substance of interpretations to the contrary, spawned by the manipulation of literalisms, emphasizes the difficulties of trying to square the LNG commodity with all of the provisions of the Natural Gas Act.

IMPORTS AND EXPORTS

Once considered far-fetched, LNG imports and exports to and from the United States are with us. Recently, the Federal Power Commission authorized the import of two shiploads of LNG, each bearing 2,000 metric tons, from Algeria to the Boston Gas Company. And some months ago the Commission authorized the export of LNG from Alaska to Japan. The east and west coasts, now exposed to the pioneers of international LNG trade, indeed have taken on an added significance.

These events freshen the spirit of section 3 of the Natural Gas Act—a provision long grown accustomed to pipeline movement of natural gas to and from Canada and Mexico. With the blessings of section 3, new names and places, ships and countries, will breathe life into the dusty tomes of FPC reports. And as these reports grow, so will new concepts and ideas influence the tenor of regulation.

Should section 3 apply to LNG imports and exports? Should it be modified? Are facilities used for LNG import and export subject to the Executive Order that requires Federal permission before border facilities may be constructed? These are questions that now tease the imagination because when section 3 was enacted and the Executive Order was promulgated, they contemplated natural gas only in its vapor phase and export and import only by pipeline.

LNG tanker imports and exports do not involve the border facilities contemplated by Executive Order 10485. Indeed, the Federal Power Commission made this specific finding in authorizing both the Algerian import and the Japanese export under section 3. But the difference in regulatory method between section 3 and Executive Order 10485 is substantial. While the Executive Order requires the Commission to consult the Secretaries of State and Defense and provides for presidential resolution of a disagreement, there is no similar requirement in section 3. When faced with a hearing record in an LNG import or export proceeding under only section 3, consultation with the Secretaries of State and Defense would violate the rules prohibiting *ex parte* communications. As a result, disagreements which might exist between the Executive Departments and the Commission could not be resolved systematically by the President.

I believe that section 3 should be re-examined—specifically with respect to LNG and generally with respect to all imports and exports. International commerce in LNG simply underscores a problem endemic in section 3 proceedings where additional border facilities are not required. An adversary proceeding, where an export or import is challenged and collateral national concerns can only be acknowledged, is far too limited a forum in which to arrive at a decision with broad foreign policy and national security implication.

The Commission's recent experience in the West Coast Import Case dramatically illustrates the pains of struggling solely with the economic issues peculiar to section 3 on an adversary record which cries for help to resolve sensitive questions of international consequence. In that proceeding, the Commission could not properly solicit and consider the views of the Secretaries of State and Defense. The *ex parte* rules forbade it. Yet the reflection of these views in the decisional process is indispensable to the public interest.

Based on these kinds of situations, I have come to the conclusion that another institutional device is essential to the effective exercise of our authority over the import and export of natural gas. It is especially imperative with respect to LNG, where the dimensions of the problem are world-wide and may often transcend the regulatory expertise of the Federal Power Commission.

Though the Commission must share a meaningful role in overseeing important aspects of international LNG trade, the spectrum of relevant national interests is so broad as to extend beyond the Commission's field of vision. I am not now prepared to suggest with precision all of the qualities of the appropriate solution. But I believe that they must provide a forum sensitive to the procedural safeguards of due process, yet exposed to the concerns I have mentioned as well as those of routine consideration.

Given the appropriate forum, the question then is to determine what standards should apply to exports and imports. How are broad national interests balanced against the distinct interests of a pipeline, distributor or producer which may be adversely affected by the proposed importation of LNG? The encouragement of LNG imports, at least at this state of the art, would seem consistent with our national energy policy of promoting the supply and availability of natural gas. Would it not therefore seem appropriate to develop import standards that place the burden of persuasion on those who oppose the import? These and other related questions can be answered later. What must be answered now is the call for a new institutional device—a forum free of the shortcomings of section 3. A forum in which we can more effectively evalaute the many issues raised by LNG imports and exports.

BENEFITS TO HAWAII AND ALASKA

A national policy for LNG does not end with sorting regulatory matters into place. There are still other considerations. A significant one is to assure that all areas of the Nation and all segments of the populace share the fruits of the new technology. And, of course, this includes the non-contiguous states—Hawaii and Alaska.

At present, the prices of gas in Hawaii are the highest of any state in the Nation. It is not the fault of Hawaii's suppliers. It is the result of the unavailability of natural gas and the need to distribute higher-cost LPG and manufactured gas. What the gas consumers and suppliers of Hawaii need is a meaningful choice—the logical one now is LNG.

Alaska natural gas is at the heart of this. The technology exists for the exportation of LNG by tanker from Alaska to Pacific ports. In a matter of months, LNG will be exported in tankers by Phillips and Marathon from Alaska to Japan. There is no technological reason why LNG could not be transported to Hawaii also, either as part of the Alaska-Japan shipments or independently.

The economics of such a venture are favorable—but the law, that is the Jones Act, is not. I am convinced that the new LNG technology and the benefits it could bring to consumers in Hawaii and to natural gas suppliers in Alaska require an amendment to the Jones Act—one which would permit LNG trade between these states in foreign

vessels. This would not be without precedent. In the past, Congress has exempted specific ventures from the strictures of the Jones Act. The rationale is equally persuasive here.

The primary purpose of the Jones Act was to develop a permanent American Merchant Marine—built in American shipyards by American labor, manned by American seamen, flying the American flag, carrying American products, owned by American citizens. Designed to enhance the commercial growth of the United States, it was intended to protect the stability of domestic industry in times of peace and to provide for the Nation's defense in times of national emergency.

The Act became law in 1920, when a large tonnage of government-owned ships was available for sale. Congress anticipated that the Act would encourage the development of a merchant fleet capable of carrying a major part of the United States' foreign trade and a fair portion of the world's carrying trade. Contrary to expectations, however, this did not follow. And recent figures show that while in 1947 United States flag ships carried over 57% of the Nation's commercial waterborne export-import trade, they carried only 7% of that total in 1966.

Efforts to implement a more productive maritime policy have been notably unsuccessful. In 1968, former Secretary of Transportation Boyd offered remedial legislation to the Senate Subcommittee on Merchant Marine and Fisheries. Among the items he proposed was a provision to amend section 27 of the Jones Act. The purpose of this amendment was to authorize the transportation of goods in domestic trade on foreign-built vessels—so long as an administrative determination could be made that there would be no serious effect on other vessels in the trade. No bill embodying this proposal, however, was introduced in Congress.

In 1967, Senators, Fong, Inouye, and Gruening introduced S. 2454 to amend section 27 of the Jones Act. Their bill proposed the exemption of "the transportation of merchandise between points in the State of Alaska and points in the State of Hawaii." Senator Gruening's statement described the complementary relationship of Alaska-Hawaii trade, the planned export of Alaskan LNG to Japan in Swedish-built ships, and the proscription of section 27 which prohibits these ships from delivering Alaskan LNG to Hawaii—a detriment to both states. The bill was referred to Committee but no hearings were held.

But section 27 has not been sacred. Congress has granted a limited number of statutory exemptions to the requirements of that section. Section 27 does not apply to the coastwise transportation of empty containers under certain conditions. It does not apply to the coastwise transportation of passengers and merchandise on Canadian vessels under certain conditions. It does not apply to certain foreign-built vessels which were engaged in United States coastwise trade during the First World War. It does not apply to merchandise carried in part over Canadian rail lines under certain conditions. In addition, section 27 has been suspended for temporary periods to permit the transportation of merchandise or passengers in certain foreign vessels over specified routes.

Indeed, section 27 could also be amended to accommodate Alaska-Hawaii LNG trade. An amendment exempting Alaska-Hawaii LNG trade from the proscription of section 27 could take a variety of forms—from a broad exemption in the image of S. 2454 to a narrow exemption for a single ship. Possibilities include the type of amendment proposed by Secretary Boyd, or that relating to water transportation between specific points or that providing a temporary exemption. Whatever the form of the amendment, I believe that it is a necessary means of extending the benefits of LNG technology to the citizens of Hawaii and Alaska—and an indispensable element of national LNG policy.

Transporting the untapped reserves of Alaskan gas to the contiguous states in the form of LNG is still another exciting possibility. Its potential value as a competitive source of supply to the West Coast market should not be overlooked by industry and government policy-makers. The Jones Act, however, also operates to deter this development. While I believe that an Alaska-Hawaii LNG exemption can now be achieved, an Alaska-West Coast exemption appears to be more difficult because of the size of the market and the potential volumes involved. In the absence of legislation making such movements economically feasible, technology appears to afford the only means of surmounting this artificial barrier by achieving a breakthrough in costs. This brings me to the final element of LNG policy.

RESEARCH AND DEVELOPMENT

A national policy for LNG must include a program of continuing research and development of the new technology. Although considerable success has attended LNG storage and liquefaction facilities at the distribution level, efforts by pipelines to operate in-ground LNG storage facilities have met with failure.

The Federal Power Commission has authorized three pipelines to construct and operate LNG storage facilities. The first was Transcontinental Gas Pipeline Corporation's proposal to construct a storage facility in New Jersey, just outside New York City. This facility contemplated the in-ground storage of LNG in an unlined container with frozen earth as its walls and a man-made lid. The second was Tennessee Gas Pipeline Company's proposal to construct a storage facility in Massachusetts. Tennessee's project used technology similar to Transco's, but it was larger and was built in solid rock. The third proposal was Texas Eastern Transmission Corporation's plan to construct a storage facility on Staten Island. This facility soon will be completed. It differs from Transco's and Tennessee's projects insofar as the walls and lid of the container are made of concrete rather than using the so-called "mud pipe" technique.

The liquefaction and vaporization processes of the Transco and Tennessee projects performed successfully, but the facilities developed serious problems in their in-ground storage containers. Both containers failed because excessive heat leakage created a boil-off above anticipated levels. In view of these failures, it will be of considerable interest to see whether existing technology has the know-how to cope with these design problems. Indeed, the economies to be realized by the successful operation of in-ground LNG storage facilities are sufficient to warrant funding of further research and development. I would hope that the pipeline industry will make the necessary commitment.

This brings me to my suggestion of several months ago—that a Gas Research Council is the appropriate means for the industry to meet the mounting demands for research and development. This council should comprise all segments of the industry and representatives of government, universities, and research organizations. Its very existence would signal the commitment of both the Federal government and the gas industry to essential research objectives.

I submit that at an early date there should be convened a select group of industry, academic, and government personnel to lay the groundwork for the Gas Research Council. The Council should be represented by a wide spectrum of interests, just as the Electric Research-Council comprises members of all segments of the electric power industry. As its first project, I propose that the Gas Research Council direct itself to the matter of gas supply. The need for improved drilling methods, the gasification of coal and oil shale, nuclear fracturing, deep ocean exploration, and other related methods of facilitating the recovery of reserves are a worthy priority for the industry.

In addition, the Gas Research Council should focus on LNG and how to maximize its benefits. A necessary LNG research project should study the beneficial recovery of refrigeration and promote techniques which will enhance the economics of LNG. I also propose specifically that the Gas Research Council develop means of integrating LNG import receiving facilities with facilities designed for the desalination of sea water. The technology exists for such a process, and so does the opportunity for desalination to provide a substantial credit to the costs of operating LNG facilities. This could make economic the movement of Alaskan gas to West Coast markets.

There are other projects worthy of consideration. An improved membrane design for tankers which integrates LNG tanks with the hulls to effect economies. Improved liquefaction systems to reduce the horsepower requirements of liquefaction. Back-haul systems for LNG tankers and overland trucks to reduce operating costs.

All of these research projects are significant to the industry and to the Nation. All of these projects will stand or fall on the initiative of the industry to take an early step in the right direction. The moral of inaction can only bring to mind the tale of the speedy hare, who, upon awakening from his nap, saw the tortoise plodding past the winning post. This is certainly no time for the gas industry to take a nap. It is the time to take advantage of an opportunity.

CONCLUSION

These, then, are the elements of a national policy for LNG. It must be formulated with particular reference to the Nation's energy policy of promoting competition among alternative fuels. It must respond to today's economic demands and regulatory needs. It must stimulate the development of an emerging LNG industry in large part directed at entirely new markets. It must comprehend all aspects of LNG imports and exports. None of the 50 states must be deprived of the benefits of the new technology. And continuing research and development of this technology must be encouraged.

To provide practical substance to these elements, appropriate action by the Congress, the Federal regulatory agencies, and the industry is called for. Some of the elements require the action of just one of these, while others require coordinated and parallel actions. Only with a conscious commitment by both government and industry will the Nation realize the potential benefits of the new LNG technology.

HIGH COURT INTEGRITY NECESSARY

Mr. GRIFFIN. Mr. President, the recent controversy over the extra-judicial activities of a Justice of the Supreme Court precipitated thoughtful and constructive comment by a number of this country's outstanding journalists and newspapers. I ask unanimous consent that these comments be printed in the RECORD.

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

[From the Washington (D.C.) Star, May 9, 1969]

HIGH COURT INTEGRITY NECESSARY

(By Carl T. Rowan)

The most charitable thing one can say about Supreme Court Justice Abe Fortas and the proferred $20,000 fee from the family foundation of financier Louis Wolfson is that Fortas raised serious doubts about the quality

of his judgment and jeopardized unnecessarily the integrity of the Court.

It is not necessary to argue about whether and when he returned the money to the Wolfson Foundation. Nor is it necessary to speculate as to whether the Justice did, or contemplated doing, anything in behalf of Wolfson, who was facing criminal charges at the time the fee was tendered. It is enough to note that, by Fortas' admission, he was given the money in 1966, after he became a member of the Court, because he thought he could undertake "research functions, studies, and writings connected with the work of the . . . Wolfson family foundation."

It is patently obvious now, and should have been in 1966, that this is not a proper arrangement for any member of the nation's highest court.

Through a generation of internal dissension and conflict, when McCarthyism, racism, and law-and-orderism have bedevilled the American people, this country has been blessed to have an independent judiciary that was ever mindful of the constitutional safeguards our forefathers erected against those times when impassioned mobs would seek to override the Bill of Rights.

Demogogues have tried to smear the Supreme Court. Rabble-rousers have cried for the impeachment of Chief Justice Earl Warren. Some congressmen have tried to make careers of their demands that Congress override various rulings of the Court. But it was mostly sound and fury signifying nothing because of the deep-rooted respect most Americans have for this nation's highest tribunal.

If future generations are to remain secure against tyrannies of all persuasions—against a tyranny even of a confused or frightened American majority—it is utterly essential that the Supreme Court remain "pure." It must not become defiled by suspicions generated by financially—or politically—grasping indiscretions by its members.

The Wolfson affair, and other of Justice Fortas's outside arrangements for which he received substantial pay, have occurred in a welter of confusions and contradictions about the ethics of the nation's public servants.

It makes no sense whatsoever that the President should ask top officials in the executive branch to join the government at great financial sacrifice and forbid them to take a nickel for outside lectures and other activities when members of the Congress and the courts are engaging in lucrative outside activities.

There ought to be a single "sanitary" standard. But if that is impossible to achieve, let our highest tribunal stand above all the rest for its simon-pure principles.

There is a serious question as to whether Supreme Court Justices ought to be running about the country giving speeches, even without a fee.

There isn't anything worth talking about these days that isn't likely to become the subject of litigation, including a constitutional challenge, and it compromises the integrity of the Court, to some degree, every time a Justice expounds on the issues of the day.

For example, millions of Americans surely agree with Justice Thurgood Marshall, who told a Dillard University audience Sunday that Negroes should realize that "nothing will be settled with guns, firebombs, and rocks," and thus reject black militant leadership.

But are we not to assume that one day soon some of the issues raised by black militants will come before our highest tribunal? Has not Justice Marshall made it clear in advance that they will not find him to be a friend in court?

Sure, a Justice may be able to view the law uncolored by his prejudices of age or political persuasion, but it is a fact that airing those prejudices creates doubt. And doubt erodes the integrity without which the Court cannot function as the powerful arbiter it is in American life.

So, more than any other branch of government, the judiciary ought to be given the security, financial and political, that permits it to stand aloof from the money-grabbing and the influence-peddling that is so common among those of us of lesser ultimate responsibility.

[From the Los Angeles Times, May 16, 1969]

LESSONS IN FORTAS TRAGEDY

(ISSUE.—Now that Abe Fortas has resigned from the Supreme Court, how can the cloud over the high bench be removed?)

Abe Fortas is a brilliant lawyer, an independent thinker who could have made a great contribution to the Supreme Court and to his country. The fact that he has been forced to resign under circumstances that indelibly stain his reputation is a genuine human tragedy.

It is, however, a tragedy that he brought upon himself by an incredible insensitvity to the ethical standards which are properly applied to members of the Supreme Court.

The important thing, from the standpoint of the public interest, is to see that steps are taken to restore faith in the nation's highest temple of justice.

President Nixon has an initial responsibility to give full weight to considerations of character, as well as ability, in nominating a replacement for Fortas—and later for Chief Justice Earl Warren, when he retires at the end of June.

The U.S. Senate, for its part, should henceforth refuse to confirm any Supreme Court nominee who feels he needs a moonlighting job to augment the $60,000 a year lifetime salary which the justices are now paid.

No Supreme Court justice has any business accepting money for outside work while a member of the court. In cases of private income deriving from activities prior to appointment, trust arrangements should be made to remove all possibility of interest conflicts.

These standards should apply not only to new members of the court, but to those already sitting. Associate Justice William O. Douglas, whose paid services to the Albert Parvin Foundation have been criticized in these pages before, should set an example by either severing the connection or quitting the court.

Legislation has been proposed which would require federal judges up to and including Supreme Court justices to make full disclosure of any outside income. The appropriate congressional committees should give the proposal serious and expeditious attention.

Unfortunately, some lawmakers who endorse disclosure requirements for judges hypocritically continue to object to the imposition of such requirements on themselves. Senate Republican Leader Everett Dirksen is the most prominent example.

The Times has consistently taken the view that elected officials at all levels—local, state and federal—should make full and public disclosure of their incomes from non-official sources.

Neither the U.S. House nor Senate, however, has shown any disposition to adopt meaningful disclosure rules.

We urge the lawmakers to face up to the fact that they—as well as Supreme Court justices and Caesar's wife—should be above suspicion if public faith in public institutions is to survive.

[From the Jewish Week, May 22, 1969]

WHO WILL SUCCEED ABE FORTAS?

The great wrong in the tragi-comedy of the Abe Fortas affair is his contention that he committed no wrong.

His real offense was not so much in the specific arrangements that loomed to the public as a major scandal, but in his acceptance of a place on the Supreme Court as an Associate and, later, in permitting President Johnson to place his name in nomination as Chief Justice. If the major part of the blame attaches to the President for pressing these unsought-for honors on his very close personal friend and unpaid servitor, one had a right to hope that a man with Fortas' keen awareness of the psychology of public life might have more firmly resisted these unwanted honors.

The President had needed to reward his servitor, and the need with him verged on compulsion. Driving taskmaster that he was, he could not endure his failure to reward and even over-reward a true and faithful servant. The President thus craved to shower unwanted honors on the man who had once saved his political career in a tight Texas election and had been at his beck and call ever since.

Fortas must have suffered from a greater sense of self-sacrifice, when he accepted the court appointment, than other, more receptive appointees had ever felt. Having reluctantly given up his happy role as the President's unpaid servitor and one of the best earners in the Washington bar, he was not prepared to apply a Spartan code of supralegal propriety to himself.

Fortas was the fifth Jew to have served on the Supreme Court in a half-century, and his resignation leaves that court without a Jewish member for the first time in that period. We do not believe that President Nixon is obligated in any respect to succeed Fortas with another Jew, but it is understandable that he may feel a sense of nobless oblige to name a Jew. If that is the case, it is to be hoped that the selection will not be on a personal or political basis.

Until the Johnson administration, the fact of a Jewish presence on the Supreme Court had grown into a splendid tradition. The first Jew named to the court, Louis D. Brandeis, was clearly not named out of political motive, since he was obviously a political liability at the time. Brandeis, however, represented a point of view on American life that President Wilson wished to contribute to the court.

Justice Cardozo was named by President Herbert Hoover in spite of his personal preference for others, and only because of his towering reputation as a great scholar and jurist. Justice Frankfurter was scarcely a practicing lawyer, having devoted his career to scholarship in the law. Justice Goldberg, far from being among the influence-wielders in Washington, had represented a minority influence in American life—organized labor.

If there is to be a sixth Jew on the Supreme Court, it is to be hoped that he will come out of the ranks of the great jurists, scholars and men of public service, rather than out of the practising careerists, the politicians or the personal circles of the men in power.

One thing is certain: Jewish voters will be anything but flattered or pleased by the appointment of a Jew who does not clearly and unquestionably qualify for the position.

[From the Washington Post, May 12, 1969]

FORTAS' ACTS FLOUT TRADITION, COULD HARM COURT'S REPUTATION

(By Marquis Childs)

In February the Associate Justices and the Chief Justice of the Supreme Court got a raise in salary. The Associate Justices went from $39,500 to $60,000, the chief from $40,000 to $62,500. This pay raise was part of the package recommended for Congress and certain levels of the Executive Branch by the Federal Salary Commission.

With one-third of the Nation's families having incomes of $5,000 or less, $60,000 a year looks mighty big. When the salary package was up for passage, cries of indignation rose at what seemed unwarranted increases. While

members of Congress protested, the Senate rejected by a vote of 49 to 36 a resolution to strike down the whole business.

Whatever the justification, or the lack of it, for the size of the pay raises there was a valid rationalization behind the salary commission's recommendations. Public officials should not be penalized in a period of rapid inflation for public service. While public office can never be a source of enrichment, it should not, in a concept going back to America's founding fathers, be so poorly paid as to make it a form of servitude and a refuge for the unambitious and the second rate.

Against this background Associate Justice Abe Fortas' conduct on the Court flies in the face of the long tradition of the dedicated public servant. When his nomination to be Chief Justice was before the Senate, it was noted he had taken $15,000 for a series of lectures delivered at American University. This sum had been raised by his former law partner, Paul Porter, from big-business clients of the firm.

Now Life magazine has shown that he took $20,000 from a foundation controlled by the family of financial raider Louis Wolfson who had just gone to prison for violation of Securities and Exchange Commission regulations. In addition, Fortas lectures around the country at public forums for fees ranging from $1500 to $2000 a lecture. He kept the $20,000 for 11 months and then returned it on the ground that he was too busy to advise on the foundation's work in race relations, the announced reason for the payment.

What makes this harder to understand is that Fortas is far from being a poor man. The head of a large Washington law firm, thoroughly familiar with the workings of a big-scale practice of the Fortas and Porter type, gave a horseback judgment that the justice in the 10 years prior to going on the bench would have been able to keep out of his share of the firm's earnings as much as $3,000,000. The income of his wife, Carolyn Agger, now with Fortas' former firm, has been reported as $100,000 a year. She is a highly resourceful tax lawyer.

At the time President Johnson nominated Fortas to be Chief Justice in succession to Earl Warren, there were few who questioned the brilliance of his legal mind. It was not until the disclosure of the $15,000 fee for the University lectures that even some of his most ardent advocates began to cool. Doubt also centered on the closeness of his continuing relationship with Mr. Johnson.

For many years he had been the former President's personal attorney. Fortas was also the attorney for Bobby Baker, who rose to power as secretary to the Senate majority and Mr. Johnson's protege. In the inner council of the Johnson Administration it was no secret that Fortas consistently gave the most hawkish advice to the President, confirming the Johnson view that the Vietnam war could be won.

In this history is a sober lesson on the nature of appointments to the Court. However brilliant the legal capacity, cronyism comes close to being a disqualifying factor. The dedication of a public servant, whether in State or Federal government, in the judiciary should be evidence weighing heavily on the positive side.

On the High Court today is a classic example of such service. When he was in California in early January for a brief holiday the retiring Chief Justice observed without fanfare 50 years in public office, beginning as a young attorney in the prosecutor's office in Alameda County and going on to an unprecedented third term as Governor of his native state. With quiet pride he told friends that he had never received a cent of income from any source other than his public salary. A pension from the State augmented his Supreme Court salary.

The Fortas disclosures have done the Court, and specifically the Warren Court, incalculable harm. If the outcry in Congress results in legislation requiring Federal judges to make public their holdings and their sources of income, some good will come of it. In the self-righteous voices raised on Capitol Hill is an audible hypocrisy, since the House of Representatives' own disclosure law is as full of holes as a sieve. The recently published list of holdings by Congressmen shows investments and directorships that appear plainly in conflict with Congressional responsibilities. The selfless public servant is shown on that roster to be the rare exception, rather than the rule.

[From the New York Times, May 18, 1969]

THE FORTAS CASE—CONCERN AND QUESTIONS OVER ACCEPTANCE OF A FEE

(By Fred P. Graham)

WASHINGTON.—Soon after the Supreme Court was established, Alexis de Tocqueville observed that the justices' power "is enormous, but it is the power of public opinion." To maintain this power, he felt, "not only must the Federal judges be good citizens, and men of that information and integrity which are indispensable to all magistrates, but they must be statesmen."

This has become even more valid in recent years as the Supreme Court has become more powerful—and controversial. The concept of judicial review by nine men who are appointed for life to rule on the constitutionality of the country's laws makes no sense unless they are men of uncommon integrity and good sense.

Last week many people were asking aloud if Justice Abe Fortas had demonstrated these qualities.

The questions were first raised by Life magazine in an article that accused the justice of having accepted, and later paid back, a $20,000 fee from the family foundation of Louis H. Wolfson, a wealthy but shady stock manipulator who has since been sent to prison. Life said it had found no evidence the money was a bribe. But it charged that Wolfson used his relationship with Justice Fortas for name-dropping purposes in his efforts to stay out of jail.

Justice Fortas then compounded his difficulties by declaring unequivocally in a statement that since he became a justice in 1965 "I have not accepted any fee or emolument from Mr. Wolfson or the Wolfson Family Foundation or any related person or group."

He conceded, however, that the Wolfson Family Foundation "tendered" a fee to him (to do "studies and writings" about racial religious amity) and that "I returned it with my thanks."

LACK OF CANDOR

The lack of candor in Justice Fortas' reply served to emphasize his failure to deny or explain the alleged 11-month delay in returning the fee, and demands began to be heard on Capitol Hill for a further statement from him. Even the Democratic leaders who had stood by him when it came to light last summer that he had accepted a $15,000 lecture fee fell silent this time. Senator Edward M. Kennedy even suggested that Justice Fortas might consider explaining himself to the Senate Judiciary Committee—a body stacked with conservatives who raked him over the coals when he appeared before them last summer.

Congressional Republicans were less subtle. Representative Robert Taft Jr. predicted that a bill of impeachment would be filed in the House if Justice Fortas does not quickly give a better account of the incident. Senator Robert P. Griffin of Michigan promised that "more information" will come out about the Wolfson fee unless Justice Fortas either elaborates or resigns.

At the week's end Justice Fortas was going forward as if the matter were closed. He continued with his scheduled lecture schedule, with one change—his fees were either cancelled or donated to worthy causes.

His critics appeared content to let his case fester for a few days, while insisting privately that the incident is not yet over.

In the meantime, the ill winds of scandal and rumor seem to have stirred official Washington to realize something that had previously been missed: that the other branches of Government have begun in this decade to do something about conflicts of interest—and that the judiciary, alone, has done nothing.

Over the years, the Supreme Court has kept itself remarkably free of scandal—so much so that almost any judicial involvement with worldly goods is looked upon with deep public concern.

PROPERTY DEAL

The Washington Daily News ran large black headlines last November when it learned that Justices Fortas and William J. Brennan Jr. had invested in a large property project near here. There were more headlines when it was disclosed last year that Justice William O. Douglas was receiving a $12,000 per year stipend as president of the Albert Parvin Foundation. Mr. Parvin had large Las Vegas casino interests. Justices Fortas, Brennan and Douglas have used lecture agents to book appearances that bring as much as $2,500 per speech, and other members of the Court have lectured on a smaller scale.

Next to Justice Douglas, a man who has had four wives and, presumably, many expenses, Justice Fortas appears to be the member of the court who devotes the most time to making money on the side.

He is apparently not in want. His wife, a lawyer, is said to receive an annual salary in six figures, they have no children, and his salary has been raised from $39,500 to $60,000 since he became a Justice. But he is a self-made man of great energy and he has not until recently been loath to accept fees for his outside activities.

One reason for the interest in justices' money-making efforts is that they seem to be among the few high officials in Washington who can actually live on their pay. They don't have to run for re-election or spend money to keep up with the Joneses, and others almost always pick up the tab.

Thus, outside income is viewed askance, mainly because nobody can say with certainty which extra judicial activities are proper and which are not. Now bills to regulate judges' outside income or to require reporting of it flowed like confetti into the legislative hoppers last week and it seemed likely that some standards would be established as a result of Justice Fortas' present discomfort.

[From the Washington (D.C.) Post, May 19, 1969]

FORTAS CASE CARRIES A LESSON FOR ALL PRESIDENTS TO COME

(By Marquis Childs)

With the furor over Abe Fortas beginning to subside it is worth examining how it happened. As an example of how not to manage the relationship between the Chief Executive and the judiciary it should be a warning for the man now in the White House and for other Presidents to come.

While the flak rains down on Fortas, the principal actor was Lyndon Baines Johnson, currently playing it very quiet offstage in Texas. As in almost every aspect of his Presidency, Mr. Johnson was the political animal, the wheeler dealer, in his approach to the Supreme Court. This is not to say that other Presidents have excluded politics from their appointments to the court. But seldom have politics and the motivations of self-interest been so obvious.

It began immediately after the death of Adlai Stevenson in July, 1965. Who was to take his place as Ambassador to the United Nations? President Johnson summoned Arthur Goldberg, then an Associate Justice, to the White House.

Those familiar with the background say that Mr. Johnson exerted all his mastery of persuasion on Goldberg to get him to give up his lifetime place on the court and take the U.N. post. The U.N. Ambassador with his background of brilliant mediation in the labor field could bring peace to the world. His would be an unparalleled opportunity to calm the strife and, with constant access to the President and the Secretary of State, lead the way to a new Haven on earth. Having at least a normal share of human vanity, Goldberg left the court and went to the United Nations.

This created a vacancy. Not only that, but since Goldberg was of Jewish origin it opened the way for the appointment of Fortas. An unwritten rule, observed at least once in the breach, prescribes that in the political-religious balance on the court there shall be one Jew and one Roman Catholic.

Fortas was a long-time Johnson friend and his personal lawyer at critical moments in the Johnson career. He had managed the certification of Mr. Johnson's election to the Senate in 1948 when 87 votes in a bossed county were at stake. Even after he had formally withdrawn as Bobby Baker's lawyer, Fortas continued behind scenes to try to help get the Secretary of the Senate majority and Mr. Johnson's protege out of the mess of his wheeling and dealing.

Confirmation of Fortas by the Senate to be an Associate Justice was a formality. He had many distinctions in public service to his credit. The Warren Court had appointed him counsel for Charles Earl Gideon, who had been convicted in Florida of breaking and entering a poolroom and at his trial denied the right of a defending lawyer. Fortas carried the case through to a successful conclusion, establishing a new rule of law that defendants in state courts as well as Federal courts had a right to counsel.

The suspicious believe that in making Fortas an Associate Justice Mr. Johnson had looked down the road to the time when he would elevate him to Chief Justice. In 1965 he had three more years to go in the Presidency and he could in the normal course of events anticipate re-election to another full four-year term.

The storm broke when Earl Warren decided a year ago to retire, and Mr. Johnson named Fortas in his place. The nomination was twinned with that of Homer Thornberry, a Circuit Court of Appeals judge and another longtime Johnson crony, to fill the Associate Justiceship made vacant by the Fortas elevation.

Determined opposition soon developed, led by Sen. Robert P. Griffin (R-Mich.). At the outset this seemed to be based on Fortas' record as a liberal. Facts soon developed, however, notably the $15,000 American University lecture fee and what appeared to be Justice Fortas' intervention in behalf of Mr. Johnson in a phase of the Vietnam controversy, that cooled his Senate backers. With confirmation blocked, Fortas asked that his name be withdrawn. If the damage of the Affaire Fortas could have been any greater to the court and to public policy, it would have been if the disclosure of the Wolfson Foundation $20,000 had come after he had taken the foremost place on the bench.

In 1967 another Johnson intrigue brought a dramatic "first" on the court. Mr. Johnson named Ramsey Clark, the son of Associate Justice Tom Clark, a longtime Texan ally of the President, to be attorney general. It would have been anomalous for a son to plead a case before his father, and Justice Clark retired. Thereupon, Mr. Johnson nominated Thurgood Marshall to be the first Negro on the court. Marshall had a distinguished legal record, with six years as a Circuit Court of Appeals judge.

In the machinations leading to Fortas' resignation, the hand of Attorney General John N. Mitchell was evident in a now-you-see-it, now-you-don't fashion. This was unfortunate, to say the least, because the removal of Fortas by the constitutional process was clearly in sight. Mitchell, President Nixon's law partner and his campaign manager last year, has been mentioned as a replacement for Warren. That would seem today to be ruled out. No matter how high the qualifications, cronyism, as the Fortas case illustrates, is no criterion for the Federal judiciary.

[From the Washington (D.C.) Post, May 8, 1969]

IMPORTANCE FORTAS CASE BEARS ON NEW COURT APPOINTEES

(By Joseph Kraft)

The painful case of Justice Abe Fortas is important chiefly because of its bearing on future appointments to the Supreme Court. For now more than ever the moral authority of the Court is in question and requires enhancement.

But the qualities that can redeem the Court are qualities rare and fine—qualities that are, in the true and little-used sense of the word, religious. And these unworldly qualities do not find conspicuous expression in any of the men long close to the President who are now widely touted for appointment as Justices.

Behind the present low estate of the Supreme Court there are manifold reasons that go well beyond anything Justice Fortas has done or not done. Most important of all there was for two decades, at the Federal, state and local levels and in both the executive and legislative branches, a stalemate on fundamental social and political questions.

Given that enormous backlog of inaction, it fell to the Supreme Court to break long-standing deadlocks on such highly inflamed issues as racial segregation, legislative apportionment and criminal justice. In all of these difficult matters, the Court came down basically on the right side. It is very hard to imagine—indeed for me it is impossible—how any group of educated men could have endorsed manifest inequities for Negroes, urban voters and prisoners.

Decisions on these vexed questions of public policy inevitably aroused hostility to the Court among certain groups—notably Southerners, rural politicos, and law enforcement officials. Moreover, if these enemies were made by the matter thrust upon the Court, still other enemies were made by the manner in which the Court did its business.

For the fact is that during recent years, opinions often seemed to flow more from the social and political preferences of the justices than from the impersonal authority of precedent and the Constitution. In one reapportionment case, for example, Justice William Douglas wrote that: "The conception of political equality from the Declaration of Independence to Lincoln's Gettysburg Address, to the Fifteenth, Seventeenth and Nineteenth amendments can mean only one thing—one person, one vote."

Such indiscriminate assertions of sentiment, not to say whim, offended many thoughtful persons normally sympathetic to the Court. Particularly in the law schools the Court's lack of judicial restraint has made it an object of feelings verging on intellectual contempt.

Comes now, on top of all this, the revelations of financial dealings between Justice Fortas and a foundation set up by the stock market operator, Louis Wolfson. It is a seedy business that can only damage the Court—the more so as Justice Fortas was nominated by President Johnson to be Chief Justice and ardently backed by many people pleased to consider themselves apostles of the Court.

Already the know-nothings are seizing the occasion to launch murderous attacks on the Court, and the principle of judicial supremacy. Defending the Court against these attacks is now a central responsibility. And it is against that background that the President must select replacements for Chief Justice Warren, who has resigned as of this summer, and other Justices sure to step down in the near future.

The requirement in these circumstances plainly goes beyond mere honesty. Many of the worst of the know-nothings—for instance Senator Strom Thurmond of South Carolina—would pass that test.

The requirement is for persons of noble character, high-minded and philosophic, with feelings of reverence for the role of the Supreme Court, and a deep sensitivity to the best qualities in our national life. That standard can hardly be said to be met by the worldly business and political lawyers long associated with the President and now widely noised about as possible appointments—Attorney General John Mitchell, Secretary of State William Rogers, former Governor Thomas Dewey, former Attorney General Herbert Brownell or the former President of the American Bar Association, Charles Rhyne.

The President can best help the Court, and add luster to his own record, by going outside the worlds of politics and business. His best bet is to look to the bench and such judges as John Brown, Carl McGowan and Henry Friendly; or to the universities and such professors as Paul Freund of Harvard or Phil Neal of Chicago.

[From the Washington (D.C.) Star, May 9, 1969]

CLOSE SCRUTINY OF NEXT CHIEF JUSTICE LIKELY

(By Clayton Fritchey)

Confirmation of Presidential appointees is peculiar to the United States, but the framers of the Constitution knew what they were about, for the country has often profited from this unique provision. The latest proof is that Abe Fortas would have become the Chief Justice of the United States if the Senate had not rejected his nomination.

It is unfortunate that the Senate resorted to a filibuster rather than a vote in turning him down, but in the final analysis it was the testimony developed during the confirmation hearings that really blocked the appointment. Then, as now, the Senate was seriously disturbed by evidence that Fortas had accepted money under questionable circumstances after joining the court.

What also strongly militated against him, however, was his unusual closeness to President Johnson and the Democratic administration. Some of the Republican senators who initiated the fight against Fortas because of this relationship were criticized at first, but they had a point, and it's a point that President Nixon would do well to keep in mind when he soon appoints the successor to Chief Justice Earl Warren.

After the Fortas experience, Nixon can be sure the Senate will scrutinize the next nominee under a microscope. If the President wishes to save himself the same kind of embarrassment that Lyndon Johnson suffered over Fortas, he will be well advised to choose a man who is not politically vulnerable.

At this point there are thought to be about 10 men still in the running for the Chief Justiceship, and not all of them would inspire an enthusiastic reaction in the Senate. This is particularly true of one of the most prominent possibilities, former Attorney General Herbert Brownell.

The wiser politicians learn to let bygones be bygones but there are many Democratic senators who will never be able to forget that Brownell set some kind of a record for

partisanship when, as attorney general under Eisenhower, he accused Harry Truman of having knowingly appointed a Russian spy to a high government post. It was perhaps the most serious charge ever made against a former president.

Nixon has always admired Brownell (he wanted him for his campaign manager last year), but this view is not shared by leaders of the Democratic party who think of Truman as the man who stopped Stalin by forging the Atlantic Alliance and NATO, by defending Greece and Turkey, by going to war in Korea.

To the staunch friends of the ex-president, the insinuation that he was soft on communism still seems almost like blasphemy. Brownell is a clever, even brilliant lawyer and politician, but he has always been intensely partisan. He managed Thomas Dewey's presidential campaign in 1948 and four year later he was in the thick of Eisenhower's successful campaign.

The immense success of Earl Warren in unifying the Supreme Court for the last 16 years should indicate to Nixon how important the nonpartisan spirit is on the court. As the governor of California, Warren was so above narrow partisanship that he was elected by winning the Democratic as well as the Republican primary. It was this serene and generous spirit that enabled him to achieve a unanimous court on historic decisions like desegregation.

None of the chief justices appointed in this century have been abrasive. Warren was preceded by the expansive William Howard Taft, the courtly Charles Evans Hughes, the lofty Harlan Stone, and the amiable Fred Vinson, all were esteemed by both the public and the other members of the court regardless of party.

Nixon seems to have been personally looking over the prospects for the Warren vacancy. He invited seven of them to the recent White House dinner for the chief justice. Besides Brownell, the guest list includes Dewey, Secretary of State Rogers, Attorney General Mitchell, Solicitor General Griswold, Warren Burger of the U.S. Court of Appeals, and Charles Rhyne, former president of the American Bar.

[From the New York Times, May 16, 1969]

MR. FORTAS RESIGNS

The decision of Justice Fortas to resign from the Supreme Court was in the best interests of the court, the country and Mr. Fortas himself. By departing voluntarily, he has bowed to the iron rule that a judge must be beyond suspicion and he has thus helped preserve the reputation for integrity of the nation's highest court, which his own actions had so severely shaken.

In his letter of resignation to Chief Justice Warren, Mr. Fortas provides a more comprehensive explanation of his involvement with Louis Wolfson, a convicted financier. On the basis of the facts as he states them, it is difficult to understand why Mr. Fortas did not perceive a serious impropriety from the very outset in establishing a contractual relationship with the Wolfson Foundation. Since a judge cannot foresee who may come before him as a litigant, he must keep himself unencumbered as far as humanly possible of all outside entanglements. Moreover, as the canons of the American Bar Association make clear, a judge not only has to be innocent of any wrongdoing but he also has to be above reproach. This is a severe standard, but public confidence in an independent judiciary permits nothing less. It is a cause for sadness that Justice Fortas, in many ways so brilliant and perceptive, did not understand this simple truth until it was lit up by the glare of public controversy.

In the aftermath of the Fortas affair, every branch of government has occasion for introspection. President Nixon has to exercise the greatest care in making his appointments to succeed Mr. Fortas and the retiring Chief Justice. He has to choose persons whose capacities and character command immediate respect. Judges at every level of the judiciary have to consider anew whether their own conduct conforms to the highest standards and what fresh measures, if any, are necessary to clarify and enforce those standards. Members of Congress have an obligation to examine the beam in their own eye and cease living by a double standard when it comes to improper financial connections and dubious business or personal associations.

[From the Lansing (Mich.) State Journal, May 7, 1969]

JUDGES SHOULD STOP OFF-BENCH FEE JOBS

The newest uproar over off-the-bench activities of U.S. Supreme Court Justice Abe Fortas has set off another round of political battles in Congress with some demanding his resignation and others calling for legislation requiring justices to make public all sources of outside income.

We believe the more pertinent question is why justices of the U.S. Supreme Court should be permitted under any circumstances to accept outside fees for work even remotely related to the legal field—keeping in mind that their annual salaries are now $60,000.

U.S. Sen. John J. Williams, R-Del., seemed to be among the few who hit the nail squarely when he said Tuesday: "There is no excuse for the members of the Supreme Court to accept these outside legal fees on the basis of financial need, and most certainly their acceptance violates the moral standard of ethics that we expect from men holding these high positions."

Justice Fortas has been accused of accepting and later returning a $20,000 sum for research work with a foundation which was in trouble with the U.S. Securities and Exchange Commission and whose chief officer was later convicted of violating federal securities laws.

There is no evidence that the research and writing work requested of Fortas had anything to do with the federal case and Fortas stated that he returned the money after deciding he had no time to carry out the work.

Whether or not this was a violation of judicial ethics is a matter which undoubtedly will be fought out on the political fields of battle.

The Canons of Judicial Ethics of the American Bar Association state that: "A judge should not accept inconsistent duties; nor incur obligations, pecuniary or otherwise, which will in any way interfere or appear to interfere with his devotion to the expeditious and proper administration of his official function."

The canon, however, does not have the force of law. It does not specifically prohibit the acceptance of fees for outside work.

We agree with Sen. Williams and can see no reason why supreme court justices should be permitted to earn outside income for law services while members of the highest judicial body of this nation.

The salary of $60,000 which went into effect this year is not exactly what could be called low income bracket. Nor was the previous salary level of $39,500 in the chicken feed category.

Secondly, and more important, is the fact that the U.S. Supreme Court is the final and "supreme" judicial body of the nation which has the last word on interpretation of law.

Any activity of a justice outside of the court which involves the acceptance of a fee raises a potential conflict of interest no matter how well intentioned the out-of-court work might be.

[From the Philadelphia (Pa.) Inquirer, May 16, 1969]

RESIGNATION UNDER FIRE

From every angle the drama of the Abe Fortas case is tragedy. Tragedy for a member of the highest court in the nation, whose greed for money has led inevitably to his resignation; tragedy for a public shocked by the conduct of a Supreme Court Justice who was apparently so insensitive to the proprieties that he would accept the advantages of high office without meeting the standards that should go with it.

There are no laws covering every phase of judicial ethics. The Constitution enjoins "good behavior" by Federal judges and provides for Congressional impeachment for "treason, bribery or other high crimes or misdemeanors." In addition, there are the "Canons of Judicial Ethics" prepared in 1922 by the American Bar Association, which begin with a citation from Deuteronomy: "Thou shalt not take a gift, for a gift doth blind the eyes of the wise and pervert the words of the righteous."

Perhaps Justice Fortas never got around to reading this injunction, or else believed that it was not applicable to him when he accepted, and returned 11 months later, a $20,000 fee from the Wolfson family foundation. Wolfson, a former Fortas law firm client, is now serving a prison sentence for violating Federal securities laws. The fee was given Justice Fortas while Wolfson's activities were under government investigation and returned after the financier was indicted.

Instead of coming forward with a record of his full dealings with Wolfson after exposure of the $20,000 fee, Fortas compounded his difficulties by declaring that since becoming Justice he had not accepted any fee or emolument from Wolfson or the Wolfson family foundation; that a fee had been "tendered" to him, to do studies and writings, and that he had returned it with thanks.

Then the roof fell in. While pressure for his resignation or impeachment was mounting; while he refused an invitation to appear before a Senate committee to explain his actions, it was disclosed, and later acknowledged by Fortas, that an agreement was made for him to receive $20,000 a year for life from the Wolfson foundation and, further, that in the event of his death, his wife, member of his former law firm, would continue to receive the annual payments.

There was nothing left for him to do but resign, and leave behind him grim questions as to how far a man's greed can drive him. Abe Fortas and his wife, who have no children, are not precisely in want. As Supreme Court Justice, his salary is $60,000 a year. His wife, tax lawyer, receives an annual stipend said to be in six figures.

Although the spotlight of national attention has been thrown upon Fortas and his problems, he is not the only member of the high court who has been reaching zealously for money on the side. There is that aging Romeo, Justice William O. Douglas, now up to his fourth wife, who receives $12,000 a year as president of the Albert Parvin Foundation. Mr. Parvin had large Las Vegas casino interests.

The distinction between the dubious propriety of Fortas' acceptance of fees while serving as Justice of the Supreme Court, and that of Justice Douglas and his outside pocket-money would appear to many an exceedingly thin one.

Rigid guidelines on judicial conduct, and disclosure of income, are obviously needed. Meanwhile it is not only the President who accepts Justice Fortas' resignation, but the American public—instantly and with relief.

[From the Indianapolis (Ind.) Star, May 16, 1969]

FOR SEASONED JUDGMENT

The letter of Abe Fortas to Chief Justice Earl Warren, informing him of Fortas' intention to resign from the court, confirms the comment we made early in the uproar over his acceptance of an outside fee.

It turns out, by the way, that the fee was to be the first installment of an annual lifetime retainer, for services to the family foun-

dation of a man later convicted of violation of securities laws.

Fortas explained to Chief Justice Warren that he concluded the agreement for this arrangement shortly after he joined the Supreme Court in 1965. He made two significant comments about it.

"Because of the nature of the work, there was no conflict between it and my judicial duties," he said. "It was then my opinion that the work of the court would leave me adequate time for the foundation assignments." He later changed his mind, first deciding he would not have time for it and cancelling the agreement, and still later deciding that the fee should be returned.

Thus, as we said, his error was the result of inexperience. His statements indicate how little he knew about the workings and responsibilities of the Supreme Court when he was appointed. Some sound experience on the bench in lower courts would in all likelihood have equipped him with the prudence to have rejected the foundation retainer at the outset.

His resignation has resolved the unfortunate situation as far as the immediate position of the court is concerned. We are glad he had the wisdom and courage to resign, under fire, despite his own conviction that he had done nothing wrong.

Now we fervently hope that President Nixon, in finding a replacement for Fortas and in other nominations to the court, will turn to the ranks of thoroughly experienced judges. The highest court of the land is not a place for judicial novices. Its responsibilities call for the seasoned wisdom in judgment which can be acquired only by substantial and distinguished service on the bench.

[From the Washington (D.C.) Daily News May 16, 1969]

FORTAS HAD TO GO

Abe Fortas had no real option on what he had to do—resign.

His conduct as associate justice of the Supreme Court was incredible. Even more incredible is his belief that he has done nothing wrong.

He long has had a reputation as a man of brilliant mind. Beginning as a poor boy, he had accumulated a fortune. He had been in public office many years in his earlier days. He had been an advisor to the President of the United States. If only by osmosis, you would think he would have sopped up some of the ethical standards of the American people.

Almost anyone in the country would understand the impropriety of a Supreme Court Justice accepting a lifetime annual fee of $20,000 from any outside source—let alone a foundation set up by a high-flying stock manipulator heading for trouble with the law.

But not, apparenty, Justice Fortas.

Mr. Fortas got the first $20,000 check in January, 1966, three months after he went on the bench. He resigned his role with the Wolfson Family Foundation after criminal prosecution of Louis E. Wolfson (a former Fortas client) had been recommended to the Justice Department.

But he did not return the $20,000 to the foundation until several weeks after Wolfson had been indicted.

If Mr. Fortas ever read Canon 4 of the Canons of Judicial Ethics he apparently did not understand it:

"A judge's conduct," the canon reads, "should be free from impropriety and the appearance of impropriety; he should avoid infractions of the law; and his personal behavior, not only upon the bench and in the performance of official duties, but also in his everyday life, should be beyond reproach."

Mr. Fortas' behavior has dealt a severe blow to the prestige of the Supreme Court. The seriousness of this is not mitigated by the knowledge that Justice Douglas several years ago was revealed as accepting a $12,000 annual salary as director of a California foundation. That situation never has been resolved, not publicly anyway.

There was a proposal in Congress to start a preliminary inquiry into the Fortas case next week. Some Congressmen now say this isn't necessary, that the case is "closed." But what about Justice Douglas? And whether or not the whole Fortas story has been revealed? What additional information does the Justice Department have?

Congress at least ought to inform itself—and the public—on every last aspect of links between the court and outside interests; as a preparation for Senate review of future Supreme Court appointees, if nothing else.

And, speaking of future appointments, as a result of Mr. Fortas' imprudence the successors to him and to Chief Justice Warren after he retires next month are bound to be subjected to meticulous scrutiny by the Senate Judiciary Committee—as was Mr. Fortas when President Johnson tried to make him chief justice last year.

So it behooves President Nixon, in choosing his candidates, to select men of the highest judicial caliber. Among other things, it is paramount that they have the most circumspect understanding of Canon 4.

[From the Washington (D.C.) Post, May 20, 1969]

FORTAS CASE DEMONSTRATED A CORRUPT STRAIN IN LIBERALISM

(By David S. Broder)

In his letter of resignation from the Supreme Court, Associate Justice Abe Fortas defended his fee from the Wolfson Family Foundation—whose head, a former law client, had continued to consult with the Justice on his legal problems with the Government—with these words:

". . . Its program—the improvement of community relations and the promotion of racial and religious cooperation—concerned matters to which I had been devoting much time and attention. . . . Because of the nature of the work, there was no conflict between it and my judicial duties."

Official Washington was shocked by the Fortas case, but it should not have been. It has been a long time coming—more than 30 years—but, tragically, it was in many ways the logical culmination of New Deal liberalism.

Two years ago, John Kenneth Galbraith wrote in his book "The New Industrial State" that "only the innocent reformer and the obtuse conservative" can be unaware of the ways in which "the interests or needs of the industrial system are advanced with subtlety and power. Since they are made to seem coordinate with the purposes of society, Government action serving the needs of the industrial system has a strong aspect of social purpose. And . . . the line between the industrial system and the state becomes increasingly artificial and indistinct."

All the Fortas case really shows is that Galbraith's dictum applies to the Supreme Court as well as the other branches of the Government. The evolution has been plain.

The New Deal, which brought Fortas and his friend, Lyndon B. Johnson, to Washington, was a merger of two elements, an old-fashioned political liberalism committed to civil liberties and (later) to civil rights and a new economic liberalism based on the use of governmental power to expand and redistribute the national wealth.

The economic program, which was dominant, was originally directed to the relief of the Depression problems of unemployment and poverty. Though many of its pump-priming efforts failed, the New Deal reaped the economic benefits of World War II and liberalism emerged in the postwar period as a sponsor of a variety of public programs—military and civilian, foreign and domestic—that kept the industrial system prosperous.

Like many others of his generation, Abe Fortas made the transition from public servant in that early war on poverty (he was general counsel of the Public Works Administration at 29) to private practitioner handling legal problems for the industries that profited from the Government-induced prosperity.

As Max Frankel of the New York Times said, Fortas pioneered in the pattern of "brokerage between the rich and the mighty, for both noble and profitable causes." He was, for many years, both a skilled advocate for his private clients and a cherished counselor to Lyndon Johnson, who shared his view of the compatibility of liberal politics and private profits.

In their world, there was no sharp line between private and public interests. As a lawyer and as a Justice, Fortas was also a White House insider. And the presidential assistants with whom he worked knew they could join the Fortas firm, or others like it, at handsome salaries when their White House duties were finished.

To those who said the system was suspect, the reply was always that it served the cause of liberalism, of freedom and of social justice. Just as the profits of Fortas' private law practice allowed him to serve as indigents' counsel in landmark civil rights and civil liberties cases, so the profits of the war-inflated, Government-subsidized economy permitted Democratic Presidents from Truman through Johnson to pay for the education and welfare programs they passed.

The operating principle of the liberal program from the New Deal through the Great Society was the purchase of public programs through the guarantee of industrial prosperity. It seemed a perfect marriage—but the blurring of public and private interests at its root was essentially corrupt.

That Fortas' particular involvement was with a businessman indicted and later convicted of stock fraud may be regarded as accidental. But the intimate interweaving of private and public interests symbolized by his dealings with Wolfson is all too typical of the political tradition from which we came.

The New Left campus radicals who are trying to destroy the institutions of liberalism have long contended that liberalism's achievements in the social welfare-civil rights area are simply window-dressing or accidental byproducts of what is essentially a corporate-governmental mechanism for providing profits and protection to the privileged.

By confirming the radicals' view of the system, particularly at this moment, Fortas has compounded a personal tragedy into something of a national calamity.

[From the Richmond Times-Dispatch, May 16, 1969]

MR. FORTAS RESIGNS

The resignation of a Supreme Court Justice—although unprecedented in the tribunal's 180-year history—was almost essential in the case of Abe Fortas. Since Mr. Fortas apparently was unable to dispute or satisfactorily answer the serious charges against him, his resignation was the only means short of impeachment to remove the embarrassing shadow of suspicion which has damaged the high court's prestige.

Although Mr. Fortas still insists that he has done no wrong, many are viewing his resignation under fire as a confession of guilt. In a sense, perhaps it is. And yet, that should not mean that the entire matter is forgotten. For the case has raised a number of important issues and questions which remain to be resolved.

Unfortunately, indiscretions of the kind committed by Mr. Fortas have become all

too common. The only good that can possibly come out of his personal tragedy is to prevent future cases of this kind.

Mr. Fortas' colleague and former teacher, Associate Justice William O. Douglas, has been receiving $12,000 a year from a tax-exempt foundation linked to Las Vegas gambling interests.

Two-thirds of the 435 members of the House of Representatives, complying with a weak law requiring the partial disclosure of their financial interests, revealed last week that they have substantial outside incomes—some of which could compromise their public duty.

Time magazine recently noted that "it is hard to find an ex-aide of Lyndon Johnson's who has not gone to a firm that solicits work from the government, and there is a long list of men who have served on regulatory agencies and later represented clients before those very same agencies."

The foregoing suggests the need for a law requiring full disclosure of outside assets and income and a stricter code of ethics—particularly for members of the judiciary, from whom we have the right to expect the highest possible standards.

It is impossible to devise statutes that will guarantee honesty or thoroughly protect public servants from temptation, but a great deal can be done to improve existing legislation.

LEGISLATION BY THE SUPREME COURT

Mr. ERVIN. Mr. President, during the past 2 years the Subcommittee on Separation of Powers has been devoting a considerable amount of its attention to the Supreme Court. The subcommittee has been trying to make an evaluation of the "activism" displayed by the Court in the past 15 years and to assess the consequences to our constitutional system of the new role the Court has been playing.

Last year the subcommittee conducted a series of seminars at which leading members of the academic world in the fields of law, government, and history discussed the Supreme Court. In recent months these hearings have circulated among professors, lawyers, and judges, and the subcommittee has begun to receive the benefit of additional observations and assessments of the Court from a wide range of opinion.

One of the topics to which the subcommittee has paid particular attention has been the question of what nonjudicial activities judges and courts may properly engage in and yet not conflict with their prime responsibility of doing justice in deciding cases. Extrajudicial behavior includes a wide variety of activities, including speechmaking, press conferences, appointments to governmental commissions, and the exercise of rulemaking or legislative powers by the Supreme Court, to mention only a few.

While it may come as some surprise that the Supreme Court has legislative powers, the fact is that Congress gave it rulemaking authority over 30 years ago. Under this authority, the Court can announce rules of procedure governing the conduct of civil and criminal trials throughout the Federal courts. Unless vetoed by Congress within 90 days of submission, these rules have the force of law. As every lawyer knows, rules of procedure have a tremendous effect on the rights of parties and on the course of justice itself. The immense scope of this authority can readily be seen when one realizes that most of the controversial decisions in the field of criminal law handed down in the past decade have to do with procedural rules and conceivably could have been established by the Supreme Court under the rulemaking authority Congress delegated to it three decades ago.

There is much confusion and misunderstanding about the relationship between legislation and rules announced by courts in case decisions. For instance, there is a popular notion that the Supreme Court should act whenever Congress is too slow or too recalcitrant or of a different mind as to the solution to a particular problem. Those who hold this view are intoxicated by the quick, simple way in which the Court can decree the desired results. Recourse to the Court avoids the slow, frustrating effort necessary to analyze the problem, devise precise solutions, galvanize opinion, convince skeptics, meet objections, and form a political majority to get the job done. Benevolent dictatorships also have these same advantages over democratic systems.

This view is, in my opinion, evidence of an unfortunate lack of faith in democratic processes whenever those processes do not quickly result in the desired ends. It is a tragic irony indeed that those who seek changes in the name of expanding the rights and fruits of democracy turn to the nondemocratic branch of Government—the Supreme Court—to achieve their purposes.

Those who profess to believe in democracy but who are impatient with its requirements think that the judicial process and the legislative process are completely interchangeable. However, in this they make a fundamental error. The legislative and judicial processes are not interchangeable. And as Judge Warren E. Burger of the Court of Appeals of Washington, D.C., said recently in a speech to the Ohio Judicial Conference, "The Supreme Court helped make the problems we now have because it did not 'go by the book,'" but instead preferred to "legislate" by case decision instead of by the slower but more certain "orderly process of statutory rulemaking."

Mr. President, Judge Burger's speech is an excellent analysis of the disadvantages of making sudden and drastic changes in the law by the piecemeal, ad hoc process of case-by-case decisions as the Supreme Court has done. I ask unanimous consent that his speech, given to the Ohio Judicial Conference in Columbus, Ohio, September 4, 1968, be printed in full at the conclusion of my remarks.

In his address Judge Burger points out that the revolution in criminal law in the past dozen years follows a period of stability of over 150 years. While a number of important reforms have come from Congress—for example, the Criminal Justice Act of 1964, and the Bail Reform Act of 1966—most of the changes in recent years have come from the Supreme Court. He argues, as have many, that the Court is not the appropriate source for drastic, "legislative" changes in the law—an observation fully in accord with the Constitution, which in article I, grants "all" legislative powers to Congress.

The courts do not have either the time or the facilities for gathering data on complex issues of criminal procedure. They cannot write new and comprehensive rules on the basis of one or two cases and a few legal articles, in the context of the emotionally charged issues which come before them. Those issues have not been processed and digested by the clash of opinions and analysis which are part of the slow process of legislation in Congress. As Judge Burger observes, the legislative process gives time for a consensus to grow as issues are clarified and discussed. This avoids the shock and surprise, "the bitterness and confusion" that we experience on Tuesdays when we open our morning paper and read of the latest decrees that the Court has handed down.

Of particular concern to Judge Burger is the fact that the Supreme Court's new doctrines of criminal law—and I may add, its decisions on social, economic, and political issues, as well—have been couched in constitutional doctrines. In this way the Court's views of what is best for society are imposed on the States as well as the Federal Government, and are locked in, immune from legislation by Congress and State legislatures. This means that the Court's decisions cannot be changed or modified even if experience shows, as it has already, that change is necessary.

The only way, save by constitutional amendment, that Court "legislation" in criminal law, and in economic, social, and political fields can be changed, is by the appointment of new members who reverse the ill-advised decisions of their predecessors. The country urgently needs Supreme Court Justices who are disciplined in the tradition of the limited role of courts, and who have the judicial temperament to set aside their personal views and interpret the Constitution according to its clear terms. We may hope that future members of the Court will return that institution to its proper place in our constitutional system. But even in that event he still will have paid a heavy price. When precedents are overturned almost wholesale—as the current Court has done—then constitutional law becomes a thing of changing whim, subject to the views of passing Court majorities. In Judge Burger's words, "Constitutional doctrine will rise and fall like governments under the Fourth Republic of France."

Judge Burger calls for a return by the Court to the use of its rulemaking procedures, and the participation of judges, lawyers, and others in the formulation of rules of criminal procedures. As he says, the Department of Justice, State prosecutors, defense lawyer groups, bar associations, and law professors—not to mention the ordinary law-abiding citizen—should get their "day in court" before drastic changes are made in the law.

Extensive use by the Supreme Court of its statutory rulemaking powers will itself raise serious separation-of-powers issues. The line between judicially created rules and legislation by Congress

is not easy to draw. But if the Court used its formal legislative powers, the results would most likely be preferable to the situation the country now finds itself in.

I commend Judge Burger's remarks to all those who are disturbed at the Court's doctrine of legislating in the guise of deciding constitutional cases.

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

RULEMAKING BY JUDICIAL DECISION: A CRITICAL REVIEW

(By Judge Warren E. Burger, Washington, D.C.)*

The State of Ohio has taken a significant step forward in vesting rule-making power in its judiciary in "partnership" with the Legislature. As our society has become more complex it has spawned an array of new problems and that should not surprise us. History teaches us that progress always reveals new needs to be met and that is how Man worked his way out of the swamps and the jungles and the forests.

This complexity of our society has manifested itself in a very marked way in terms of improvements in law and in judicial administration. In an earlier day legislators had more time it seems, to adjust the machinery of government, including the machinery of the courts, to meet new problems. It is clear that in the Twentieth Century legislative bodies have not found the time to respond to all the needs which are served by judges.

You now have the initiative of important rule-making power, and at the threshold it may be useful to dwell for a short time on the strengths, the weaknesses and the pitfalls which can attend the exercise or failure to exercise this power.

SOME HISTORY

I will direct myself to some history which, in terms of the law, is recent—the events of the use and non-use of rule-making power in the Federal system over the past 30 years with particular emphasis on the past dozen years as it relates to rules of criminal procedure.

You know this history as you know the creed of your church, but it bears repeating for the same reason people remind themselves of their moral guides every Sunday in church.

I believe the points I will make concerning use of rulemaking power are shared by a growing number of judges, lawyers and, I am glad to say, by an increasing number in the academic community. Too many law professors for a long time gave uncritical applause to anything and everything they could identify as an expansion of individual "rights," even when that expansion was at the expense of the rights of other human beings—the innocent citizens—presumably protected by the same Constitution. I see signs of a constructively critical attitude by law teachers toward some of the judicial techniques employed in recent years to make reforms in criminal law procedure and rules of evidence.

As we look back we can see that for about the first 150 years of our history the criminal law and its procedures remained fairly simple and quite stable. For 25 to 30 years after that there was a considerable ferment in criminal procedure and the rules of evidence, and in the last 10 years, more or less, we have witnessed what many scholars describe as a "revolution in criminal law." Today we have the most complicated system of criminal justice and t[illegible] most difficult system to administer of any country in the world. To a large extent this is a result of judicial decisions which in effect made drastic revisions of the code of criminal procedure and evidence and to a substantial extent imposed these new procedures on the states.

This was indeed a revolution and some of these changes made were long overdue. All lawyers take pride, for example, in a case like *Gideon* v. *Wainwright*, which guarantees a lawyer to every person charged with a serious offense. The holdings of the Supreme Court on right to counsel, on trial by jury instead of trial by press, and on coerced confession will always stand out as landmarks on basic rights. These were appropriate subjects for definitive constitutional holdings rather than for rulemaking procedure to which I now turn. (In fairness, it must be said that some states had achieved these improvements long before the Supreme Court did so.)

AD HOC OR "BY THE BOOK?"

My central point tonight is, that as we look back, it seems clear now that the Supreme Court should have used the mechanism provided by Congress for making rules of criminal procedure rather than changing the criminal procedure and rules of evidence on a case-by-case basis.

If a large undertaking like framing rules of procedure is performed on an *ad hoc* basis, we may be right some of the time, but if we do it "by the book," we are likely to do it correctly all of the time. Surely it is arguable that the basic concepts of orderly procedure must apply to the enormously complex task of rewriting a code of criminal procedure. Over these past dozen years, however, the Supreme Court has been revising the code of criminal procedure and evidence "piecemeal" on a case-by-case basis, on inadequate records and incomplete factual data rather than by the orderly process of statutory rulemaking.

I suggest to you that a large measure of responsibility for some of the bitterness in American life today over the administration of criminal justice can fairly be laid to the method which the Supreme Court elected to use for this comprehensive—this enormous—task. My thesis assumes the correctness of the objectives the Court sought to reach in all of these controversial holdings. To put this in simple terms, the Supreme Court helped make the problems we now have because it did not "go by the book" and use the tested, although admittedly slow, process of rulemaking through use of the Advisory Committee mechanism provided by Congress 30 years ago.

JUDGES AND COURTS NOT "IMMUNE"

If anyone should think it unseemly that a judge should undertake to analyze and comment on the actions of the highest court, let me suggest that no court and no judge should be immune from examination of its functioning. Moreover, the need for such study is in direct proportion to the degree of reviewability of the particular court. A court which is final and unreviewable needs more careful scrutiny than any other. Unreviewable power is the most likely to indulge itself and the least likely to engage in dispassionate self-analysis. Presidents, governors and legislators, like most state judges, can be recalled by the people for good reasons—or none, but judges of Federal constitutional courts cannot be recalled.

Chief Justice Warren, and more recently Chief Justice-designate Fortas, have reaffirmed the value of constructive criticism of the courts and of judical action. Of course, this is as it should be. In a country like ours, no public institution, or the people who operate it, can be above public debate. The important thing is that public discussion of the courts be constructive, objective and calm and not emotional or bitter or personal.

I question tonight not the court or the last decade's holdings of the court but its methodology and the loose ends, confusion and bitterness that methodology has left in its wake. There is no legitimate place in American life for some of the acrimonious, irrational criticism of the Supreme Court and it ought to stop.

THE BASIC FUNCTION OF JUDGES

The basic function of judges is to decide cases and resolve controversies. In performing that function, a court of last resort must, as we all know, construe and interpret constitutions, statutes, rules, contracts, wills and trusts and in so doing it will frequently "make" law. This is inherent in the evolution of common law. But traditionally the making of codes of procedure or evidence, or rulemaking, is essentially a legislative function and this, as many noted legal scholars have pointed out, is because courts do not have the fact-gathering machinery or indeed the time needed for this difficult task; it is not because of a lack of competence. No one could seriously challenge the competence of nine justices of the Supreme Court to draft a code of criminal procedure, provided they could take the time and have the staff facilities necessary.

Facts and information are the raw materials of the law whether in deciding a particular case or in framing rules of procedure; nowhere is this more crucial than in the development of procedures. Rarely can one case or even a dozen cases, and no one text or authority nor even a dozen writers, supply an adequate factual foundation for building a structure of rules of procedure. Indeed, raw information and raw facts alone are not enough, for all raw material is useless, and can even be misleading, until it is processed. We have techniques in rulemaking for this processing which are tried and tested. They are based on the adversary system itself, drawing on centuries of experience which taught us to defer conclusions until we had allowed the clash of opposing points of view and the competition of ideas to supply a base or predicate for acting and drafting.

NEED FOR ORDERLY RULEMAKING

It was, as I suggested, more than 30 years ago that the legal profession, the courts and Congress recognized the need for an orderly rule-making procedure for the Federal system. Federal judges, and particularly the Supreme Court, acknowledged that the press of their own daily work and the narrowness of the records of particular cases before them were obstacles to sound rulemaking.

It was also recognized that a legislative body, even with a great number of lawyers in its membership, was not a satisfactory instrument for making detailed rules of civil or criminal procedure. From the premise that neither the courts nor Congress could perform this function alone, a rule-making procedure was established by law to enable the Supreme Court to prescribe rules by use of an Advisory Committee appointed by the Court. This advisory "legislative" body included lawyers, judges and law professors. It in turn was to carry on hearings, seminars and empirical studies and then submit the proposed rules to the Supreme Court. The Court after study was empowered to approve and adopt them. Under the statute they were then to be sent to Congress and, absent a modification within a stated period, they would become the law. This as we know was the process by which the Federal Rules of Civil Procedure were born. This is what you are now about to do.

---

*Text of an address delivered by Judge Burger to the Ohio Judicial Conference in Columbus, Ohio, Sept. 4, 1968.

Judge Burger is a graduate of St. Paul College of Law (LL.B. magna cum laude, 1931); was awarded a Doctor of Laws degree in 1966 by Mitchell College of Law; was on the faculty of the Mitchell College of Law from 1931 to 1948; practiced law in Minnesota from 1935 to 1953; was assistant U.S. Attorney General from 1953 to 1956, and has been on the bench of the U.S. Court of Appeals, Washington D.C., since 1956.

The genius of this scheme was that it was a joint enterprise of the Judiciary and Congress and the legal profession as a whole. While there were some critics of the Federal Rules of Civil Procedure so produced, the method of their drafting, preparation and adoption brought about overwhelming acceptance among lawyers, judges, scholars and public. First, there was a broadly based and representative Advisory Committee selected by the Supreme Court and as an official body it had great stature. Second, the Committee consulted every organization which was entitled to be heard. Bar associations and law schools carried on extensive studies and seminars at the request of the Advisory Committee. By the time the rules were drafted, they represented the best thinking of thousands of lawyers, judges and scholars in every state and local bar. This technique came to be recognized as a remarkably effective means of codifying rules of procedure and has been copied by many states. It is one of the significant contributions of modern law. Once the Civil Rules were an accomplished fact, the Supreme Court, acting under this same statute, created an Advisory Committee for Criminal Rules. For three years this Committee of eminent and representative members of the profession, including many Federal judges, conducted studies, held hearings, consulted other groups, and prepared a tentative draft of the Federal Rules of Criminal Procedure. This was then circulated to thousands of lawyers and judges for criticism and comment. The Judicial Conferences of the eleven circuits and a great many bar associations held seminars to study and report their views on the proposed rules. The Advisory Committee then revised its tentative rules to take into account the suggestions received and circulated a second preliminary draft and the grinding processes of study, challenge, debate and criticism were repeated. By this stage, the Department of Justice, state prosecutors, defense lawyer groups and bar associations and law professors had all been given a "day in court."

After being examined and approved, these rules were adopted by the Supreme Court and sent to Congress, whose acquiescence made them law. That was 15 years ago.

"THE PAST DOZEN YEARS"

The sheer volume of holdings the past dozen years in what have been essentially changes in rules of criminal procedure and evidence has placed the Supreme Court directly in the business of creating on a case-by-case basis important new criminal rules which dwarf the Federal Rules of Criminal Procedure in impact even if not in volume. I suspect that a dozen years ago the Supreme Court did not anticipate the scope of its "revolution" in criminal procedure, for even in retrospect the starting point is not clear.

A substantial number of lawyers, judges and scholars believe that when the Supreme Court found itself traveling down the road of codifying detailed rights and procedures under the Bill of Rights perhaps that was a good time to pause. Such a pause was urged, not only by the Court's dissenters, but by responsible voices, including Judges Lumbard and Friendly of the Second Circuit, Justice Walter Schaefer of the Illinois Supreme Court, and Dean (now Solicitor General) Griswold, among others. I have said for five years or more what I say to you now. In such a pause the Court would have done well to ponder long and carefully whether it was time for the entire subject of criminal procedural rules to be submitted to a Supreme Court Advisory Committee so that this remarkably efficient process could be directed to a broad scale re-examination of all the problems which the Supreme Court was concerned with, including the elusive concepts and problems of eyewitness identification at police lineup procedures, to mention but one example on which judges generally have little or no first hand knowledge or experience.

A DANGEROUS, MISCHIEVOUS WEAKNESS

There is a dangerous and even mischievous weakness in making or revising sweeping general rules of procedure and evidence on a case-by-case basis. The axiom of lawyers that "hard cases make bad law," applies and by the very nature of the review jurisdiction of the Supreme Court the cases it decides to review are usually "hard" cases and not the ordinary or usual kind of case. The Court's limited time often requires that the "easy" cases be left to others. The state cases which come to the Court give them less choice, especially in a period of escalating constitutional concepts, but essentially the Supreme Court is its own "traffic manager."

These "hard" cases usually come to the Court on the narrow record of but one case which frequently presents emotionally appealing situations that confuse and blur the bedrock consequences of a broad holding. With deference, I suggest that these cases are not always briefed and argued by men qualified by experience to present a case of great magnitude and consequence. Indeed, members of the Court have been heard to complain about the inadequacy of presentation. When the presentation for the accused is inadequate the mechanism of a brief from a friend-of-the-court is used. The Supreme Court cannot impose a friend-of-the-court on the State as an Appellee and this is where the States have been weak.

In short, the narrow record of the particular caes, the appealing aspects of the "hard" case, and the presentation by inadequate briefs and arguments from lawyers who never before, and perhaps never again, will see the hallowed chambers of the Supreme Court, all combine to have a large issue decided without the careful, painstaking, deliberative processes of the Supreme Court's Advisory Committees which I have already described.

Justice White, dissenting in *United States* v. *Wade*, which established new rules for police lineups, said:

"The Court assumes a narrower evil as the basis for its rule—improper police suggestion which contributes to erroneous identifications. The Court apparently believes that improper police procedures are so widespread that a broad prophylactic rule must be laid down, requiring the presence of counsel at all pre-trial identifications, in order to detect recurring instances of police misconduct. I do not share this pervasive distrust of all official investigations. None of the materials the Court relies upon supports it. Certainly, I would bow to solid fact, but the Court quite obviously does not have before it any reliable, comprehensive survey of current police practices on which to base its new rule. Until it does, the Court should avoid excluding relevant evidence from state criminal trials."

Justice Black was even sharper with the five majority Justices; he said in his dissent:

" * * even if this Court has power to establish such a rule of evidence, I think the rule fashioned by the Court is unsound. The "tainted fruit" determination required by the Court involves more than considerable difficulty. I think it is practically impossible. How is a witness capable of probing the recesses of his mind to draw a sharp line between a courtroom identification due exclusively to an earlier lineup and a courtroom identification due to memory not based on the lineup?"*

The careful study processes of an Advisory Committee in rulemaking would have explored all these avenues, sifted out the facts, and worked out a reconciliation and accommodation of the differing points of view. More than that, such a Committee would refuse to act unless it had the "solid fact" basis Justice White and three other Justices referred to instead of the individual speculation of five Justices who may never have witnessed a lineup in a police station.

It is interesting to note that the briefs in the *Miranda case* filed by 29 States and the National District Attorneys' Association strongly urged the Supreme Court not to resolve great issues on a narrow record of a few cases without the broad study which characterized the development of the Federal Rules of Criminal Procedure.

The Supreme Court brushed this off, saying: "Where rights secured by the Constitution are involved, there can be no rulemaking or legislation which would abrogate them."

All of us would agree that the Supreme Court should not let Advisory Committees or Congress "abrogate" any part of the Constitution, but I respectfully point out that four members of the Court disagreed with the five and that for nearly 200 years the "constitutional rights" which emerged from some of these cases were not seen by anyone. I hasten to add that no Court should ever be precluded from recognizing a constitutional right previously overlooked, but the Supreme Court's historic reluctance to "reach" for constitutional issues might well have led to allowing the rule-making process to function first as it has so admirably in the past before resolving a constitutional point.

LEADERSHIP SHOULD COME FROM THE COURT

Leadership in improving the administration of justice should, of course, come from the Supreme Court and under the statutory procedure it is not bound by what the Advisory Committee finally submits any more than it gives advance constitutional approval by adopting a set of rules. But for the life of me, I cannot see why the Supreme Court should assume this enormous task singlehanded and ignore the thousands of lawyers, judges and professors and such helpful groups as the ALI and others.

Members of the Supreme Court have been known to express regret and even annoyance from time to time at the lack of support for the Court's holdings from the legal profession and the Judiciary. But that should not be surprising when valid arguments have been responsibly advanced by four Justices in dissent urging the Court to go slowly and seek more reliable empirical data on the issue at hand and this is met by a lofty comment that on constitutional doctrine the Court "does not conduct a poll." With four Justices and a large segment of the legal profession protesting that no constitutional doctrine is involved in the particular case, the five should not expect that their arch comment about polls disposes of the matter. A possible explanation for widespread lack of support for some of the Court's holdings lies in the homely reality that the legal profession would like to be in on the takeoff—perhaps via the statutory rule-making process—if they are to be of help in explaining landing which shake up the passengers.

You will recall that in *United States* v. *Wade*, Justice Black, speaking in dissent, said somewhat acidly:

*"I have never been able to subscribe to the dogma that the Due Process Clause empowers this Court to declare any law, including a rule of evidence, unconstitutional which it believes is contrary to tradition, decency, fundamental justice, or any of the other wide-meaning words used by judges to claim power under the Due Process Clause. * * * I have an abiding idea that if the Framers had wanted to let judges write the Constitution on any such day-to-day beliefs of theirs, they would have said so instead of so carefully defining their grants and prohibitions in a written constitution. With no more authority than the Due Process Clause I am wholly unwilling to tell the state or federal courts that the United States Constitution forbids them to allow courtroom identification without the prosecution's first proving that the identification does not rest in whole or in part on an illegal lineup. Should I do so,*

I would feel that we are deciding what the Constitution is, not from what it says, but from what we think it would have been wise for the Framers to put in it. That to me would be 'judicial activism' at its worst. I would leave the States and Federal Government free to decide their own rules of evidence. That, I believe, is their constitutional prerogative."

Justice Black was addressing himself to the merits of what the Court was doing, whereas I am concerned with the procedure. But if his view has validity on the merits, surely it supports my thesis that the statutory rule-making process is better adapted to the Court's objective than trying to embalm a detailed rule in the Constitution under the Sixth Amendment right to counsel clause and without retroactive effect.

Some people think the word "consensus" has become a "bad" word, but I for one do not. It is only by developing a consensus that any of the great issues of the country are resolved and the matter of crime and criminal law is indeed one of the great issues. Granting for the moment the power as distinguished from the wisdom of drafting a detailed codification of rights and rules of evidence via constitutional interpretation, when these rules reach uniformly into every precinct station and sheriff's office in every town and hamlet in a nation of 200 million troubled and anxious people, I respectfully submit that the slower rule-making process would be more likely to produce a consensus and that the course of sound judicial statesmanship would have used that method. Among other things, the "sunburst" doctrine of discovery of constitutional rights which spring into being as of midnight on a stated day could have been avoided.

AN ADVANTAGE

There is, of course, another rather obvious advantage in statutory rule-making processes which is especially relevant in a period when the Federal Judiciary, and the Supreme Court particularly, is under attacks which render a great many people confused and uncertain. The advantage lies in the support which develops slowly and steadily as the rule-making process unfolds, involving as it does not only the Advisory Committee but subcommittees, seminars and task forces which include hundreds of lawyers, judges, prosecutors and scholars—the entire spectrum of the legal profession and state and local bar associations all over the country. As the process is enriched by the information and experience and ideas which these participants contribute, a massive base of support for the ultimate result builds up. This insures its acceptance and gives those who are affected a "lead" time to make adjustments in their habits and practices.

There is an even more serious flaw in constitutionalizing details of procedure and evidence better left to the more flexible machinery of statutory rulemaking. That process, while slow and cumbersome, produces more effective guidelines because rules can be stated more simply and precisely than a judicial opinion. Moreover, rulemaking leaves open the door for change and adjustment to the realities of subsequent experience, whereas altering a constitutional ruling or changing a constitutional trend calls for a sharp break with the past. The more recent the rule to be changed, the greater the blow to stability of constitutional doctrine.

Yet we must recognize that the constitutional concepts "tacked on" in these dozen years or so may not be as permanent as they appear when they are consistently arrived at by the margin of one vote with four Justices sharply suggesting that the cake which the Court was baking did not have all the essential ingredients for a good cake and that it has not been in the oven long enough. To paraphrase one of the felicitous lines of Elizabeth Barrett Browning, consequences "so wrought may be unwrought so." Thus, the constitutional result so wrought against the protest of four, may be "unwrought" by so simple a happening as the advent of one or two new Justices. Whatever one's view of the merits of any particular ruling so cast aside, this is a highly unsatisfactory method of improving criminal justice. Even those who do not admire some of these rulings do not want to see constitutional doctrine rise and fall like governments under the Fourth Republic of France.

ANOTHER CHALLENGE TO THE COURT

Another challenge has been made of the Supreme Court's almost undignified haste to clothe detailed rules of evidence and police station procedure in the garb of constitutional doctrine. That mechanism may seem to render the rule beyond the reach of Congressional modification, but it has a melancholy tendency to depreciate the standing of constitutional doctrine even in the eyes of those who fully approve the end result reached. Constitutional doctrine in criminal justice ought to be a steady line on the graph of history, always upward, avoiding peaks and valleys. Looking back over the past dozen years one is left to wonder what has become of the Court's firm policy never to decide a case on a constitutional ground if any other plausible ground was available.

The doctrine of judicial supremacy is firmly established in this country, but we have never accepted a concept of judicial infallibility. Herein lies much that would suggest cogent reasons for a belief that several hundred well-trained and sophisticated legal minds functioning within the rule-making process free from the pressures of an appealing case might well do a more comprehensive job of drafting a workable set of rules than nine extraordinarily busy men with no more than a short time to devote to any one case, and without the fact-finding facilities and staffs of an Advisory Committee appointed by the Supreme Court.

Nowhere is this more in evidence than in the cases dealing with the elusive and difficult problems of eyewitness identifications. The role of the lawyer is ill-defined and pregnant with questions of conflict of interest. The lawyer goes to the lineup in the partisan role of an advocate but may be called upon to be a monitor and hence a potential witness, a role that will require him to abandon his advocate assignment. If he does this, will it not be said that he is somewhat a "tainted" witness because he began as a partisan advocate? One instance has already occurred in which the lawyer hastily called to the police station advised his client to lie face down and refuse to cooperate with the police. The police then had all the persons in the lineup lie in the same posture to be viewed by the witnesses, and one can see the confusion engendered by having these witnesses stepping gingerly among the prostrate bodies in the lineup. Will this become a new legal form—the lie-down lineup! If the witnesses observe all this confusion, and see which person is causing it, as they might, which side has tainted the process of identification with prejudice?

GETTING RULES IN THE STATES

It is correct that the rulemaking procedure under the Federal system provides no automatic means for making the rules applicable to the State. But that is by no means a dispositive objection. We must remember that once the soundness of the Federal Rules of Civil Procedure were seen, many States followed the leadership of the Supreme Court and adopted comparable rules of civil procedure for the States, in some cases almost a "Chinese" copy of the Federal Rules. Laying aside Justice Black's cogent arguments that procedure should be left to the States, the record shows that no real leadership has ever been exerted to persuade the States to adopt more enlightened and efficient criminal rules comparable to the 1944 Federal Rules of Criminal Procedure.

I have already pointed out that in adopting a rule proposed by an Advisory Committee, the Supreme Court does not prejudge its constitutionality. There, of course, is always a process of interpretation, but I hardly need to offer evidence that construing and applying detailed rules, carefully worked out gives far fewer problems to trial courts, prosecutors, defense counsel and police than applying nuances of many of the new case-made rules of procedure.

The Supreme Court has tended to feel it could lay down broad objectives in these sensitive areas of interrogation and identification and leave it for others to work out the details. But these are crucial details which should have been worked out in advance as four Justices so sharply pointed out and indeed it is clear to many qualified persons that, had these problems and all their ramifications been thought through, other and different solutions might have been found acceptable to all members of the Court.

For three years, now, the American Bar Association has been engaged in what may be one of the most comprehensive and significant studies made of the administration of criminal justice in America. It is the Project on Minimum Standards of Criminal Justice, which has occupied a vast amount of the time of 80 lawyers, judges and law professors who make up the six Advisory Committees and the Special Committee which guides the whole project. Using methods somewhat like those which evolved the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure and lately the Federal Rules of Appellate Procedure, this Comimttee has published nine Reports which the House of Delegates of the American Bar Association has approved. Six or seven additional Reports will issue.

Probably no one will agree with everything in all of these Reports, for they cover the entire range of administration of criminal justice from arrest to ultimate confinement, when that occurs. Whether one agrees or not with all that is said, these Reports contain a rich treasure of raw material which can help any court or legislature in making rules or codes of criminal procedure. They will be made available to you. Material such as this and the long experience under the Civil and Criminal Federal Rules give the States a vast storehouse of material which has been tested. You will not need to plow hard ground to develop a sound set of rules in Ohio but can draw on all that has gone before.

CLARIFICATION IS IMPERATIVE

The matter of clarifying the whole range of Rules of Criminal Procedure, including the new rules and procedures developed by the Supreme Court in various opinions, is imperative. It seems clear now, with the benefit of hind sight, that many of the problems sought to be solved by the controversial holdings of the Supreme Court on criminal procedure and evidence over the past dozen years, would have better been submitted to an Advisory Committee appointed by the Supreme Court (under Title 18, Section 3771). But that is in the past and it is more important to look ahead. It is ten years since the *Mallory case*, yet the guidelines of that subject are still neither clear nor comprehensive. And the courts have not begun to come to grips with all the problems which will flow from the very recent lineup and identification holdings.

As to the Federal Rules, I submit that either by creation of a new Advisory Committee or by enlarging studies now being carried on, the whole area of criminal procedure and all the problems touched upon in the holdings on interrogation, preliminary hearings, police line-ups, eyewitness identification, for example, be committed to reexamination and re-appraisal. By this proce-

dure we can clear the air, clarify the ground rules, and get on with Society's basic responsibility of protecting an ordered liberty as well as protecting the rights of accused persons. We must do the best we can with the cases which arise under rules already laid down. On these there can, of course, be no moratorium. We should look back only as it contributes to visibility on the problems ahead.

Now as you look ahead I am sure that under the leadership of your great Chief Justice, Kingsley Taft, you will write a bright chapter in the history of Ohio law.

THE EAST-WEST CENTER

Mr. INOUYE. Mr. President, I recently joined in cosponsoring a bill introduced by Senator TYDINGS to improve and expand our family planning programs. The East-West Center of the University of Hawaii has become involved in the entire problem of population control and family planning. In 1968, a population studies program was established which has received support from the Rockefeller Foundation and from the Agency for International Development. It is laying plans for important public health and population work in close cooperation with the many nations of Asia which have already led the way in establishing nationwide programs to deal with excessively high growth rates in those areas. The program, now headed by Acting Director Sam Gilstrap, will, I hope, make an important contribution in increasing knowledge and developing even more effective ways to deal with the grave threat of the world population explosion.

I ask unanimous consent to include following my remarks in the RECORD, a progress report on the East-West Center population program.

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

EAST-WEST CENTER POPULATION STUDIES PROGRAM

In July 1967 the Rockefeller Foundation awarded a $15,000 grant to the East-West Center to muster a group of international experts in population and related fields for a conference at the East-West Center. It was the purpose of the conference to consider and make recommendations to the Center as to whether it might play a useful and constructive role in the field of population dynamics.

It was the sense of their recommendation that by reason of Hawaii's proximity to Asia and the Pacific, identifiable expertise on the University of Hawaii campus, and the unique mix of the Islands' population, a useful and significant program might be undertaken here. During ensuing months, negotiations were continued with the Rockefeller Foundation to provide seed money with which to begin the program. This Rockefeller seemed willing to do if there could be binding assurance that other money, presumptively Federal, might be obtained to continue the program in ensuing years. The Agency for International Development seemed the logical source for such financing.

Throughout the remainder of 1967, and up until June of 1968, these conversations with Rockefeller and AID were continued. On June 20, 1968, a contract was consummated between AID and the East-West Center/University of Hawaii, by the terms of which AID would finance a population studies program at the Center for a five-year period, with a basic grant in the amount of $3,741,193. Of this sum, $1,000,000 was made available for immediate obligation from the 1968 fiscal year appropriation. Subsequent to July 1, an additional $1,000,000 was obligated from the fiscal 1969 appropriation.

Our efforts to recruit a qualified director have continued, and a number of distinguished persons have been approached. Hopefully, a director can be found by the summer of 1969.

To date, staff appointments to the population program consist of Sam Gilstrap, Assistant Director for Administration (Acting Director) E. Ross Jenney, M.D., consultant for short-term, nondegree programs; Mrs. Ann Allmendinger, Assistant Selections Officer; and Mrs. Dorothy Yoshizumi, Secretary. In addition to these administrative appointments, agreement has been reached with the appropriate departments of the University for joint faculty appointments in sociology, geography, anthropology, public health, and economics. These positions will be funded on a 50/50 basis, and half time of each appointee will be devoted to research, research training, supervision of field projects, and other activity as directed by the East-West Center.

An International Advisory Committee for the program has been established, and its membership is composed as follows:

Dr. Philip Hauser, Chairman, Director, Population Research & Training Center, University of Chicago.

Richmond K. Anderson, M.D., Director, Technical Assistance Division, The Population Council, New York.

Dr. C. Chandrasekaran, Regional Advisor on Population Policies, ECAFE, United Nations, Bangkok.

Dr. L. P. Chow, Director, Taiwan Population Studies Center, Taiwan Provincial Department of Health, Taichung.

Dr. Ansley J. Coale, Director, Office of Population Research, Princeton University.

Dr. Mercedes B. Concepcion, Director, Population Institute, Manila.

Dr. Leslie Corsa, Center for Population Planning, School of Public Health, University of Michigan.

Dr. Kartono Gunawan, Demographic Institute, University of Indonesia, Djakarta.

Dr. Toshio Kuroda, Chief, Division of Migration Research, Institute of Population Research, Ministry of Health & Welfare, Tokyo.

John Z. Maier, M.D., Rockefeller Foundation, New York.

Dr. Norma McArthur, Department of Demography, the Research School of Social Sciences, Australian National University, Canberra.

Dr. Visid Prachuabmoh, Director, Population Research & Training Center, Chulalongkorn University, Bangkok.

Dr. Chang Shub Roh, Institute of Population Problems, Seoul, Korea.

Dr. Y. P. Seng, Economic Research Center, University of Singapore.

Dr. Saw Swee-Hock, Faculty of Economics and Administration, University of Malaya, Kuala Lumpur.

Dr. Douglas S. Yamamura, Chairman, Department of Sociology, University of Hawaii.

The first and organization meeting of the group was held at the East-West Center December 16 and 17, 1968. All those listed above were in attendance except Dr. Ansley Coale, Dr. Leslie Corsa, Dr. John Maier, Dr. Y. P. Seng, and Dr. R. K. Anderson. Dr. Anderson was represented by Frank Shubeck, M.D., Regional Director, Far East, the Population Council.

To maintain effective relationships for the program between the University of Hawaii and the East-West Center, an Executive Council has been established. It consists of the Chancellor, the President of the University, the Deputy Chancellor for Academic Affairs, and the Dean for Academic Development. The Council meets periodically.

To plan, develop, and maintain an instructional program of population studies, an Academic Committee (Population Studies Committee of the College of Arts and Sciences) has been established and has been meeting weekly.

PROGRAMS

(1) With the beginning of the second semester at the University of Hawaii, eight graduate students, seven of them being from Asia, will be enrolled in M.A. programs, principally in sociology and economics. Each of these graduate students will take special course work which will lead to a certificate attesting to some degree of expertise in the population field as a result of specially designed courses.

(2) Agreement has been reached in principle to sponsor a seminar in Kuala Lumpur, Malaysia, with the cooperation of the Press Foundation of Asia. It would be our purpose to fully indoctrinate representative journalists, broadcasters, and telecasters concerning the population problems of Asia, how to communicate with their respective constituencies, and how generally to enhance acceptibility of family planning programs.

(3) Agreement has been reached in principle to sponsor at the East-West Center this spring a conference of the Organization of Demographic Associates. This will result in the establishment of a series of working groups to examine several facets of the population problems of Asia and the Pacific, such as fertility control, migration, etc.

(4) Agreement has been reached in principle to support a training program under the sponsorship of the South Pacific Commission at Noumea, New Caledonia—a training course in census methods at a time during the current calendar year which is yet to be determined.

(5) Agreement has been reached in principle to sponsor a Summer Institute on Buddhism, Population, and Family Life at the East-West Center during August 1969.

(6) The Academic Committee has designed a concentration of studies in population as a part of M.A. and Ph.D. programs in several disciplines, and has advanced these curriculum changes through the University curriculum decision-making machinery. The first course will be offered beginning in February 1969.

(7) The Program has formally proposed to the Academic Committee that field education or project activities be considered as part of the degree program in various departments. The proposal is under study at the departmental level.

(8) The Program has developed plans with ISI and IAP for housing and research space for the team in population.

CONCLUSION

In brief, this reflects actions taken and momentum achieved during the six months period since the signing of the contract with AID.

SAM P. GILSTRAP,
Acting Director, Population Studies Program.

THE CONSUMER PROTECTION AND ENVIRONMENTAL HEALTH SERVICE

Mr. HUGHES. Mr. President, on May 1, Charles C. Johnson, Jr., administrator of the Consumer Protection and Environmental Health Service of the Department of Health, Education, and Welfare addressed the Iowa Public Health Association which was meeting in Des Moines.

His remarks would have been of interest to me, because he is a native Iowan, having grown up in Des Moines, and because he made a number of com-

ments regarding environmental conditions in my State. However, having read Mr. Johnson's remarks, I felt that my colleagues in the Senate would also be interested in his basic assertion: that by applying nationally what is already known about controlling hazards in our environment, much loss of life and health could be effectively prevented.

Mr. President, I ask unanimous consent that Mr. Johnson's address be printed in the RECORD so that other Senators may share his informative presentation.

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

REMARKS BY CHARLES C. JOHNSON, JR., ADMINISTRATOR, CONSUMER PROTECTION AND ENVIRONMENTAL HEALTH SERVICE, PUBLIC HEALTH SERVICE, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WASHINGTON, D.C.

I am very happy to be home again. Many of my friends and co-workers in the East envy you people who live in a State like Iowa. They think of the midwest as a land of green fields, bright sun, and clear skies, a refuge from smoke, noise, and congestion, a healthy place to live. They feel that this part of the country is not yet threatened by the host of contemporary problems which contribute so significantly to the steady deterioration of their environment.

While you and I know that Iowa is still a fine place in which to live, I am sure we also know that this view of the midwest is somewhat stereotyped and idealized. The inexorable forces of technology and urbanization are reshaping the environment in all parts of the Nation and Iowa is not immune. Today the problem of how to halt the deterioration of our environment is one of the most important issues our generation has to face. It is also among the most urgent, for the decisions we make in our time will determine the kind of world in which our children, and our children's children will live.

For you here, it may be unnecessary to state that all concern with the environment is essentially a concern for man—for his total health, happiness, and well-being. And yet it seems to me it is worth stating, and restating, whenever we are faced with decisions affecting the environment. For the environmental problems that plague us today are largely the result of our narrow pursuit of limited objectives—economic efficiency, fast transportation, agricultural abundance, for example—and our tendency to endow these activities with a life and purpose of their own, separate from or even superior to the needs of the human beings they were designed to serve.

The time has come when we must recognize that the various systems and subsystems which we devise to maintain ourselves on the planet—systems of economics, transportation, education, agriculture, etc.—that all these should contribute to the *total* well-being of man the citizen and consumer.

The organization which I have the privilege, and the problem, of heading, the Consumer Protection and Environmental Health Service, has been establsihed to provide a new impetus to our National effort to save the environment, and to provide a focus on man as part of that environment.

It includes the Food and Drug Administration, headed by Dr. Herbert L. Ley, Jr.; the National Air Pollution Control Administration, headed by Dr. John T. Middleton; and the Envinonmental Control Administration, headed by Assistant Surgeon General Chris A. Hansen. For the first time in the Department of Health, Education, and Welfare, we have brought all these organizations, dealing with protecting human beings from environmental hazards, together in a situation where they can be mutually supportive. We are finding that we are now able to take a more coordinated approach to environmental problems, and we are moving ahead as rapidly as possible to create a program which will have a real and lasting impact on these problems.

The primary reason for our efforts is of course the effects of the environment on man's health. We cannot measure suffering, but monetarily the cost to the Nation for the treatment of illness now stands at about $53 billion per year and has been rising by more than 8 percent annually since 1950. The average worker currently loses 7 work days yearly because of illness. Many thousands of productive people die prematurely or become disabled every year because of accidents, heart disease, cancer, emphysema and other major causes of death.

The need for treatment facilities, hospitals, clinics, nursing homes, far exceeds what is available or what can be supplied within the foreseeable future. The need for physicians, nurses, and other health workers is acute and will continue to grow greater.

Much of this expenditure and much of this sickness and loss of life is preventable. The contributory relationships to specific diseases by such environmental hazards as air pollution, occupational hazards, overcrowded housing, and poor sanitation have been identified. The current health costs of air pollution alone are estimated conservatively at $4 billion per year. Absence from work because of illness and injury costs the Nation $60 billion annually. Non-occupationally related accidents cause 104,000 deaths and 42.5 million injuries each year.

The major diseases closely related to environmental hazards include the chronic respiratory diseases, (especially emphysema and bronchitis), heart disease, mental illness, and cancer. Chronic respiratory disease, which in large measure can be associated with occupational conditions and air pollution, is the Nation's second leading cause of disability.

Social Security disability payments to victims of this disease and their families total $90 million annually. Emphysema, the major chronic respiratory disease, causes nearly 50,000 deaths per year

Heart disease, attributable at least in part to the stresses of the modern environment, causes about 700,000 deaths annually. It is the leading cause of Social Security compensated disability, and costs the Nation more than $25 billion each year.

The mentally ill, many of them victims of an assortment of environmental stress, occupy more than half of the Nation's hospital beds. Occupational exposures to hazardous substances are believed to be related to a significant, though not yet precisely determined, number of the 320,000 cancer deaths which occur each year in this country.

By applying nationally what is already known about controlling environmental hazards, much of the health damage I have cited need not occur. I believe you will agree that it would be a far wiser investment in terms of simple economics alone to keep people well rather than treat them and support them after they have become ill. Moreover, all Americans share the burden of environmental deterioration, including those who live in sections of the country where the problems are not yet so acutely evident as in others. Through Medicare, Medicaid, and national programs of medical research, hospital construction, and training, every citizen is paying the price for the damage to health associated with environmental hazards, wherever they occur.

I will turn now to some of the specific environmental problems of our time which I believe have a bearing on human health in Iowa. Let me begin with food, since as the major business of this State, it is a subject of special interest. Maintaining uncontaminated food is a continuing—and indeed a growing problem. It is estimated that over two million Americans are stricken with illness each year from microbiological contamination of food—chiefly salmonellosis.

What is more, the use of food additives to impart flavor, color or other qualities has increased 50 percent in the past ten years, and each of us now consumes an average of three pounds of these chemicals yearly. Pesticides leave residues on food crops, and traces of veterinary drugs occur in meat, milk, and eggs—all this in addition to the chemical barrage that reaches us from other parts of the environment.

I understand that the Food Act in Iowa is patterned after the original Pure Food Act of 1906 but that it has never been updated to include the major legislative changes in this field which began in 1938. I understand it also does not include the more modern provisions requiring the preclearance for safety of food additives, pesticide chemicals and color additives. Surely, this is a matter of State as well as of Federal concern.

The value, and the hazards, connected with pesticide use, I am sure are thoroughly appreciated here in Iowa, where food production is such an important part of the economy. Federal regulatory authority in this area covers only interstate shipments, as you know, and here again we are faced with the fact that much of the food produced on farms never crosses State lines. Effective State surveillance is a practical necessity, and yet the truth is that most States are not doing enough to protect their consumers against ingesting toxic pesticide residues on food.

The tremendous benefits that have been derived throughout the world from the use of pesticides since World War II are well-known. Their use has augmented spectacularly the growth of food crops and has, in addition, played a major role in public health efforts to control disease-bearing insects. Less well-known are the adverse side effects of the use of pesticides, a subject which increasingly has received scientific attention in the past decade. This latter concern has fallen most heavily on chlorinated hydrocarbons, a major category of pesticide chemicals which tend to persist in the environment for many years. The chlorinated hydrocarbon which has received, by far, more attention than any other, is DDT, which has been used throughout the world in great quantities since the early 1940's. DDT is found in the air, water, soil, flora, and fauna throughout the world today.

Less than two weeks ago, Secretary of Health, Education, and Welfare, Finch announced the appointment of a Secretary's Commission on Pesticides and their Relationship to Environmental Health to explore the field of environmental pollution and its consequent risks to the health of our citizens. The Commission is to report back with specific suggestions for action in six months.

At the moment, the Food and Drug Administration's surveillance of pesticides includes collecting data on pesticide residues in the average diet. Within Iowa, the FDA collects its total diet pesticide samples from the Iowa City area. The results are supplied to the University of Iowa for use in their studies as well as to Washington. But an adequate State pesticide program requires laboratories, crop analysis and inspection, control or permit systems to deal with major spraying and dusting operations, and an informational and educational program to increase voluntary compliance. There is no question that there is much to be done both here in Iowa and in other parts of the Nation, before we will have adequate control over this problem.

Let's move to another problem, solid waste disposal, which in Iowa is closely related to the food industry. The wastes from feed lots and packing houses pose a difficult problem, and when they are discharged into

waterways, which are also employed as sources of drinking water, the problem has been shifted, not solved. Nationally, the solid waste disposal problem consists of 1.5 billion tons of animal wastes, 550 million tons of agricultural waste and crop residues, over 1.1 billion tons of mineral wastes, 110 million tons of industrial wastes, and 250 million tons of household commercial and municipal wastes—a total of 3.5 billion tons of wastes per year which must be disposed of in a manner that is not injurious to health. This environmental problem may well prove to be the most difficult and serious of all.

Every year, we discard more than 190 million tons of garbage, trash, bottles, cans, and other refuse. Nonreturnable bottles, aluminum cans, and new types of disposable paper products complicate the problem.

Nationwide, collection and disposal of garbage and other solid waste cost an estimated $3.5 billion in 1967, and yet the methods used are little improved over those of 25 years ago. A colleague of mine in New York liked to point out that the only real improvement we had made in waste disposal in the last 50 years was putting an engine instead of the horse in front of the garbage truck.

In the inner city, accumulated garbage and trash create breeding grounds for rats, insects, and vermin and constitute a major health problem. Before we can do anything effective in the deteriorating areas of our cities, we have to attack the problem of solid waste disposal through better storage and collection methods and, in fact, through education of the people. Our Environmental Control Administration is assisting in 15 rat control demonstration programs that will employ this comprehensive approach.

Yesterday's city dump is now in today's suburb, so that most cities in the country are now destroying out-of-the-way areas of natural beauty, and polluting land, air, and water, in an effort to get rid of mountains of refuse. Our Federal program is funding research and demonstration projects designed to develop alternative methods of dealing with the problem, including composting and recycling.

Under properly controlled conditions, use of solid waste as landfill material can restore certain areas to useful purposes. The problem of sanitary landfill as a disposal method, of course, is that many cities no longer have accessible areas where this is appropriate.

There is no question that existing systems for getting rid of trash are largely obsolete and inadequate. I understand that Iowa does not plan to apply for a solid wastes planning grant from the Federal Government this year. I hope you find it possible to do so in the near future, for solid waste management on a Statewide and regional basis is an important need throughout the country.

The water pollution problem which I mentioned briefly in connection with poor solid waste disposal practices, brings us to another environmental concern which is growing in seriousness with each year that passes. I refer to the quality of drinking water. Most of the community water supply systems in this country were initially constructed over 30 years ago and were designed to serve population densities that were 20 to 40 percent less than today's. Despite efforts to modernize and increase capacities, many systems have fallen behind and are failing, in many respects, to meet today's needs.

These systems were designed to treat a high quality of raw water for removal of bacteria, with little or no capability for removing toxic chemical or virus contaminants. Today, both ground and surface water supplies have deteriorated. At the same time, the efficiency of treatment plants has deteriorated, and, what is more, so have surveillance and health controls over public drinking water supplies. Almost all of the States have become complacent about the safety of drinking water. We can no longer afford such complacency.

Recently, I received a newspaper article from the Des Moines *Register* complaining about this very problem. The article begins, "A number of persons have written in requesting the recipe for Des Moines water. As well they might, for over the past several weeks Des Moines water has become a unique taste treat. Admittedly, the water is a little past its prime now, but at the height of the warm weather runoff, a week or so ago, a touch of the tap would bring forth a sudsy, steaming foul-smelling, evil tasting concoction that was the envy of foul water fans throughout the Free World." The article goes on in a somewhat humorous vein about this rather serious subject. All over the country, I believe we are rapidly approaching a crisis stage with regard to drinking water. The time has come when communities are going to have to allocate substantial resources to modernizing their treatment plants and to improve their distribution systems or continue to court serious health hazards from contamination.

The next environmental problem I would like to discuss has long been associated with agricultural work in this State and is now growing in importance with Iowa's expanding industrial economy. This is occupational safety and health—the oldest and yet one of the most neglected of the whole spectrum of environmental problems. Every year, hundreds of new chemicals and chemical compounds are introduced into industry and agriculture, along with countless operational innovations. Thousands of workers suffer from cancer, lung disease, hearing loss, dermatitis, or other preventable diseases because industry, unions, and government at all levels have failed to give adequate attention to occupational hazards. We are finding every year new and subtle threats to workers' health, growing out of our new technology, and yet we have made too little progress in the last 50 years against some of the oldest occupational diseases of man.

Last December, in an effort to initiate some sort of sensible attack on the age-old plague of coal miners—"black lung," as it is called, or coal worker's pneumoconiosis—I issued a recommended standard for dust in soft coal mines. This calls for respirable dust levels not exceeding 3.0 milligrams per cubic meter. Legislation now before the Congress would establish this standard as a goal.

Black lung is only one of several serious occupational diseases which we, as a Nation, have neglected far too long. We intend to give more attention to occupational health problems at the Federal level, and I urge that you do so at the State level, as a means of protecting the health and strengthening the economy of this State.

Still another by-product problem of industrialization and urbanization which this State shares with many others is air pollution. Iowa's State Air Pollution Control Law, enacted two years ago, is, I understand, a good one. But there is still a need for technical staffing and funding, and no application for Federal grant support for air pollution control has been received from Iowa by my agency. On the local level, I am told that the Linn County Health Department has a good air pollution control program underway with adequate laws and good industry cooperation, and that the Des Moines-Polk County Health Department is in the process of developing a program.

At the present time, toxic matter is being released into the air over the United States at a rate of more than 142 million tons a year, or three-quarters of a ton for every American. And what does this do to people? In the first place, there is no doubt that polluted air is a major contributor to emphysema, chronic bronchitis, and lung cancer—some of the major "diseases of civilization," which are on the increase.

Furthermore, since we are interested in the "whole man" let's see what it costs us in economic terms. The annual cost to U.S. citizens of air pollution has to be computed in billions of dollars. In figures that are more easily understandable, it is estimated to cost each of the 200 million American citizens $65 per year; for those who live in highly polluted areas, the cost per person, including higher medical bills, household maintenance, and other expenses, can be more than $200 per year. The cost throughout the United States in damage to agricultural crops alone is more than $500 million every year. In one of our Eastern States, air pollution is considered by many to be a greater menace to farmers than bad weather, pests, or insects.

Another growing problem is radiation. Radiation is an environmental hazard to ours and future generations which we have barely begun to understand. Radiation sources are now to be found throughout the environment. They range from the large-scale applications of nuclear energy, particularly in electric power generation, through laser and microwave technology in industry, to the use of radionuclides and X-rays in the healing arts and the use of microwave ovens and other electronic equipment in the home. And our scientific protection against radiation is at only a beginning stage of development.

I am pleased that the radiation problem has been brought to the attention of the State legislature in Iowa and that the proposed legislation includes attention to nonionizing radiation, the sources of which are rapidly proliferating throughout the country. Every State should have a program of surveillance and control to deal with this hazard.

While the many problems of environment must be broken into manageable pieces for effective control action, it is equally necessary to consider them as a whole and to take cognizance of their interrelatedness. Otherwise we run the risk of substituting one problem for another. We in the Consumer Protection and Environmental Health Service are prepared to assist the States in every way possible in planning, coordinating and implementing their environmental programs. One mechanism which many States are overlooking as a means of developing their environmental programs is the assistance available under the Partnership for Health—the Comprehensive Health Planning program authorized under Public Law 89-749 in 1966, and expanded by amendment the following year. The intent of this legislation is to assist States and communities to achieve the "highest level of health attainable for every person, *in an environment which contributes positively to healthful individual and family living,*" and it offers financial assistance to accomplish this.

I certainly would recommend that each of you make sure that problems of environmental control are given consideration in the preparation of your State health plan. The preponderance of activities by the health and related professions are, unfortunately, still being carried out in such a way as to suggest that man as an organism is not dynamically related to his environment. Almost total emphasis has been placed on providing health care for people who are already sick. Even those members of the health professions who are concerned with preventive medicine have not yet begun to focus on the importance of a wholesome environment in preventing illness. We cannot continue to

ignore the fact that environmental deterioration—particularly the morass of environmental problems which afflict our inner cities and suburban areas—are health problems. No health plan can be regarded as comprehensive unless it gives consideration to environmental improvement as a most important step in preventing disease.

Your organization and your counterparts in the other 49 States must help forge a program of environmental improvement whose impact will be felt in every facet of our national life. An important challenge confronts all of us. We must halt the deterioration of the environment . . . we must make life worth living in the ghetto and in the suburbs, in the town house and in the cottage, in the city and in the country . . . we must prove that ugliness, danger, and misery do not have to be a part of the birthright of any American, wherever he may live in this land.

OPERATION BETTER BLOCK

Mr. JAVITS. Mr. President, "Operation Better Block," a citywide community participation campaign, is helping a number of New York City neighborhoods to help themselves.

The program is sponsored and financed by the mayor's urban action task force and by Bristol-Myers Co., one of our active corporate citizens. The project was so successful last summer in assisting people to improve their surroundings that it will be continued on a full year's basis.

"Operation Better Block" is aimed at increasing opportunities for people to participate, to determine their needs, and to share in decisions that govern their lives and their neighborhoods. It is a most commendable effort.

I ask unanimous consent that an article published in the New York Times of March 30, 1969, be printed in the RECORD.

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

TIPS GIVEN TO ADD "BETTER BLOCKS"—RECRUITS TO THE PROJECT ARE TOLD HOW TO DO IT

Information on how residents can improve their own block by exerting pressure on the departments, landlords and neighbors was exchanged yesterday at a briefing session of "Operation Better Block" at the St. George Hotel in Brooklyn.

Young and old, black, white and Puerto Rican, men and women, middle-class and not so prosperous, all veterans of The Better Block project, discussed their method and achievements for the benefit of a new group of block leaders about to embark on new projects.

The wife of a Negro minister on Staten Island and a Puerto Rican widow who earns her living as translater were the principal speakers. They described how they organized projects that won two of six awards presented at the conclusion of the experimental phase of the project.

NEIGHBORHOOD LEADERS

One hundred neighborhood leaders from Brooklyn and Staten Island attended yesterday's meeting, the first in a series to begin the next phase of the city-wide project sponsored by the city and Bristol-Myers Company through the Mayor's Urban Action Task Force.

"Seed money" of $400 is provided to help a block association carry out a community-improvement proposal, and $36,000 in prizes will be awarded to the most outstanding ones completed.

Mrs. Martha Lewis Crawford, director of the project said that 100 blocks participated in the experimental project, for which Bristol-Myers gave $40,000 and that they would take part in the new program financed by $128,000 from Bristol-Myers and $50,000 from the city.

Mrs. Irene Skinner of West Brighton, the minister's wife, speaking at yesterday's meeting told how she had organized the neighborhood into cleaning up "with our own hands a ten-and-a-half acre lot that had been a dumping ground for abandoned cars, old mattresses, garbage and other debris."

Under her leadership, the West Brighton Neighborhood Improvement Association then proceeded to get the owner of the land to deed it to the city, and persuaded the city to build a swimming pool and park on it.

"We have also created a stable community relationship between adults and teenagers," Mrs. Skinner said.

BLOCK PARTY ARRANGED

Mrs. Noreida Pastor, speaking in English with a Spanish accent, told how she aroused the interest of apathetic adults in her neighborhood by putting on a block party for their children.

"When they looked out and saw me all by myself, they saw we needed help with all those kids," Mrs. Pastor said. "Within two hours they started bringing food and things and asked me questions about what I was doing."

Mrs. Pastor is chairman of the Schaefer and Eldert Street Block Association in Brooklyn. One of the blocks had been so full of narcotics addicts, prostitutes, gamblers, street fighting and other criminal activity that it was called "Little Korea," Mrs. Pastor said.

She cleaned up the street not only by putting her grateful teen-agers to work with brooms, but by tracking down the owner of three tenements in which most of the criminals lived, and persuading her to evict them, Mrs. Pastor reported.

PROGRESS IN NATION'S CAPITAL DEVELOPMENT BEING MADE AS CENTER LEG FREEWAY AND BUILDING CONSTRUCTION MOVES FORWARD

Mr. RANDOLPH. Mr. President, Senators are aware of the freeway construction going forward at the base of Capitol Hill. The first section of tunnel is located immediately in front of the Capitol, which I inspected yesterday in company with Members of Congress and District officials.

The Center Leg Freeway when completed will extend from the Southwest and Southeast Freeways to New York Avenue. The total cost for this element of the District freeway system is $90 million. It is designed to carry approximately 140,000 vehicles per day. At the opening of the project, sometime during midsummer of 1971, approximately 20,000 to 30,000 vehicles per day will use this facility. The design loads will develop after both the subway and freeway systems are completed and in use, and after the metropolitan area population increases from its present 2.5 million to an estimated 6.8 to 9 million by the year 2000. This traffic will come from that which is being carried on the north-south street system in this part of the city. Those streets can then revert to the use for which they were intended.

The center leg has some novel and interesting features which adapt it to the needs of urban living. First, it is below ground level, either open cut or tunnel. This means that the roadway will have no adverse effect on the esthetics of the area or the development of the neighborhood. As a matter of fact, the design of the project will stimulate proper growth and development. The airspace above part of the freeway will be used for a Federal building being constructed at Constitution Avenue.

The Federal Highway Administration, General Services Administration, and the District of Columbia Department of Highways and Traffic officials consider that the Labor Building will be one of the world's outstanding examples of the joint-use air-rights concept.

Over the tunnel and centered in front of the Grant Memorial a 4-acre reflecting pool is being built in accordance with the plan developed by the Pennsylvania Avenue Commission.

All major contracts for this freeway have been awarded and work was commenced in 1966. Unfortunately the freeze on Federal-aid highway funds in 1967 and 1968 have delayed scheduled completion by 1 year and the facility will not be ready for traffic until July 1, 1971.

On that part of the project north of Massachusetts Avenue, between H and K Streets, Northeast, the District Department of Highways and Traffic, the District of Columbia Redevelopment Land Agency, and the Federal Highway Administration in cooperation with local residents represented by the Washington Urban League, have planned a third air-rights structure which will provide housing for more than 300 families. The design contract for this project has just been consummated by the District of Columbia Redevelopment Land Agency and construction on this portion of the center leg is expected to commence within the next year.

The total displacement for the entire center leg project was 209 families and 292 individuals. As I have indicated, this project will provide over 300 family replacement units of superior quality housing. It is obvious that, through this kind of effort, the freeway program can replace all of the housing originally eliminated by the project.

The visible portions of the entire Center Leg Freeway projects will be attractively landscaped. Its construction has already sparked a renaissance in both private and governmental building for the area north of Constitution Avenue. I am pleased that the planning, design, and construction has been of the highest caliber, and I urge the agencies responsible for building these important facilities to move vigorously so that the housing and highways can be placed in use as soon as possible.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate sundry messages from the President of the United States sub-

mitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT ON EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to Law, the calendar year 1968 report on extraordinary contractual actions to facilitate the national defense (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION TO AUTHORIZE THE EXTENSION OF CERTAIN NAVAL VESSEL LOANS NOW IN EXISTENCE AND NEW LOANS OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation to authorize the extension of certain naval vessel loans now in existence and new loans of naval vessels to friendly foreign countries (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION TO AUTHORIZE THE ADMINISTRATOR OF VETERANS' AFFAIRS TO SELL DIRECT LOANS MADE TO VETERANS UNDER CHAPTER 37, TITLE 38, UNITED STATES CODE

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable under prevailing mortgage market conditions direct loans made to veterans under chapter 37, title 38, United States Code (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON U.S. COAST GUARD CONTRACTS PURSUANT TO SECTION 2034(a), CLAUSE 11, TITLE 10, UNITED STATES CODE

A letter from the Assistant Secretary for Administration, Office of the Secretary of Transportation, transmitting, pursuant to law, a report of a list of the purchases and contracts made by the U.S. Coast Guard under clause 11 of section 2304(a) of title 10 since October 30, 1968 (with accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION TO AUTHORIZE APPROPRIATIONS FOR THE EXPENSES OF THE U.S. SECTION OF THE UNITED STATES-MEXICO COMMISSION FOR BORDER DEVELOPMENT AND FRIENDSHIP

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the expenses of the U.S. section of the United States-Mexico Commission for Border Development and Friendship (with accompanying papers); to the Committee on Foreign Relations.

PROPOSED LEGISLATION TO IMPROVE AND EXTEND THE PROVISIONS RELATING TO MEDICAL LIBRARIES AND RELATED INSTRUMENTALITIES

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Public Health Service Act to improve and extend the provisions relating to medical libraries and related instrumentalities, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the U.S. Department of Health, Education, and Welfare for the fiscal year 1968 (with an accompanying report); to the Committee on Labor and Public Welfare.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. INOUYE (for Mr. MAGNUSON), from the Committee on Commerce:

Charles H. Meacham, of Alaska, to be Commissioner of Fish and Wildlife, Department of the Interior.

By Mr. RANDOLPH, from the Committee on Public Works:

Aubrey J. Wagner, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Theos J. Thompson, of Massachusetts, to be a member of the Atomic Energy Commission.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

A House concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Agriculture and Forestry:

"HOUSE CONCURRENT RESOLUTION 60

"Whereas, the U.S. Department of Agriculture administers the Food Stamp Program to increase the use of American-produced agricultural products and to improve the nutrition of low income persons; and

"Whereas, the Department of Health, Education, and Welfare disburses Federal funds to the needy in the form of public assistance to purchase food in a similar program; and

"Whereas, the Hawaii State Department of Social Services has been administering the Food Stamp Program in Hawaii for the past two years; and

"Whereas, the U.S. Department of Agriculture currently disburses Federal funds through the program to needy persons in the form of bonus food coupons; and

"Whereas, the present procedure requires individual clients to purchase their allotted amounts of coupons through authorized banks and such coupons are used to purchase food products at authorized grocers; and

"Whereas, such procedures are formidable barriers to the purchase and use of food stamps for the poor who are humiliated by such a process; and

"Whereas, the purpose of our honorable nation's commitment to improve the nutrition of low income individuals and families can be more efficiently achieved by giving such individuals the bonus in the form of cash redeemable for USDA defined food products, as is presently done in the programs administered by the Department of Health, Education and Welfare, thus reducing administrative costs by abolishing the need for working through authorized banks to distribute the bonus; and

"Whereas, while less than fifty percent of the eligible welfare recipient population is currently participating in the program, this proposed method of distribution would enable all eligible low income persons to receive bonus food coupons; now, therefore,

"Be it resolved by the House of Representatives of the Fifth Legislature of the State of Hawaii, Regular Session of 1969, the Senate concurring, that it recommend that the President of the United States establish a mechanism for the transfer of the surplus agricultural program funds to the Department of Health, Education, and Welfare who will in turn get them to the poor in each of the states; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to President Richard M. Nixon, Vice-President Spiro T. Agnew, President of the U.S. Senate, Speaker John W. McCormack of the U.S. House of Representatives, and to all members of Hawaii's delegation to the United States Congress.

"TADAO BEPPU,
"Speaker, House of Representatives.
"SHIGETO KANEMOTO,
"Clerk, House of Representatives.
"DAVID C. MCCLUNG,
"President of the Senate.
"SEICHI HIRAI,
"Clerk of the Senate."

A House concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare:

"HOUSE CONCURRENT RESOLUTION 42

"Whereas, the State of Hawaii does not presently have a veterans' home; and

"Whereas, Hawaii has contributed a high percentage of her young men to the service of the United States, with a concomitant high percentage of casualties; and

"Whereas, this is a fitting time for the establishment of a veterans' home in the State of Hawaii; now, therefore,

"Be it resolved by the House of Representatives of the Fifth Legislature of the State of Hawaii, Regular Session of 1969, the Senate concurring, that the President of the United States be, and he hereby is, requested to consider establishing a veterans' home in the State of Hawaii; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to President Richard M. Nixon, Vice-President Spiro T. Agnew, President of the U.S. Senate, Speaker John W. McCormack of the U.S. House of Representatives, and to all members of Hawaii's delegation to the United States Congress.

"TADAO BEPPU,
"Speaker, House of Representatives.
"SHIGETO KANEMOTO,
"Clerk, House of Representatives.
"DAVID C. MCCLUNG,
"President of the Senate.
"SEICHI HIRAI,
"Clerk of the Senate."

A House joint memorial of the Legislature of the State of Colorado; to the Committee on Appropriations:

"HOUSE JOINT MEMORIAL 1002

"Memorializing the Congress of the United States to take the necessary action to restore funds to become available for the Frying Pan-Arkansas reclamation project

"Whereas, A proposed reduction in reclamation construction funds will deprive the Frying Pan-Arkansas Reclamation Project in this state of approximately seven million dollars in funds available for construction purposes in 1969; and

"Whereas, Such reduction will delay the letting of contracts on the Pueblo Dam, which is the core of the entire project, and will in consequence have a seriously adverse effect upon the economy of Colorado and particularly with respect to the cities of Pueblo, Leadville, and Lamar; now, therefore,

"Be It Resolved by the House of Representatives of the Forty-seventh General Assembly of the State of Colorado, the Senate concurring herein:

"That the Congress of the United States is hereby requested to take all action necessary to expedite the construction of the Frying Pan-Arkansas Reclamation Project through the restoration of the amount of seven million dollars in the appropriations for this important project and thereby avoid the consequent adverse effects on the economy of Colorado and many of its cities.

"Be It Further Resolved, That the copies of this Memorial be transmitted to the President of the Senate of the United States Congress, the Speaker of the House of Representatives of the United States Congress, and to the members of the United States Congress from the State of Colorado.

"JOHN D. VANDERHOOF,
"Speaker of the House of Representatives.
"HENRY C. KIMBROUGH,
"Chief Clerk of the House of Representatives.
"MARK A. HOGAN,
"President of the Senate.
"COMFORT W. SHAW,
"Secretary of the Senate."

A resolution adopted by the Senate of the Legislature of the State of Pennsylvania; to the Committee on Post Office and Civil Service:

"RESOLUTION BY THE SENATE OF PENNSYLVANIA

"Dwight David Eisenhower, thirty-fourth President, was the embodiment of patriotism both as a military man and as a statesman. His ethical code of behavior and fear of God was expressed in his every action.

"The Commonwealth of Pennsylvania was honored for many years by the presence of the Eisenhower family while living near Gettysburg; therefore be it

"Resolved, That this Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States to adopt the proposed commemorative stamp honoring Dwight D. Eisenhower, depicting the Civil War monument and United States flag in Center Square, Easton, Pennsylvania; and be it further

"Resolved, That a copy of this resolution be transmitted to the presiding officer of each House of Congress of the United States, and to each Senator and Representative from Pennsylvania serving in the Congress of the United States.

"MARK GRUELL, Jr.,
Secretary of the Senate."

A Senate memorial adopted by the Legislature of the State of Florida; to the Committee on Agriculture and Forestry:

"SENATE MEMORIAL 249

"A memorial to the Congress of the United States urging the enactment of a law to protect rare and endangered species

"Whereas, Congressman Richard D. McCarthy, New York, has introduced House Resolution 6634 to provide protection for rare and endangered wild species; and

"Whereas, the second session of the 90th Congress of the United States previously expressed considerable interest and support to the proposition that rare and endangered wild species be given adequate protection from possible extinction; and

"Whereas, the American alligator is recognized as playing an important role in the management of fresh water resources in the state of Florida and is indirectly responsible for the preservation of other desirable and endangered species, particularly in Everglades National Park; and

"Whereas, as a result of man's actions over the past years, the alligator population has been reduced considerable, and continues to be reduced at an alarming rate; and

"Whereas, poachers who illegally hunt, kill, and sell the skins of the alligators contribute considerably to the reduction of the alligator population; and

"Whereas, illegally gained skins and products are routed through interstate commerce; and

"Whereas, similar problems are world wide due to the importation of illegally captured products of many other endangered species into this and other countries; and

"Whereas, the legislature of the state of Florida has a deep and abiding interest in protecting and preserving wildlife from extinction, Now, Therefore,

"Be It Resolved by the Legislature of the State of Florida: That we do hereby petition the members of the Congress of the United States to adopt House Resolution 6634 introduced by Congressman Richard D. McCarthy, New York, in the 91st Congress to provide protection for rare and endangered species, at the earliest possible date, and do seriously urge that protection of the American alligator be included within the scope of such legislation.

"Be It Further Resolved, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

"Approved by the Governor May 13, 1969.

"Filed in Office Secretary of State May 13, 1969."

A House joint memorial adopted by the Legislature of the State of Washington; to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 16

"To the President of the Senate and Speaker of the House of Representatives, and to the Senate and House of Representatives in the United States of America, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, There has been introduced in the Senate of the United States S. 1198, an act giving consent to a multistate tax compact; and

"Whereas, It is recognized that congressional hearings on S. 1198 will encompass the whole area of state taxation of multistate businesses and of persons employed in interstate commerce; and

"Whereas, General uniformity between state taxing systems in this area is desirable;

"Now, therefore, We your Memorialists respectfully pray that the Congress of the United States enact S. 1198 and further, as part of hearings on such bill, study and take appropriate action with respect to the problem of taxation of personal income of persons employed by interstate carriers, so as to establish guidelines for uniform state action in such area.

"Be it Resolved, That copies of this memorial be transmitted to the President of the United States Senate, the Speaker of the House of Representatives, the Chairman of the Finance Committee of the United States Senate, the Chairman of the Judiciary Committee of the House of Representatives, and each member of Congress from the State of Washington.

"Passed the House March 25, 1969.
"DON ELDRIDGE,
"Speaker of the House.
"Passed the Senate May 6, 1969.
"JOHN A. CHERBERG,
"President of the Senate."

A House joint memorial adopted by the Legislature of the State of Washington; to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL 18

"To the Honorable Richard M. Nixon, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, Historically the United States Office of Education has cooperated and assisted in the promotion of vocational youth organizations; and

"Whereas, The Future Farmers of America, the Future Homemakers of America, the Distributive Education Clubs of America and the Vocational Industrial Clubs of America were organized with encouragement and assistance from the staff of the United States Office of Education; and

"Whereas, These youth organizations have become an integral part of vocational education programs in secondary schools through the influence of the United States Office of Education staff members who serve as advisors; and

"Whereas, Through these organizations youth in rural, suburban, and urban areas have had an opportunity to become members of constructive organized groups; and

"Whereas, These organizations have helped youth to identify with the world of work and to develop as civic and community leaders; and

"Whereas, Membership in these organizations is open to all students in vocational education regardless of race, creed or national origin; and

"Whereas, a recent policy statement issued by the United States Office of Education concerning the relationship between the Office of Education and student organizations prohibits its staff from directing the activities of student organizations or participating in the administrative decisionmaking of student organizations as officers; and

"Whereas, This policy will, in effect, greatly reduce assistance to vocational youth organizations; and

"Whereas, In the case of one youth organization, the Future Farmers of America, this policy is in direct conflict with Public Law 740, Chapter 823, Section 18, which specifically authorizes the United States Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare to make available personnel, services and facilities of the Office of Education;

"Now, therefore, Your Memorialists respectfully pray that the President, the Congress of the United States, and the United States Department of Health, Education, and Welfare not implement its policy until there has been sufficient time to permit full congressional review and hearings to determine whether or not this administrative order carries out the intent of the law and take immediate action to strengthen these youth organizations that have become such an integral part of the vocational education program in the United States;

"Be it resolved, That copies of this memorial be immediately transmitted to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

"Passed the House April 21, 1969.
"DON ELDRIDGE,
"Speaker of the House.
"Passed the Senate May 9, 1969.
"JOHN A. CHERBERG,
"President of the Senate."

A House joint memorial, adopted by the Legislature of the State of Washington; to

the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL No. 8

"To the Honorable Richard M. Nixon, President of the United States, the President of the Senate and Speaker of the House of Representatives, and to the Senate and the House of Representatives of the United States, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas, The state of Washington is endowed by nature with a magnificient array of mountainous terrain which, each year, attracts millions of visitors seeking the enjoyments of outdoor recreation;

"Whereas, The future promises an ever-increasing number of visitors with a concomitantly growing demand for the many varied recreation uses of our mountain areas;

"Whereas, Our mountains contain several areas suitable for development as year-round, alpine-type recreational centers, similar to those internationally-famous resorts in other mountain regions of our nation and of the world, nevertheless, nowhere in our state is there a present facility adequate to accommodate the full range of demands of present and future outdoor recreationists;

"Whereas, Virtually all of the suitable alpine sites in our state are on federally-owned lands and are managed under policies and regulations which prohibit adequate, full-scale developments, to meet these recreational needs, it becomes incumbent upon the state of Washington to take steps to overcome this neglect of one of its great assets.

"Now therefore, be it resolved, That we, the House of Representatives and Senate of the state of Washington meeting in forty-first regular session hereby authorize and direct the Department of Natural Resources of this state to seek acquisition, through land exchange or otherwise, of one or more sites suitable for full development, year-round, alpine-type recreation centers in the mountain areas of our state; and do hereby respectfully memorialize and petition the President of the United States, the Congress of the United States, and the Secretary of Interior and the Secretary of Agriculture to cooperate with the state of Washington in this effort of site acquisition.

"Be it further resolved, That copies of this Memorial be transmitted by the secretary of state to the Honorable Richard M. Nixon, President of the United States, the Honorable Walter J. Hickel, Secretary of the Interior, and the Honorable Clifford M. Hardin, the Secretary of Agriculture and to the Senate and House of Representatives of the United States in Congress, to each Senator and Representative in Congress from the state of Washington.

"Passed the House May 3, 1969.

DON ELDRIDGE,
"Speaker of the House.

"Passed the Senate May 9, 1969.

"JOHN A. CHERBERG,
"President of the Senate."

A House joint memorial adopted by the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"HOUSE JOINT MEMORIAL 7

"To the Honorable Richard M. Nixon, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The Kelly Air Mail Act of 1925 marked the beginning of contract air mail service by providing for a series of north to south feeder lines connecting the Post Office Department's east to west route from New York to San Francisco; and

"Whereas, Leon Cuddeback inaugurated scheduled contract air mail service for Varney Airlines on contract air mail Route No. 5, connecting the Pacific Northwest with the Southwest, from Pasco, Washington to Elko, Nevada via Boise, Idaho in his ninety horsepower Swallow biplane at 6:23 antemeridian on the 6th day of April, 1926; and

"Whereas, It has been generally acknowledged by American air historians that Leon Cuddeback flew the first authentic scheduled contract air mail run; and

"Whereas, Early contract air mail service was beset by a number of perils and limitations by reason of numerous forced landings and lack of navigational aids and equipment, and required the most daring spirit reminiscent of the pioneering spirit of the earliest settlers in the Americas and later of the settlers in the American West;

"Now, therefore, be it resolved, By the Senate and the House of Representatives that the President and Congress of the United States of America, and the United States Postmaster General, be respectfully urged to commemorate the inauguration of the scheduled contract air mail service under the Kelly Air Mail Act of 1925 from Pasco, Washington to Elko, Nevada on the 6th day of April, 1926, by the issuance, in the year 1976, of a semi-centennial or golden jubilee commemorative-airmail stamp or series; and

"Be it further resolved, That a copy of this resolution be transmitted to the Honorable Richard M. Nixon, President of the United States of America, the President of the United States Senate, the Speaker of the House of Representatives, to each member of Congress from the State of Washington, and to the United States Postmaster General.

"Passed the House March 24, 1969.

"DON ELDRIDGE,
"Speaker of the House.

"Passed the Senate April 30, 1969.

JOHN A. CHERBERG,
"President of the Senate."

A Senate Concurrent Resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 14

"A concurrent resolution to commend the Ways and Means Committee of the United States House of Representatives for its efforts to improve the equity of the Federal personal income tax system and further to memorialize the Ways and Means Committee of the United States House of Representatives to take no position on tax reform which might subvert the tax-exempt status of state and local bonds or which might place state and local bonds in an inferior competitive position with superior federal government debt instruments and with corporate securities

"Whereas, equity among taxpayers is essential to popular confidence in the federal revenue system; and

"Whereas, the Ways and Means Committee of the United States House of Representatives has conducted extensive hearing on proposals for equitable reform of the Federal personal income tax; and

"Whereas, spokesmen for the National Governors' Conference, the National Legislative Conference, the National Association of Attorneys General and the National Association of State Treasurers, Auditors and Comptrollers have endorsed the objective of tax reform while urging the Committee to refrain from changes which would weaken the capacity of the states to meet the needs for state services.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives concurring herein, that the Ways and Means Committee of the United States House of Representatives is hereby commended for its efforts to improve the equity of the federal personal income tax system.

"Be it further resolved that the Ways and Means Committee of the United States House of Representatives is hereby memorialized and respectfully requested to adopt no change which would deprive state and local government obligations of their traditional immunity from federal taxation.

"Be it further resolved that the Ways and Means Committee of the United States House of Representatives is hereby memorialized and respectfully requested to adopt no change which would result in construction of the market for bonds issued by the states or local governments.

"Be it further resolved that the Ways and Means Committee of the United States House of Representatives is hereby memorialized and respectfully requested to adopt no change which would interpose Federal judgments relating to the policies of the states or local governments.

"Be it further resolved that it is the declared intention of the Legislature of Louisiana that no change is acceptable which would subject borrowing by the states and local governments to the uncertainties of the appropriation processes of the Congress of the United States.

"Be it further resolved that the Legislature of Louisiana hereby records its concurrence with the testimony on behalf of other state officials to memorialize the Ways and Means Committee of the United States House of Representatives to take no position which might place state and local bonds in an inferior competitive position with superior Federal government debt instruments and with corporate securities.

"Be it further resolved that copies of this Resolution is transmitted to the presiding officers of the two houses of the Congress of the United States, to each member of the Louisiana delegation in the Congress of the United States and to the Honorable Richard M. Nixon, President of the United States of America.

"W. AYEACK,
"Lieutenant Governor and President of the Senate.

"JOHN S. GARRETT,
"Speaker of the House of Representatives."

Two House concurrent resolutions adopted by the Legislative Assembly of the State of North Dakota; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION No. 45

"A concurrent resolution urging approval by the Congress of Senate Bill No. 229 which calls for construction of a bridge over the Oahe Reservoir in the vicinity of Fort Yates, North Dakota, and commending Senator Quentin Burdick for sponsoring the legislation

"Whereas, residents of, and travelers through, the south central portion of North Dakota and the north central portion of South Dakota have relied upon ferry service in crossing the Missouri River, principally in the vicinity of Fort Yates, North Dakota; and

"Whereas, this vast area of the two Dakotas lying between existing crossings at Bismarck, North Dakota, and Mobridge, South Dakota, a distance of over one hundred ten river miles and nearly one hundred air miles, has been bisected by the Oahe Reservoir, making ferryboat crossings impractical; and

"Whereas, a modern bridge crossing of the Oahe Reservoir in the area between Bismarck, North Dakota, and Mobridge, South Dakota, is needed by those engaged in agri-

cultural activities and would provide a stabilization of the area's economy—by increasing the potential for industrial development, tourism, and recreational usage of areas endowed with great natural beauty, which will otherwise lie dormant; and

"Whereas, providing an adequate crossing of the Oahe Reservoir will eliminate the present isolation of the Standing Rock Indian Reservation and be an important contributing factor in the progress toward completion of a program encompassing industrial, housing, educational, health, and social development on that Reservation; and

"Whereas, the Fortieth Legislative Assembly passed Senate Concurrent Resolution "Z" which urged Congress to authorize construction of a bridge across the Oahe Reservoir in the vicinity of Fort Yates, North Dakota; and

"Whereas, Senator Quentin Burdick has introduced United States Senate Bill No. 229 which would authorize construction of a bridge in the vicinity of Fort Yates, North Dakota;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

"That the Forty-first Legislative Assembly urges Congress to give favorable consideration to S. 229, and commends Senator Quentin Burdick for his cooperation with the Legislative Assembly of the State of North Dakota in sponsoring that bill; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the North Dakota Congressional Delegation, the Chief of Army Engineers, the United States Secretary of the Army, the United States Secretary of the Interior, the Commissioners of the Bureau of Indian Affairs and the Bureau of Public Roads.

"ERNEST N. JOHNSON,
"Speaker of the House.
"G. R. GILBREATH,
"Chief Clerk of the House.
"RICHARD T. LARSEN,
"President of the Senate.
"_____ _____.
"Secretary of the Senate."

"HOUSE CONCURRENT RESOLUTION NO. 44

"A concurrent resolution urging approval by Congress of United States Senate Bill No. 231 which calls for construction of a bridge over a certain portion of the Garrison Reservoir, and commending Senator Quentin Burdick for sponsoring the legislation

"Whereas, the construction of the Garrison Dam and formation of the Garrison Reservoir, one of the largest manmade lakes in the world, has resulted in dividing the Fort Berthold Indian Reservation into five segments; and

"Whereas, the Indian people, as a result of this division and flooding, were forced to move from portions of their land, and suffered loss of valuable river bottom land, community centers, and burial grounds; and

"Whereas, the peaceful, orderly, and economic readjustment of the relocated Indian communities, as well as the practical, desirable, and beneficial development of the recreational opportunity of the reservoir and surrounding areas, is dependent upon a convenient and properly constructed bridge connecting the western and southern segments of the Fort Berthold Indian Reservation, and a portion of this project would become a part of the Lewis and Clark trailway already authorized by Congress; and

"Whereas, the Fortieth Legislative Assembly passed House Concurrent Resolution 'X-1' which urged Congress to authorize construction of a bridge in the general vicinity of Charging Eagle Bay on the Garrison Reservoir; and

"Whereas, United States Senator Quentin Burdick has introduced United States Senate bill No. 231 which would authorize construction of a bridge in the vicinity of Charging Eagle Bay;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

"That the Forty-first Legislative Assembly urges the Congress to give favorable consideration to S. 231, and commends Senator Quentin Burdick for his cooperation with the Legislative Assembly of the State of North Dakota in sponsoring that bill; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the North Dakota Congressional delegation, the Chief of Army Engineers, the United States Secretary of the Army, the United States Secretary of the Interior, the Commissioners of the Bureau of Indian Affairs and the Bureau of Public Roads.

"ERNEST N. JOHNSON,
"Speaker of the House.
"G. R. GILBREATH,
"Chief Clerk of the House.
"RICHARD T. LARSEN,
"President of the Senate.
"LEO LINDHOLM,
"Secretary of the Senate."

A joint resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION BY THE COMMONWEALTH OF MASSACHUSETTS

"Resolution memorializing the Congress of the United States to amend the Constitution of the United States by providing for the abolition of the Electoral College system and establishing the direct popular election of the President and the Vice President of the United States.

"Whereas, The national election of nineteen hundred and sixty-eight has once again demonstrated the dangerous potentialities for deadlock inherent in the Electoral College system; and

"Whereas, The Electoral College system is archaic, obsolete and undemocratic; and

"Whereas, The Electoral College system does not offer full realization of the one-man, one-vote doctrine in national elections; and

"Whereas, The abolition of the Electoral College system will result in bringing the voters, the ultimate source of all electoral power, directly into the process of electing a President and Vice President of the United States; now, therefore, be it

"Resolved, That the General Court of the Commonwealth of Massachusetts respectfully urges the Congress of the United States to support an amendment to the Constitution of the United States which will provide for the abolition of the Electoral College system and its replacement by the direct popular election of the President and Vice President of the United States; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State Secretary to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth.

"Senate, adopted, April 28, 1969.

"NORMAN L. PIDGEON,
"Clerk.

"House of Representatives, adopted in concurrence, April 30, 1969.

"WALLACE C. MILLS,
"Clerk.

"Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A joint resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Labor and Public Welfare:

"RESOLUTION BY THE COMMONWEALTH OF MASSACHUSETTS

"Resolution memorializing the Congress of the United States to enact legislation providing for a Veterans' Administration Hospital in the North Shore area of the county of Essex

"Whereas, There is an urgent need for the establishment of a two thousand bed Veterans' Administration hospital in the north shore area of Essex county; now, therefore be it

"Resolved, That the General Court of Massachusetts hereby respectfully urges the Congress of the United States to enact legislation providing for the establishment of a two thousand bed Veterans' Administration hospital in the north shore area of Essex county; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the State Secretary to the President of the United States, to the presiding officer of each branch of the Congress, to the members thereof from the Commonwealth and to the Administrator of Veterans' Affairs.

"Senate, adopted, April 28, 1969.

"NORMAN L. PIDGEON,
"Clerk.

"House of Representatives, adopted in concurrence, April 30, 1969.

"WALLACE C. MILLS,
"Clerk.

"Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A resolution of the House of Representatives of the State of Massachusetts; to the Committee on Labor and Public Welfare:

"RESOLUTION BY THE COMMONWEALTH OF MASSACHUSETTS

"Resolution memorializing the President of the United States to nominate Dr. John H. Knowles as Assistant Secretary of Health, Education, and Welfare and the United States Senate to confirm said appointment

"Whereas, Dr. John H. Knowles, the distinguished and able General Director of the Massachusetts General Hospital is being mentioned as Assistant Secretary of Health, Education, and Welfare; and

"Whereas, Dr. Knowles as General Director of the Massachusetts General Hospital, which in 1967 was rated number one in a list of ten of America's best hospitals, is a recognized expert in hospital supervision, medical affairs, health planning and scientific research, all fields which come under the supervision of the Assistant Secretary of Health, Education and Welfare; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the President of the United States to nominate Dr. John H. Knowles as Assistant Secretary of Health, Education and Welfare; and be it further

"Resolved, That the Massachusetts House of Representatives respectfully urges the Senate of the United States to confirm said appointment; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of the United States Senate and to the members thereof from this Commonwealth and the other New England states.

"House of Representatives, adopted, April 28, 1969.

"WALLACE C. MILLS,
"Clerk.

"Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A resolution adopted by the House of Representatives of the Legislature of the State of Massachusetts; to the Committee on Rules and Administration:

"RESOLUTION BY THE COMMONWEALTH OF MASSACHUSETTS

"Resolution memorializing the Congress of the United States to repeal the Hatch Political Activity Act

"Whereas, Our great nation and its institutions would be strengthened by participation by a greater number of the citizenry in political affairs; and

"Whereas, The restrictions placed upon the political activities of certain governmental employees by the Hatch Political Activity Act deprive said citizens of their just rights; therefore be it

"Resolved, That the Massachusetts House of Representatives urges the Congress of the United States to repeal the Hatch Political Activity Act; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the presiding officer of each branch of Congress and to each member thereof from this Commonwealth.

"House of Representatives, adopted, April 30, 1969.

"WALLACE C. MILLS,
"Clerk.

"Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A resolution adopted by the Senate of the Legislature of the State of Massachusetts; ordered to lie on the table:

"RESOLUTION BY THE COMMONWEALTH OF MASSACHUSETTS

"Resolution memorializing the Congress of the United States to enact a pending bill providing a civil remedy for misrepresentation of the quality of articles composed in whole or in part of gold or silver

"Whereas, Massachusetts is the home of high quality jewelry fabricating firms which employ 12,000 workers with a total production of 60 million dollars annually;

"Whereas, These high quality products are threatened by the mislabeling of the quality of gold or silver in certain jewelry products such as "14 karat", "sterling", "gold-filled" and other such quality marks; and

"Whereas, The present federal Gold and Silver Stamping Act providing for criminal prosecutions has been found to be totally ineffective so that it is necessary to amend the law to provide for civil action by private parties to seek cease and desist orders; and

"Whereas, The Consumers' Council of the Commonwealth has voted to support pending federal legislation as a consumer protective measure; therefore be it

"Resolved, That the Senate of Massachusetts respectfully urges the Congress of the United States to enact a pending bill filed by Senators Kennedy and Pastore (S. 1046) to protect consumers by providing a civil remedy for misrepresentation of the quality of articles composed in whole or in part of gold or silver; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of the Congress and to the members thereof from the Commonwealth and the Massachusetts Consumers' Council for presentation to the appropriate committees of Congress.

"Senate, adopted, May 5, 1969.

"NORMAN L. PIDGEON,
"Clerk.

"Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A resolution adopted by the Delegates attending the Fourth Biennial Convention of the Arizona State AFL–CIO, deploring the increased purchase of California table grapes by the Department of Defense.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUNDT, from the Committee on Government Operations, without amendment:

S. 844. A bill to improve the operation of the legislative branch of the Federal Government, and for other purposes (Rept. No. 91–202); and

S.J. Res. 60. A joint resolution to establish a Commission on Balanced Economic Development (Rept. No. 91–201).

By Mr. NELSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 826. A bill to designate certain lands in the Seney, Huron Islands, and Michigan Islands National Wildlife Refuges in Michigan, the Gravel Island and Green Bay National Wildlife Refuges in Wisconsin, and the Moosehorn National Wildlife Refuge in Maine, as wilderness (Rept. No. 91–200).

By Mr. LONG, from the Committee on Commerce, without amendment:

S. 133. A bill to authorize the vessel *Orion* to engage in the coastwise trade (Rept. No. 91–203); and

S. 753. A bill to authorize and direct the Secretary of Transportation to cause the vessel *Cap'n Frank*, owned by Ernest R. Darling, of South Portland, Maine, to be documented as a vessel of the United States with full coastwise privileges (Rept. No. 91–204).

REPORT OF COMMITTEE ON COMMERCE ON NOMINATION OF CHARLES H. MEACHAM

Mr. INOUYE. Mr. President, at the request of the chairman of the Committee on Commerce (Mr. MAGNUSON), I file the report of the Committee on Commerce on the nomination of Mr. Charles H. Meacham, and ask unanimous consent that the minority and individual views, which will be filed at a later time, be permitted; and that, when those views are filed, they be printed (Ex. Rept. No. 5).

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on May 21, 1969, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 256. An act to confer U.S. citizenship posthumously upon L. Cpl. Theodore Daniel Van Staveren; and

S.J. Res. 104. Joint resolution to authorize the President to reappoint as Chairman of the Joint Chiefs of Staff, for an additional term of 1 year, the officer serving in that position on April 1, 1969.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN (for himself, Mr. CURTIS, and Mr. HOLLAND):

S. 2225. A bill to strengthen voluntary agricultural organizations, to provide for the orderly marketing of agricultural products, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of North Dakota:

S. 2226. A bill to amend the Agricultural Adjustment Act of 1938 to provide that review committee members may be appointed from any county within a State and that the Secretary of Agriculture may institute proceedings in court to obtain a review of any review committee determination; to the Committee on Agriculture and Forestry.

By Mr. AIKEN:

S. 2227. A bill to amend the Tariff Schedules of the United States to provide duty-free entry for grids for electron microscopes; to the Committee on Finance.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. THURMOND:

S. 2228. A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes; to the Committee on Armed Services, by unanimous consent.

S. 2229. A bill for the relief of certain corporations, associations, and individuals; to the Committee on the Judiciary.

By Mr. PELL:

S. 2230. A bill to authorize foreign-built vessels owned by citizens of the United States to be documented under the laws of the United States for the purpose of engaging in the fisheries; to the Committee on Commerce.

(See the remarks of Mr. PELL when he introduced the above bill, which appear under a separate heading.)

By Mr. HARRIS:

S. 2231. A bill for the relief of Dr. In Bae Yoon; to the Committee on the Judiciary.

By Mr. INOUYE (for Mr. GRAVEL):

S. 2232. A bill to amend the Alaskan Statehood Act, Public Law 85–508, July 7, 1958, 72 Stat. 339, by repealing the exclusive jurisdiction of the Federal Maritime Board over common carriers engaged in transportation by water between any port in the State of Alaska and other ports in the United States; to the Committee on Interior and Insular Affairs, by unanimous consent.

(See the remarks of Mr. INOUYE when he introduced the above bill, which appear under a separate heading.)

By Mr. BROOKE:

S. 2233. A bill for the relief of Stefan Surzycki; to the Committee on the Judiciary; and

S. 2234. A bill to provide for the establishment of a national cemetery at Westfield, Mass.; to the Committee on Interior and Insular Affairs.

By Mr. SYMINGTON:

S. 2235. A bill for the relief of Dr. Pablo Calma De Ungria; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. HART, Mr. DODD, Mr. PASTORE, Mr. MOSS, Mr. HOLLINGS, and Mr. INOUYE):

S. 2236. A bill to create a Federal Insurance Guaranty Corporation to protect the American public against certain insurance company insolvencies; to the Committee on Banking and Currency.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. BELLMON (for Mr. DOLE):

S. 2237. A bill to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance; to the Committee on Armed Services.

(See the remarks of Mr. BELLMON when he introduced the above bill, which appear under a separate heading.)

By Mr. MONTOYA:

S. 2238. A bill for the relief of Yvonne Nanette Panebouef; to the Committee on the Judiciary.

By Mr. DOMINICK (for Mr. JAVITS, for himself, Mr. MURPHY, and Mr. PROUTY):

S. 2239. A bill to amend the Public Health Service Act to improve and extend the provisions relating to assistance to medical libraries and related instrumentalities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. DOMINICK when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. BENNETT, and Mr. WILLIAMS of New Jersey):

S.J. Res. 112. A joint resolution to amend section 19(e) of the Securities Exchange Act of 1934; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above joint resolution, which appear under a separate heading.)

S. 2225—INTRODUCTION OF A BILL TO STRENGTHEN VOLUNTARY AGRICULTURAL ORGANIZATIONS TO PROVIDE FOR ORDERLY MARKETING OF AGRICULTURAL PRODUCTS

Mr. AIKEN. Mr. President, on behalf of the Senator from Nebraska (Mr. CURTIS), the Senator from Florida (Mr. HOLLAND), and myself, I introduce a bill to strengthen voluntary agricultural organizations to provide for the orderly marketing of agricultural products, and for other purposes.

I ask that the bill be referred to the proper committee, which is the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill will be received and referred as requested.

The bill (S. 2225) to strengthen voluntary agricultural organizations, to provide for the orderly marketing of agricultural products, and for other purposes, introduced by Mr. AIKEN (for himself and others), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, in 1968 Congress enacted Public Law 90–288, a bill I originally offered in the Senate with the former Senator from Ohio, Mr. Lausche, and others.

The bill became widely known as the "fair play bill" because its purpose was to guarantee farmers the right to bargain as to the price and conditions of sale of their products without reprisal for their membership in a cooperative or any other marketing-bargaining association.

This law prohibits handlers from intimidation, bribery, discrimination, coercion, or "refusing to deal" with a producer because of his affiliation with such an association of producers.

The Secretary of Agriculture is empowered to enforce this law by going directly into Federal court on behalf of an aggrieved producer or his association, or the producer or his association may seek an injunction without going to the Secretary.

It has come to my attention that some handlers have refused to sit down and bargain.

This refusal violates the intent of the law.

I am, therefore, offering an amendment to strengthen the law as it pertains to such refusals.

The amendment defines a bargaining association as an association of producers or an agent of the farmers that is principally empowered to bargain with handlers.

This definition makes it clear beyond any question that such a bargaining association would not necessarily have to be "certified" by a Government agency.

The amendment would also prohibit any handler from refusing to bargain at a reasonable time and place, and the association would have to show written proof that it represented the farmers from whom the handler usually obtained products, or farmers who might reasonably and efficiently supply products to the handler.

The amendment specifically states that the law does not require producers to join an association and does not prevent handlers from selecting their customers for any reason other than a producer's membership in an association of producers.

It does not require handlers or bargaining associations to conclude an agreement.

This is a simple clarification of the law, Mr. President.

It places no burden on the handler that it does not also place on the producer or his association.

It merely strengthens the "fair play law" in its requirements that there be fair play between the farmers and the handlers.

S. 2227—INTRODUCTION OF A BILL TO AMEND THE TARIFF SCHEDULES TO PROVIDE DUTY-FREE ENTRY FOR GRIDS FOR ELECTRON MICROSCOPES

Mr. AIKEN. Mr. President, I introduce for appropriate reference a bill to amend the Tariff Schedules of the United States to provide duty-free entry for grids for electron microscopes. The purpose of the bill is to correct an inequity in our Tariff Schedules which I am advised by the Customs Bureau cannot be done without legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2227) to amend the Tariff Schedules of the United States to provide duty-free entry for grids for electron microscopes, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Finance.

S. 2236—INTRODUCTION OF A BILL TO ESTABLISH A FEDERAL INSURANCE GUARANTY CORPORATION

Mr. MAGNUSON. Mr. President, on behalf of Senators HART, DODD, PASTORE, Moss, HOLLINGS, INOUYE, and myself, I introduce for appropriate reference a bill to establish a Federal Insurance Guaranty Corporation.

There is a paramount need for this legislation. Since 1958 no less than 109 automobile insurance companies and 18 fire insurance companies have become insolvent. These insolvencies have left thousands of Americans without insurance coverage and thousands of unsuspecting policyholders subject to assessment. It is estimated that over $200 million worth of lost premiums and unsatisfied claims have resulted from these insurance insolvencies.

The insolvency problem is aggravated by the fact that the victims of such insolvencies are usually those in society who can least afford to lose their insurance coverage. The low- or moderate-income policyholder is most susceptible to victimization by financially unsound insurance companies who charge exorbitant premiums and pay their insurance agents inordinately high commissions.

Recent testimony before Senator HART'S Antitrust and Monopoly Subcommittee illustrates the interstate nature of the insolvency problem and the need to assist the State regulators in this area. One State insurance commissioner, when endorsing the concept of a Federal guaranty corporation with examination power, related the difficulty the conscientious State insurance commissioner has in ascertaining the financial condition of a nondomiciliary company doing business in his State. The commissioner explained how some companies report inflated security holdings which rotate from State to State and company to company, while each State insurance office is blocked from tracing the security holdings and discovering their fraudulent nature. He also said that current conglomerate activity makes examination of nondomiciliary as well as domiciliary insurance companies difficult and beyond the capability of staff and resources of most State insurance regulators.

The above problems are aggravated by the lack of communication between the various insurance commissioners of the several States and by inconsistently effective State regulatory authority. Such ineffectiveness may be caused by inadequate budgetary restrictions that preclude adequate staffing or in certain unfortunate cases by apathetic administrators.

Three States have taken steps to solve the insolvency problem in the automobile insurance area by creating State guaranty funds. The States of New York, New Jersey, and Maryland have recognized the serious nature of the insolvency problem and the need for guaranty and quality examination.

Every American citizen should be provided that protection. The most effective and efficient means of providing a nationwide guaranty fund with quality examination is to create a Federal Insurance Guaranty Corporation. Insolvency coverages included in uninsured motorist endorsements are not sufficient.

Our colleague, the senior Senator from Connecticut (Mr. DODD) developed the idea of a Federal insurance guaranty fund to protect American automobile insurers. Hearings he chaired before the Antitrust and Monopoly Subcommittee of the Judiciary Committee had disclosed the seriousness and magnitude of the insolvency problem. Following Senator DODD'S lead, the Senator from Michigan (Mr. HART) studied the insurance insolvency problem in his position as chairman of the Antitrust and Monopoly Subcommittee. The current work of Senator HART'S subcommittee has provided invaluable data about the nature of casualty insurance insolvency. Last year, we on the Commerce Committee initiated legislation authorizing a 2-year automobile insurance study at the Department of

Transportation. At that time we decided to delay action on a Federal Insurance Guaranty Corporation for at least a year. We can wait no longer.

The initial legislation creating a Federal motor vehicle insurance guaranty fund has been revised. It now provides insolvency protection for all forms of property and casualty insurance. Senator HART'S insurance hearings were instrumental in providing information that was helpful in this revision. The Federal Insurance Guaranty Corporation Act has been developed in close cooperation with both Senator HART and Senator DODD, who have joined as principal cosponsors. The bill will provide security to the Nation's policyholders and bring financial stability to the insurance industry. Both industry and the consumer will benefit from enactment of this legislation.

The Federal Insurance Guaranty Corporation bill provides for the creation of an insolvency fund—a fund generated by assessment of all interstate insurance carriers at a rate of one-eighth of 1 percent of the yearly net direct written premiums. This fund will be used to pay policyholders whose companies have become insolvent. The fund will also be available to finance the administrative expenses of the corporation, including the cost of examining the financial aspects of certain insurers applying for guaranty status under the act.

Several provisions in the bill stress the importance of Federal-State cooperation in administering the guaranty fund and conducting examinations. To insure a cooperative approach to the joint regulatory activities at the State and Federal level and to provide a forum for industry views, the bill provides for the creation of a 15-member representative Advisory Committee to assist the Board of Directors of the Corporation. Any Federal examinations are to be conducted in cooperation with State regulatory authorities.

The passage of this bill will protect citizens of this country from insurance insolvencies. This protection will be provided in two ways. First, any insolvency victims will have recourse to a Federal guaranty fund in order to preserve their insurance protection. Second, through Federal-State examination and regulation the financial conditions of insurance companies will be upgraded in order to reduce the incidence of insolvencies. I urge each of my colleagues to study this legislation carefully. It is of great import to each and every American consumer.

Mr. President, I ask unanimous consent that the full text of the bill and a section-by-section analysis be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 2236), to create a Federal Insurance Guaranty Corporation to protect the American public against certain insurance company insolvencies, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 2236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Insurance Guaranty Corporation Act."

CREATION OF CORPORATION

SEC. 2. There is hereby created a Federal Insurance Guaranty Corporation (hereinafter referred to as the "Corporation") which shall guarantee, as hereinafter provided, the contractual performance of participating insurers and which, in connection therewith, shall have the powers hereinafter granted.

BOARD OF DIRECTORS

SEC. 3. The management of the Corporation shall be vested in a Board of Directors consisting of three members, one of whom shall be the Comptroller General of the United States and two of whom shall be citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. One of the appointive members shall be designated by the President Chairman of the Board of Directors of the Corporation and not more than two of the members shall be members of the same political party. Each such appointive member shall hold office for a term of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed: *Provided*, however, that upon the expiration of his term of office a member shall continue to serve until his successor shall have been appointed and shall have qualified. In the event of a vacancy in the office of the Comptroller General of the United States and pending the appointment of his successor, or during the absence or disability of the Comptroller General, the Acting Comptroller General shall be a member of the Board of Directors in the place and stead of the Comptroller General. In the event of a vacancy in the office of the Chairman of the Board of Directors, and pending the appointment of his successor, the Comptroller General shall act as Chairman. A majority of the members shall constitute a quorum for the transaction of business. The members of the Board of Directors shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any participating insurer, except that this restriction shall not apply to any member who has served the full term for which he was appointed. No member of the Board of Directors shall be an officer or director of any participating insurer or hold stock in any participating insurer; and before entering upon his duties as a member of the Board of Directors he shall certify under oath that he has complied with this requirement and such certification shall be filed with the secretary of the Board of Directors.

ADVISORY COMMITTEE

SEC. 4. (a) (1) There is hereby established an Advisory Committee consisting of nineteen members appointed by the Board of Directors. Members of the Committee shall be selected from among representatives of the general public, the insurance industry, state and local governments including State insurance authorities, and the Federal Government. Of these members of the Committee, not more than six shall be regular full-time employees of the Federal Government, not less than four shall be representatives of the private insurance industry, and not less than four shall be representatives of State insurance authorities.

(2) The Board of Directors shall designate a Chairman and a Vice Chairman of the Committee.

(3) Each member shall serve for a term of two years or until his successor has been appointed, except that no person who is appointed while a full-time employee of a State or the Federal Government shall serve in such position after he ceases to be so employed, unless he is reappointed.

(4) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of that term.

(b) The Chairman shall preside at all meetings, and the Vice Chairman shall preside in the absence or disability of the Chairman. In the absence of both the Chairman and Vice Chairman, the Board of Directors may appoint any member to act as Chairman pro tempore. The Committee shall meet at such times and places as it or the Board of Directors may fix and determine, but shall hold at least four regularly scheduled meetings a year. Special meetings may be held at the call of the Chairman or any three members of the Committee, or at the call of the Board of Directors. A majority of the members shall constitute a quorum for the transaction of business.

(c) The Committee shall review general policies of the Corporation and advise the Board of Directors with respect thereto, assist in obtaining the cooperation of insurers, industry groups, and Federal and State agencies, consult with and make recommendations to the Board with respect to carrying out the purposes of this title, and perform such other functions as the Board may, from time to time, assign. The written reports and recommendations of the Committee shall be made available by the Board to the public.

(d) The members of the Committee shall not, by reason of such membership, be deemed to be employees of the United States, and such members, except those who are regular full-time employees of the Government, shall receive for their services, as members, the per diem equivalent to the rate for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the performance of their duties, and each member of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by Section 5703 of such title for persons in the Government service employed intermittently.

CAPITAL STOCK

SEC. 5. The Corporation shall have a capital stock of $50,000,000 which shall be divided into shares of $1,000 each. The total amount of such capital stock shall be subscribed to by the Secretary of the Treasury. For the purpose of making payments for such stock the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purpose for which securities may be issued under such Act are extended to include such purchases.

DEFINITIONS

SEC. 6. As used in this title—

(1) The term "insurer" means any enterprise engaged in the business of issuing or reinsuring property, casualty or surety insurance policies in interstate commerce or engaged in the business of issuing property, casualty or surety policies which are reinsured (in whole or in part) in interstate commerce.

(2) The term "local insurer" means any enterprise engaged in the business of issuing or reinsuring property, casualty or surety insurance policies solely within one state.

(3) The term "participating insurer" means any enterprise whose property, casualty or surety insurance policies are guaranteed under this title.

(4) The term "property, casualty or surety insurance policy" or "policy" means any contract of property, casualty or surety insurance, including any endorsements thereto

and without regard to the nature or form of the contract or endorsements, insuring against legal liability or loss contingencies, other than those provided for by life, accident and health or title insurance.

(5) The term "net direct premiums written" means direct gross premiums written on property, casualty or surety insurance policies, less return premiums thereon and dividends paid to policyholders on such direct business. For the purposes of this subsection, premiums written on insurance policies issued to self insurers, whether or not designated as reinsurance contracts, shall be deemed "net direct premiums written".

(6) The term "policyholder claim" means (a) a claim of a policyholder or insured within the coverage of a policy, arising out of an occurrence wherein such policyholder or insured suffered damage or is subject to liability for damages within the coverage of the policy, or (b) a claim by a policyholder or insured for return premium arising out of the termination of the policy by reason of insolvency.

(7) The term "Board" means the Board of Directors of the Federal Insurance Guaranty Corporation.

(8) The term "Fund" means the Federal Insurance Guaranty Fund as described in Section 10 of this title.

(9) The term "interstate commerce" means trade or commerce among the several states, or between the District of Columbia or any possession of the United States and any state or other possession, or within the District of Columbia.

(10) The term "state" means any state, any possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(11) The term "state supervisory authority" means the agency or individual of the state or domicile of the insurer having responsibility for regulating the business of insurance within that state.

INCORPORATION; POWERS

SEC. 7. (a) Upon the date of enactment of this title, the Corporation shall become a body corporate and shall be an instrumentality of the United States, and as such shall have power—

(1) To adopt, alter and use a corporate seal.

(2) To have succession until dissolved by an Act of Congress.

(3) To make contracts, and execute all instruments necessary and appropriate in the exercise of its powers.

(4) To sue and be sued, complain and defend, in any court of law or equity, state or Federal. All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, and the United States district courts shall have original jurisdiction thereof without regard to the amount in controversy; and the Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States district court for the district or division embracing the place where the same is pending by following any procedure for removal now or hereafter in effect. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court. The Board of Directors shall designate an agent upon whom service of process may be made in any State, territory, or jurisdiction in which any participating insurer does business.

(5) To appoint by its Board of Directors such officers, employees, attorneys, agents, adjusters, examiners, and other persons as may be necessary for the performance of its duties, to define their duties, fix their compensation, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. Nothing in this chapter or any other Act shall be construed to prevent the appointment and compensation as an officer or employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.

(6) To prescribe by its Board of Directors by-laws not inconsistent with law, regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed.

(7) To exercise by its Board of Directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this title, and such incidental powers as shall be necessary to carry out the powers so granted.

(8) To make examinations of and to require information and reports from any insurer or local insurer making application for guaranty status, or whose policies are guaranteed under this title.

(9) To prescribe by its Board of Directors such rules and regulations as it may deem necessary to carry out the provisions of this title.

(b) No individual, association, partnership, or corporation, other than the Corporation, shall hereafter use the words "Federal Insurance Guaranty Corporation" or any combination of such words, as the name or part thereof under which he or it shall do business. Any violation of this subsection shall be punishable by a fine of not exceeding $100 for each day during which such violation is committed.

ADMINISTRATION OF CORPORATION

SEC. 8. (a) The Board of Directors shall administer the affairs of the Corporation fairly and impartially and without discrimination. The Board of Director shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to free use of the United States mails in the same manner as the executive departments of the Government, and, with the consent of the head of any department or agency of the Federal Government, or of any State government, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title.

(b) The Corporation shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insurer or local insurer making application for guaranty status or whose policies are guaranteed under this title, whenever in the judgment of the Corporation an examination of such insurer is necessary. In making examinations of insurers or local insurers the examiners shall have power on behalf of the Corporation to make such examinations of the affairs of all affiliates of such insurers as shall be necessary to disclose fully the relations between such insurers and their affiliates and the effect of such relations upon such insurer. Each examiner shall have power to make a thorough examination of all of the affairs of the insurer and such affiliates and shall make a full and detailed report of the condition of the insurer to the Corporation. All examiners appointed by the Corporation shall cooperate as far as practicable with the appropriate State supervisory authorities in conducting examinations under this title. It is the intent of Congress that any such examinations shall be coordinated with examinations by the appropriate State supervisory authorities and the National Association of Insurance Commissioners. Copies of reports of examinations by examiners appointed by this subsection shall be furnished by the Corporation to the appropriate State supervisory authorities which shall be afforded the opportunity to comment thereon. Copies of any report or statement made to any State supervisory authority by any participating insurer shall be filed with the Corporation within ten days after such reports or statements have been made to such authority. The Corporation may accept any report or statement made to an appropriate State supervisory authority by any insurer or local insurer making application for guaranty status under this title or whose policies are guaranteed under this title.

(c) In connection with examinations of insurers and local insurers, the Corporation or its examiners shall have power to administer oaths and affirmations and to examine and to take and preserve testimony under oath as to any matter in respect of the affairs or ownership of any such insurer or affiliate thereof, and to issue subpoenas and subpoena duces tecum, and, for the enforcement thereof, the Corporation may apply to the United States district court for the judicial district or the United States court in any territory or possession in which the principal office of the insurer or affiliate thereof is located, or in which the witness resides or carries on business. Such courts shall have jurisdiction and power to order and require compliance with any such subpoena.

(d) The term "affiliate" or "affiliates" as used in the foregoing subsections (b) and (c) means any enterprise related directly or indirectly to the insurance activities of the insurer or local insurer.

(e) In cases of refusal to obey a subpoena issued to, or contumacy by, any person, the Board of Directors may invoke the aid of any court of the United States within the jurisdiction of which such hearing, examination or investigation is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other papers. And such court may issue an order requiring such person to appear before the Board of Directors or member or person designated by the Board of Directors, there to produce records, if so ordered, or to give testimony touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or carries on business or wherever he may be found. No person shall be excused from attending and testifying or from producing books, records, or other papers in obedience to a subpoena issued under the authority of this chapter on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(f) If any participating insurer, after written notice is given to it and the State supervisory authority of the recommendations of the Corporation based on a report of examination by an examiner of the Corporation (in cooperation with an examiner of the appropriate State supervisory authority), shall fail to comply with such recommendations within such time as the Corporation deems appropriate in the light of the circumstances of the case, the Corporation may publish such part of such report of examination as relates to any such recommendation not complied with: *Provided*, That notice of intention to make such publication shall be given to the insurer and the appropriate state supervisory authority at least sixty days before such publication is made.

(g) The Corporation may cause any and all records, papers, or documents kept by it or in its possession or custody to be photographed or microphotographed or other-

wise reproduced upon film, which photographic film shall comply with the minimum standards of quality approved for permanent photographic records by the National Bureau of Standards. Such photographs, microphotographs, or photographic film or copies thereof shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies and shall be admissable to prove any act, transaction, occurrence, or event therein recorded. Such photographs, microphotographs, or reproduction shall be preserved in such manner as the Board of Directors of the Corporation shall prescribe and the original records, papers, or documents may be destroyed or otherwise disposed of as the Board shall direct.

PAYMENT OF GUARANTY

SEC. 9. (a) The Corporation shall assume and perform all the obligations of a participating insurer under property, casualty and surety insurance policies which are guaranteed under this title, if:

(1) Such insurer is determined by a final decision of a court of competent jurisdiction to be insolvent;

(2) The receiver or liquidator appointed by such court gives written notice to the Corporation of such decision; and

(3) Such receiver or liquidator makes all books and records (including claim files) available to the Corporation.

Upon compliance with the foregoing with respect to any such insurer, the Corporation shall file forthwith a certificate of assumption with the court having jurisdiction over such insurer.

(b) Upon the filing of a certificate of assumption, all proceedings pending in any court against the insured or the insurer arising out of an occurrence within the coverage of a policy guaranteed under this title shall be stayed automatically for a period of thirty days for the purposes of this title.

(c) The Corporation shall be subject to the same obligations, liabilities, terms, conditions and waivers of the insurer and shall have available any defense or defenses (including that of policy limits) which would be available to the insurer.

(d) The Corporation is authorized to investigate, examine, adjust, compromise or settle any claim pending against the insured or the insurer on or after the date of the filing of a certificate of assumption. The Corporation is authorized to defend any action pending or brought against the policyholder or the insured on or after the date of the filing of such certificate.

(e) In no event shall any claim for return premium be allowed in excess of 50 per centum of the unearned premiums.

(f) Any person (including any individual, partnership, association or corporation) having a policyholder claim against the insurer or claim against the insured who also has a claim under State law against a State insurance insolvency or liability security fund growing out of the same insolvency, shall be required to exhaust first his rights under such State law against such State fund, if any, to the extent available for the satisfaction of his claim before receiving any payment under this title on any such claim, and the liability, if any, of the Corporation to any such claimant under this title shall be limited to the excess, if any, of any such claim not so satisfied under State law from such State fund.

(g) Any person (including any individual, partnership, association or corporation) having a claim against his insurer under any insolvency protection provision contained in his insurance policy, which claim arises out of the insolvency of a participating insurer, shall be required to exhaust first his rights under this title and/or under any applicable State insolvency or liability security fund, as provided for in subsection (f) hereof, before receiving any payment for such claim from his insurer, and the liability, if any, of his insurer under such policy shall be limited to the excess, if any, of any such claim not so satisfied from such State fund and/or the Fund provided for herein.

(h) The Corporation shall be entitled to a valid claim against the insurer, or its liquidator, rehabilitator, conservator, receiver or trustee in bankruptcy, in an amount equal to the liabilities of such insurer paid from the Fund, less the net payments paid into the Fund by such insurer.

FEDERAL INSURANCE GUARANTY FUND

SEC. 10. (a) Funds obtained by the Corporation from the sale of its capital stock, as provided in section 5, and from guaranty fees collected pursuant to subsection (b) of section 13, shall be deposited in the Federal Insurance Guaranty Fund, which is hereby established. The Fund shall be held by the Corporation and used by it for carrying out its guaranty functions under this title, and for operating expenses arising in connection therewith.

(b) Whenever after retirement of the outstanding Treasury shares issued pursuant to section 5 the net asset value of the Fund exceeds two per centum of the annual net direct premiums written by all participating insurers, the Corporation shall waive the requirements for fees as herein stated: *Provided,* That such requirement shall be reinstated whenever the net asset value of such fund is less than two per centum of the annual net direct premiums written by all participating insurers: *Provided further,* That no distribution or rebate shall be made by reason of the fact that the total amount in fees collected by the Corporation at any time exceeds two per centum of such annual direct written premiums. In determining net asset value for the purposes of this subsection, the Board shall include estimated liabilities that may be chargeable to such Fund.

(c) No participating insurer shall be required to pay any fee or assessment under an State insurance insolvency or liability security fund law for any period during which the insurance policies of that insurer are guaranteed pursuant to this title.

(d) The Corporation shall retire as rapidly as practicable, having due regard to the need to maintain at all times the solvency of the Fund, the capital stock of the Corporation which is held by the Treasury.

(e) In the event that the Congress should repeal this title, any moneys remaining in such Fund at that time, after redemption of any outstanding capital stock, repayment of any outstanding loans from the Treasury under section 16 of this title and discharge of all expenses and obligations under this title, shall be returned to the participating insurers pro rata in accordance with the guaranty fees they have paid into the Fund.

(f) In the event that the Congress should reduce the size of the Fund specified in subsection (b) of this section 10, any excess in the Fund above the new statutory limit shall be returned to the participating insurers pro rata in accordance with the guaranty fees they have paid into the Fund.

APPLICATION FOR GUARANTEED STATUS

SEC. 11. Each insurer shall, and each local insurer may, make application to the Corporation for guaranty under this title. Such application shall be in such form and contain such information as the Corporation shall by regulation prescribe. The Corporation shall approve any such application if it finds, after examination, that the applicant is capable of conducting its business in a sound and solvent manner and, in making its determination, shall consider, along with such other factors as it may deem necessary or appropriate, the applicant's capital and surplus, reasonableness of operational expenses, premium writings as related to surplus, adequacy of loss and expense reserves, reinsurance, investment portfolio and managerial qualifications. Upon approval of any such application, after the imposition of any necessary conditions, the Corporation shall notify the applicant and issue to it an appropriate certificate which shall become effective not earlier than one year after the date of enactment of this title. Upon the taking effect of any such certificate, the contractual obligations of such participating insurer under property, casualty and surety insurance policies shall be guaranteed by the Corporation. Each participating insurer shall include a statement in each policy to the effect that such policy is guaranteed by the Corporation. The Corporation shall prescribe by regulation the substance of such statement and the form and manner of use. If any such application is not approved by the Corporation, it shall promptly notify the applicant as well as the State supervisory authority, and shall state the reasons therefor. Any insurer or local insurer the application of which has been denied by the Corporation shall, upon written request made to the Corporation within thirty days after receipt of the notification of denial, be granted a hearing as provided in section 14(i) of this title.

PENALTIES

SEC. 12. (a) Any insurer (other than a local insurer) issuing or reinsuring any property, casualty or surety insurance policy which is not guaranteed under this title shall forfeit to the United States the sum of $1,000 for each and every day that such policy is in effect and is not guaranteed under this title. Such forfeiture shall be payable to the Corporation for its use. The Corporation is authorized to collect any unsatisfied forfeiture claim from the directors and officers of the Corporation individually. This subsection shall take effect upon the expiration of one year after the effective date of this title.

(b) Whoever falsely advertises or otherwise misrepresents by any device whatsoever that any property, casualty or surety insurance policy is guaranteed by the Federal Insurance Guaranty Corporation, or by the Government of the United States, or by any instrumentality thereof, shall be fined not more than $1,000, or imprisoned not more than one year, or both.

REPORTS; GUARANTY FEE

SEC. 13. (a) Each participating insurer shall make to the Corporation reports of condition which shall be in such form, at such time and shall contain such information as the Board of Directors may require. The Board of Directors may require reports of condition to be published in such manner, not inconsistent with any applicable law, as it may direct. Every participating insurer which fails to make or publish any such report within ten days of its due date shall be subject to a penalty of not more than $100 for each day of such failure, which penalty shall be recoverable by the Corporation for its use.

(b)(1) Each calendar year following the year in which the application of a participating insurer was approved by the Corporation, such participating insurer shall pay to the Corporation a guaranty fee. This fee, which shall be equal to one-eighth of one percentum of the net direct premiums written by the participating insurer during the year, shall be assessed semiannually, based on net direct premiums written during the periods January 1 through June 30 and July 1 through December 31.

(2) On or before the last day of the first month following each of the above mentioned semiannual periods, each participating insurer shall file with the Corporation a certified statement showing the net direct premiums written by such insurer during that period. In the event that accurate information is not available at that time, an estimate may be filed, *provided,* however,

that a final certified statement must be filed not later than sixty days from the last day of the reporting period.

(3) The certified statements required to be filed with the Corporation under paragraph (2) of this subsection shall be in such form and set forth such supporting information as the Board of Directors shall prescribe and shall be certified by the president of the insurer or any other officer designated by its board of directors to be, to the best of his knowledge and belief, true, correct and complete and in accordance with this title and regulations issued thereunder. The assessment payments required from participating insurers under paragraph (1) of this subsection shall be made in such manner and at such time or times as the Board of Directors shall prescribe, provided the time or times so prescribed shall not be later than sixty days after filing the certified statement setting forth the amount of assessment.

(4) Except as otherwise provided in this section, the Board of Directors shall prescribe all needful rules and regulations for the enforcement of this section. The Board of Directors may limit the retroactive effect, if any, of any of its rules or regulations.

(c) The Corporation may (1) refund to a participating insurer any payment of assessment in excess of the amount due to the Corporation or (2) credit such excess toward the payment of the assessment next becoming due from such insurer and upon succeeding assessments until the credit is exhausted.

(d) Any participating insurer which fails to make any report of condition under subsection (2) of this section or to file any certified statement required to be filed by it in connection with determining the amount of any assessment payable by the insurer to the Corporation may be compelled to make such report or file such statement by mandatory injunction or other appropriate remedy in a suit brought for such purpose by the Corporation against the insurer and any officer or officers thereof in any court of the United States of competent jurisdiction in the District or Territory in which such insurer is located.

(e) The Corporation, in a suit brought at law or in equity in any court of competent jurisdiction, shall be entitled to recover from any participating insurer the amount of any unpaid assessment lawfully payable by such insurer to the Corporation, whether or not such insurer shall have made any such report of condition under subsection (a) of this section or filed any such certified statement and whether or not suit shall have been brought to compel the insurer to make any such report or file any such statement. No action or proceeding shall be brought for the recovery of any assessment due to the Corporation, or for the recovery of any amount paid to the Corporation in excess of the amount due to it, unless such action or proceeding shall have been brought within five years after the right accrued for which the claim is made, except where the participating insurer has made or filed with the Corporation a false or fradulent certified statement with the intent to evade, in whole or in part, the payment of assessment, in which case the claim shall not be deemed to have accrued until the discovery by the Corporation that the certified statement is false or fraudulent.

(f) Should any participating insurer fail to make any report of condition under subsection (a) of this section or to file any certified statement required to be filed by such insurer under any provision of this section, or fail to pay any assessment required to be paid by such insurer under any provision of this title, and should the insurer not correct such failure within thirty days after written notice has been given by the Corporation to an officer of the insurer, citing this subsection, and stating that the insurer has failed to file or pay as required by law, all the rights, privileges, and franchises of the insurer granted to it under this title shall be thereby forfeited. Whether or not the penalty provided in this subsection has been incurred shall be determined and adjudged after hearing in the manner provided in section 14(i) of this title. The remedies provided in this subsection and in the two preceding subsections shall not be construed as limiting any other remedies against any participating insurer, but shall be in addition thereto.

(g) Any participating insurer which willfully fails or refuses to file any certified statement or pay any assessment required under this title shall be subject to a penalty of not more than $100 for each day that such violations continue, which penalty the Corporation may recover for its own use.

(h) (1) Whenever a change occurs in the outstanding voting stock of any participating insurer which will result in control or in a change in the control of such insurer, the president or other chief executive officer of such insurer shall promptly report such facts to the Corporation upon obtaining knowledge of such change. As used in this subsection, the term "control" means the power directly or indirectly to direct or cause the direction of the management or policies of the insurer. If there is any doubt as to whether a change in ownership or other change in the outstanding voting stock of the insurer is sufficient to result in control or a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the Corporation.

(2) Whenever such a change as described in paragraph (1) of this subsection occurs, the participating insurer involved shall report promptly to the Corporation any change or changes, or replacement or replacements, of its chief executive officer or of any director occurring in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or director.

(3) Whenever a participating insurer makes a loan or loans secured or to be secured by 25 per centum or more of the voting stock of another participating insurer, the president or other chief executive officer of the lending insurer shall promptly report such fact to the Corporation upon obtaining knowledge of such loan or loans, except that no report need be made in those cases where the borrower has been the owner of record of the stock for a period of one year or more, or the stock is of a newly organized insurer.

(4) The reports required by paragraphs (1) and (3) of this subsection shall contain the following information to the extent that it is known by the person making the report: (a) the number of shares involved, (b) the names of the sellers (or transferors), (c) the names of the purchasers (or transferees), (d) the names of the beneficial owners if the shares are registered in another name, (e) the purchase price, (f) the total number of shares owned by the sellers (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction, and in the case of a loan, (g) the name of the borrower, (h) the amount of the loan, and (i) the name of the insurer issuing the stock securing the loan and (j) the number of shares securing the loan. In addition to the foregoing, such reports shall contain such other information as may be available to inform the Corporation of the effect of the transaction upon control of the insurer whose stock is involved.

TERMINATIONS; ENFORCEMENT

Terminations of guaranty

SEC. 14. (a) Whenever the Board of Directors shall find that (i) a participating insurer or its directors or officers have engaged or are engaging in unsafe or unsound practices in conducting the business of the insurer, (ii) the insurer is in an unsafe or unsound condition to continue operations as a participating insurer, or (iii) the insurer has violated any provision of this title or any rule, regulation or order issued pursuant to this title, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the insurer, or any written agreement entered into with the Corporation, the Board of Directors shall give to the State supervisory authority a statement with respect to such practices or violations for the purpose of securing the correction thereof and shall give a copy of the statement to the insurer. Unless correction shall be made within one hundred and twenty days from receipt of such statement, or such shorter period not less than twenty days fixed by the Corporation in any case where the Board of Directors in its discretion has determined that the insurance risk of the Corporation is unduly jeopardized, or unless within such time the Corporation shall have received acceptable assurances that such correction will be made within a time and in a manner satisfactory to the Corporation, or in the event such assurances are submitted to and accepted by the Corporation but are not carried out in accordance with their terms, the Board of Directors, if it shall determine to proceed further, shall give to the insurer not less than thirty days' written notice of intention to terminate its guaranteed status. Such notice shall contain a statement of the facts constituting the alleged violation or unsafe or unsound practice or condition and shall fix a time and place for a hearing before the Board of Directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the Board of Directors shall make written findings which shall be conclusive, subject to right of review as hereinafter provided for. If the Board of Directors shall find that any unsafe or unsound practice or condition or violation specified in such statement has been established and has not been corrected within the time above prescribed in which to make such corrections, the Board of Directors may order that the guaranteed status of the insurer be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. Unless the insurer shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its guaranteed status and termination of such status thereupon may be ordered. Any insurer whose guaranteed status has been terminated by order of the Board of Directors under this subsection shall have the right of judicial review of such order only to the same extent as provided for the review of orders under subsection (i) of this section. The Corporation may publish notice of such termination and the insurer shall give notice of such termination to each of its policyholders at his last address of record on the books of the insurer, in such manner and at such time as the Board of Directors may find to be necessary and may order for the protection of policyholders. In the event of failure to give the notice to policyholders as herein provided, the Corporation is authorized to give such notice. An order terminating the guaranteed status of any participating insurer shall not affect any guaranteed policy issued by such insurer prior to the date on which the order was issued, but shall be effective with respect to (1) the renewal of such policy, and (2) any property, casualty or surety insurance policy thereafter issued by such insurer. The procedures, contained in this subsection are independent of and supplementary to those provided for in subsections (b) through (e).

Cease and desist proceedings

(b) (1) If, in the opinion of the Corporation any participating insurer is engaging or has engaged, or the Corporation has reasonable cause to believe that such insurer is about to engage, in an unsafe or unsound practice in conducting its business, or is violating or has violated, or the Corporation has reasonable cause to believe that such insurer is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Corporation in connection with the granting of any application of other request by the insurer, or any written agreement entered into with the Corporation, the Corporation may issue and serve upon the insurer a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the insurer. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Corporation at the request of the insurer. Unless the insurer shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of such consent, or if upon the record made at any such hearing, the Corporation shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Corporation may issue and serve upon the insurer an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the insurer and its directors, officers, employees, and agents to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

(2) A cease and desist order shall become effective at the expiration of thirty days after the service of such order upon the insurer concerned (except in the case of a cease and desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation or a reviewing court.

Temporary cease-and-desist orders

(c) (1) Whenever the Corporation shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon the insurer pursuant to paragraph (1) of subsection (b) of this section, or the continuance thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the insurer, or is likely otherwise seriously to prejudice the interest of the policyholders or the Corporation, the Corporation may issue a temporary order requiring the insurer to cease and desist from any such violation or practice. Such order shall become effective upon service upon the insurer and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Corporation shall dismiss the charges specified in such notice or, if a permanent cease and desist order is issued against the insurer, until the effective date of any such order.

(2) Within ten days after the insurer concerned has been served with a temporary cease and desist order, the insurer may apply to the United States district court for the judicial district in which the principal office of the insurer is located, or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of the charges served upon the insurer under paragraph (1) of subsection (b) of this section, and such court shall have jurisdiction to issue such injunction.

(3) In the case of violation or threatened violation of, or failure to obey, a temporary cease and desist order, the Corporation may apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the principal office of the insurer is located, for an injunction to enforce such order and, if the court shall determine that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.

Liabilities of directors and officers

(d) (1) Whenever, in the opinion of the Corporation, any director or officer of a participating insurer has committed any violation of law, rule, or regulation, or of a cease and desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the insurer, or has committed or engaged in any act, omission, or practice which constitutes a branch of his fiduciary duty as such director or officer, and the Corporation determines that the insurer has suffered or will probably suffer substantial financial loss or other damage or that the interests of the policyholders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Corporation may serve upon such director a written notice of its intention to remove him from office.

(2) Whenever, in the opinion of the Corporation, any director or officer of a participating insurer, by conduct or practice with respect to another insurer or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, and, whenever, in the opinion of the Corporation, any other person participating in the conduct of the affairs of the insurer, by conduct or practice with respect to such insurer or other insurer or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such insurer, the Corporation may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such insurer.

(3) In respect to any director or officer of an insurer or any other person referred to in paragraphs (1) and (2) of this subsection, the Corporation may, if it deems it necessary for the protection of the insurer or the interests of the insurer's policyholders or of the Corporation, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the insurer. Such suspension and/or prohibition shall become effective upon service of such notice, and, unless stayed by a court in proceedings authorized by paragraph (5) of this subsection, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraphs (1) and (2) of this subsection and until such time as the Corporation shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the insurer of which he is a director or officer or in the conduct of whose affairs he has participated.

(4) A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an insurer, shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or later date is set by the Corporation at the request of (a) such director, officer, or other person and for good cause shown, (b) the Attorney General of the United States, or (c) the state supervisory authortiy. Unless such director, officer, or other person shall appear at the hearings in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition. In the event of such consent, or if upon the record made at any such hearing the Corporation shall find that any of the grounds specified in such notice has been established, the Corporation may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the insurer, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such insurer and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation or a reviewing court.

(5) Within ten days after any director, officer, or other person has been suspended from office and/or prohibited from participation in the conduct of the affairs of an insurer under paragraph (3) of this subsection, such director, officer, or other person may apply to the United States district court for the judicial district in which the principal office of the insurer is located, or the United States District Court for the District of Columbia, for a stay of such suspension and/or prohibition pending the completion of the administrative proceedings pursuant to the notice served upon such director, officer, or other person under paragraph (1) or (2) of this subsection, and such court shall have jurisdiction to stay such suspension and/or prohibition.

(e) Whenever any director or officer of a participating insurer or other person participating in the conduct of the affairs of such insurer, is charged in any information, indictment, or complaint authorized by a United States Attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Corporation may by written notice served upon such director, officer, or other person suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the insurer. A copy of such a notice shall also be served upon the insurer. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Corporation. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Corporation may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the insurer except with the consent of the Corporation. A copy

of such order shall also be served upon such insurer, whereupon such director or officer shall cease to be a director or officer. A finding of not guilty or other disposition of the charge shall not preclude the Corporation from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in the insurer's affairs, pursuant to paragraph (1) or (2) of subsection (d) of this section.

(f) Except with the written consent of the Corporation, no person shall serve as a director, officer, or employee of a participating insurer who has been convicted, or who is hereafter convicted, of any criminal offense involving dishonesty or a breach of trust. For each willful violation of this prohibition, the insurer involved shall be subject to a penalty of not more than $100 for each day this prohibition is violated, which the Corporation may recover for its use.

Penalties

(g) Any director or officer, or former director or officer, of a participating insurer against whom there is an outstanding and effective notice or order (which is an order which has become final) served upon such director, officer or other person under subsections (d) or (e) above and who (1) participates in any manner in the conduct of the affairs of such insurer, or directly or indirectly solicits or procures, or transfers or attempts to vote any proxies, consents or authorizations in respect to any voting rights in such insurer, or (2) without the prior written approval of the Corporation, votes for a director or serves or acts as a director, officer, or employee of any insurer, shall upon conviction be fined not more than $5,000 or imprisoned for not more than one year, or both.

(h) Whenever a participating insurer shall violate any of the penal provisions of this title, such violation shall be deemed to be also that of the individual directors, officers, or agents of such insurer who shall have authorized, ordered or done any of the acts constituting in whole or in part such violation, and such violation thereof of any such director, officer or agent, he may be punishable by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or both.

Hearings and judicial review

(i) (1) Any hearings provided for in this section or in section 11 of this title shall be held in the Federal judicial district or in the territory in which the principal office of the insurer is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5. Such hearing shall be public, unless the Corporation, in its discretion, after fully considering the views of the party afforded the hearing, determines that a private hearing is necessary to protect the public interest. After such hearing, and within ninety days after the Corporation has notified the parties that the case has been submitted to it for final decision, the Corporation shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and cause to be served upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection (i). Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided in paragraph (2) of this subsection, and thereafter until the record in the proceeding has been filed as so provided, the Corporation may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Corporation may modify, terminate, or set aside any such order with permission of the court.

(2) Any party to the proceeding, or any person required by an order issued under this section to cease and desist from any of the violations or practices stated therein, may obtain a review of any order served pursuant to paragraph (1) of this subsection (other than an order issued with the consent of the insurer or the director or officer or other person concerned), by filing in the court of appeals of the United States for the circuit in which the principal office of the insurer is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Corporation be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Corporation, and thereupon the Corporation shall file in the court the record in the proceeding, as provided in section 2112 of Title 28. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall, except as provided in the last sentence of said paragraph (1), be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Corporation. Review of such proceedings shall be had as provided in chapter 7 of Title 5. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in Section 1254 of Title 28 of the United States Code.

(3) The commencement of proceedings for judicial review under paragraph (2) of this subsection shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Corporation.

Jurisdiction and enforcement

(j) The Corporation may, in its discretion, apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the principal office of the insurer is located, for the enforcement of any effective and outstanding notice or order issued by the Corporation under this section, and such courts shall have jurisdiction and power to order and require compliance therewith.

Definitions

(k) As used in this section, (1) the terms "cease and desist order which has become final" and "order which has become final" mean a cease and desist order, or an order, issued by the Corporation with the consent of the insurer or the director or officer or other person concerned, or with respect to which no petition for review has been filed and perfected in a court of appeals as specified in paragraph (2) of subsection (i), or with respect to which the action of the court in which said petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in said paragraph, or an order issued under paragraph (1) of subsection (e) of this section, and (2) the term "violation" includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

Service

(l) Any service required or authorized to be made by the Corporation under this section may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Corporation may by regulation or otherwise provide. Copies of any notice or order served by the Corporation upon any participating insurer or any director or officer thereof or other person participating in the conduct of its affairs, pursuant to the provisions of this section, shall also be sent to the state supervisory authority.

Ancillary provisions; subpoena power

(m) In the course of or in connection with any proceeding under this section, the Corporation or its designated representative, including any person designated to conduct any hearing under this section, shall have the power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpoenas and subpoenas duces tecum; and the Corporation is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any state or in any territory or other place subject to the jurisdiction of the United States at any designated place where such proceeding is being conducted. Any party to proceedings under this section may apply to the United States District Court for the District of Columbia or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this subsection, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpoenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. Any court having jurisdiction of any proceeding instituted under this section by an insurer, or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper; and such expenses and fees shall be paid by the insurer or from its assets.

CORPORATION MONEYS; INVESTMENT

SEC. 15. (a) Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States: *Provided,* That the Corporation shall not sell or purchase any such obligations for its own account and in its own right and interest, at any one time aggregating in excess of $100,000 without the approval of the Secretary of the Treasury: *And provided further,* That the Secretary of the Treasury may waive the requirement of his approval with respect to any transaction or classes of transactions subject to the provisions of this subsection for such period of time and under such conditions as he may determine.

Banking and checking accounts

(b) The banking or checking accounts of the Corporation shall be kept with the Treasurer of the United States, or, with the approval of the Secretary of the Treasury, with a Federal Reserve bank, or with a bank designated as a depositary or fiscal agent of the United States: *Provided,* That the Secretary of the Treasury may waive the requirements of this subsection under such conditions as he may determine: *And provided further,* That this subsection shall not apply to the establishment and maintenance in any bank for temporary purposes of banking and checking accounts not in excess of $50,000 in any one bank.

Loans to participating insurers

(c) When the Corporation has determined that a participating insurer is in danger of becoming insolvent, in order to prevent such insolvency, the Corporation, in the discretion of its Board of Directors, is authorized to make loans to such insurer upon such terms and conditions as the Board of Directors may prescribe.

TREASURY LOANS

SEC. 16. The Corporation is authorized to borrow from the Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, such funds as in the judgment of the Board of Directors of the Corporation are from time to time required for insurance purposes, not exceeding in the aggregate $500,000,000 outstanding at any one time: *Provided*, That the rate of interest to be charged in connection with any loan made pursuant to this section shall not be less than the current average rate on outstanding marketable and nonmarketable obligations of the United States as of the last day of the month preceding the making of such loan. For such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such loans. Any such loan shall be used by the Corporation solely in carrying out its functions with respect to such insurance. All loans and repayments under this section shall be treated as public-debt transactions of the United States.

EXEMPTION FROM TAXATION

SEC. 17. All notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any state, county, municipality, or local taxing authority: *Provided*, That interest upon or any income from any such obligations and gain from the sale or other disposition of such obligations shall have not have any exemption, as such, and loss from the sale or other disposition of such obligations shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereof. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any state, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to state, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

FORMS OF OBLIGATIONS

SEC. 18. In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this chapter, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretray of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other such obligations.

REPORTS; AUDITS

SEC. 19. (a) The Corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year. Such report shall include a statement with respect to the status of the Fund established pursuant to Section 10, together with such recommendations concerning its adequacy or inadequacy as the Corporation deems necessary or desirable.

(b) The financial transactions of the Corporation shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in possession and custody of the Corporation.

(c) A report of the audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15 following the close of such fiscal year. On or before December 15 following such fiscal year the Comptroller General shall furnish the Corporation a short form report showing the financial position of the Corporation at the close of the fiscal year. The report to the Congress shall set forth the scope of the audit and shall include a statement of assets and liabilities and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President and to the Corporation at the time submitted to the Congress.

(d) For the purpose of conducting such audit the Comptroller General is authorized in his discretion to employ by contract, without regard to Section 5 of Title 41, professional services of firms and organizations of certified public accountants, with the concurrence of the Corporation, for temporary periods or for special purposes. The Corporation shall reimburse the General Accounting Office for the cost of any such audit as billed therefor by the Comptroller General, and the General Accounting Office shall deposit the sums so reimbursed into the Treasury as miscellaneous receipts.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 20. Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by adding after "Federal Housing Administration", the following: "Federal Insurance Guaranty Corporation".

The material presented by Mr. MAGNUSON follows:

FEDERAL INSURANCE GUARANTY CORPORATION ACT

This bill, which would create a Federal Insurance Guaranty Corporation to protect against property, casualty and surety insurance company insolvencies, is in large part modeled after the Federal Deposit Insurance Corporation Act, as amended, 12 U.S.C. §§ 1811–31. Some of the provisions are also adapted from the bill to create a Federal Motor Vehicle Guaranty Corporation (S. 688) introduced by Senator Dodd in the 90th Congress.

SECTION-BY-SECTION ANALYSIS

Section 2 is a simple statement that a Federal Insurance Guaranty Corporation, which shall guarantee the contractual performance of participating insurers, is hereby created.

Section 3 provides that the management of the Corporation shall be vested in a three man Board of Directors headed by the Comptroller General of the United States. The other two members are to be appointed by the President, and confirmed by the Senate, and are to serve six year terms. Certain conflict of interest provisions are included.

Section 4 establishes a nineteen member Advisory Committee, consisting of representatives of the general public, the insurance industry, state and local governments including state insurance authorities, and the Federal Government. Members are to be appointed by the Board and are to serve two year terms. The Committee will advise the Board with respect to the general policies of the Corporation, will assist in obtaining the cooperation of insurers, industry groups, and Federal and state agencies, and will perform such others functions as the Board may assign.

Section 5 provides that the Corporation shall have a capital stock of $50,000,000 which shall be subscribed to by the Secretary of the Treasury. (Under Section 10(d), this stock is to be retired as rapidly as possible.)

Section 6 defines some of the terms used in the act. Through the definition of "insurer", the act is intended to apply to any enterprise which is engaged in the business of issuing or reinsuring property, casualty or surety insurance policies in interstate commerce or any enterprise which is engaged in the business of issuing property, casualty or surety policies which are reinsured in interstate commerce.

Section 7(a) outlines the powers of the Corporation. These include the power to contract, to sue and be sued, to appoint employees, agents, adjusters and examiners, to prescribe by-laws, to make examination of and require information and reports from insurers, and to prescribe any necessary rules and regulations.

Section 7(b) makes it an offense, punishable by fine of up to $100 per day, for any individual or corporation to use the words "Federal Insurance Guaranty Corporation" as the name under which it does business.

Section 8 deals with administration of the corporation. Subsection (a) states that the affairs of the Corporation shall be administered fairly and impartially and without discrimination. Free use of the U.S. mails is given in the same manner as the executive departments.

Subsections (b) through (f) of Section 8 concern examinations. The Corporation is to appoint examiners, who shall have the power to examine any insurer whose policies are guaranteed under the act or any insurer applying for guaranty status, whenever the Corporation believes such examination is necessary. The examiner may examine the affairs of the insurer and its affiliates and report to the Corporation. Examinations are to be coordinated with those made by state supervisory authorities. Copies of reports are to be furnished to state authorities. In connection with examinations, the Corporation or its examiners are to have the power to administer oaths and affirmations, to take testimony and to issue subpoenas and subpoenas duces tecum. In cases of refusal to obey a subpoena, the Board of Directors may invoke the aid of a U.S. district court. Based on the examiner's report, the Corporation may make recommendations concerning an insurer, and if the insurer fails to comply, the Corporation may publish the relevant portion of the report of examination. Subsection (g) permits the Corporation to keep its documents on microfilm.

Section 9 provides that after the Corporation is notified that a participating insurer has been determined to be insolvent by a court of competent jurisdiction, the Corporation shall assume and perform all the obligations of the insurer under property, casualty and surety insurance policies which are guar-

anteed. Once a certificate of assumption has been filed, the Corporation is authorized to adjust or settle any claim pending against the insured or the insurer and to defend suits brought against the policyholder or the insured. No claim for return premium is to be allowed in excess of 50% of unearned premiums. Claimants who also have a claim under state law against a state insolvency fund are required to exhaust first their rights against the state fund. And any person having a claim against his insurer under an insolvency protection provision in his insurance policy is required to exhaust first his rights under this act and/or any state insolvency fund.

Section 10 establishes the Federal Insurance Guaranty Fund, which is to be held by the Corporation and used for carrying out the guaranty functions under the act and for operating expenses. Proceeds from the sale of capital stock (section 5) and from guaranty fees (section 13(b)) are to be deposited in the Fund. Capital stock is to be retired as rapidly as possible. After such retirement, whenever the net asset value of the Fund exceeds 2% of annual net direct premiums written by all participating insurers, the fee requirements under section 13 shall be waived. Section 10 also specifies that participating insurers are not required to pay fees to state insolvency funds when their policies are guaranteed under this act.

Section 11 concerns applications for guaranteed status. All insurers (as defined in section 6) must, and intrastate insurers may, apply for guaranty. The factors to be considered by the Corporation in passing on applications are enumerated. Appropriate certificates are to be issued, and upon the taking effect of these, the contractual obligations or participating insurers under property, casualty and surety insurance policies shall be guaranteed by the Corporation. If an application is denied, the applicant must be given the reasons and is entitled to a hearing as provided in section 14(i).

Section 12 is a penalty section. Subsection (a) makes it an offense punishable by forfeiture of $1000 per day for any insurer (as defined in section 6) to issue or reinsure any property, casualty or surety insurance policy which is not guaranteed under this act. Officers and directors of the insurer are also made individually liable for any unsatisfied forfeiture claim. Subsection (b) makes it an offense, punishable by fine of up to $1000 and/or imprisonment of up to one year to advertise falsely that a policy is guaranteed by the Corporation.

Section 13(a) requires participating insurers to make regular reports of condition. Frequency and content of such reports is left to the Board. Failure to make a report is punishable by fine of up to $100 per day.

Section 13(b) provides for guaranty fees. Each participating insurer is required to pay to the Corporation a fee equal to one-eighth of 1% of net direct premium written by the insurer during the year. Payments are made semiannually and certified statements showing net direct premiums written must also be filed semiannually. Under subsection (c), excess payments may either be refunded or credited to the next payment.

Section 13(d) authorizes the Corporation to seek a mandatory injunction or other appropriate remedy in Federal district court if reports or statements are not filed. Subsection (e) authorizes the Corporation to bring suit in any court of competent jurisdiction to recover unpaid assessments. Under subsection (f), whenever a participating insurer fails to pay an assessment or file a report or statement, and whenever the Corporation has given notice of such failure and after thirty days the insurer still fails to pay or file, all privileges under the act shall be forfeited. A hearing shall be given to determine whether this penalty is applicable. In addition, under subsection (g), willful failure or refusal to pay or to file a certified statement is punishable by a fine of up to $100 for each day the violation continues.

Section 13(h) provides that whenever a change occurs in the outstanding voting stock of a participating insurer so as to alter control of the insurer, or whenever a participating insurer makes loans secured by 25% or more of the voting stock of another participating insurer, these facts must be reported to the Corporation. The types of information which must be given are specified in paragraph (4).

Section 14(a) provides a procedure for terminating a guaranty. If the Board finds (1) unsafe or unsound business practices with respect to a participating insurer, or (2) an unsafe or unsound condition for continuance of operations, or (3) a violation of the act or of a rule, regulation or order issued under it or of a condition imposed on the insurer or an agreement with it, the Board may notify the state supervisory authority and the insurer. Unless correction is made within a certain time period or unless satisfactory assurances of prompt correction are made, the Board may give the insurer not less than 30 days' written notice of intent to terminate its guaranteed status. A hearing is to be given and written findings are to be made by the Board. If the Board finds that the unsafe or unsound practice or condition or violation has been established and not corrected, it may order the guaranteed status terminated. Such order shall not affect policies issued prior to the date the order is issued, but shall only affect renewals or policies subsequently issued by the insurer.

Section 14(b) empowers the Corporation to issue a cease and desist order if, after notice and hearing, it finds that a participating insurer has engaged in or is about to engage in an unsafe or unsound business practice or that the insurer has violated a law, rule, regulation, condition or agreement.

Section 14(c) allows the Corporation to issue a temporary cease and desist order, effective upon service, if the Corporation determines that a violation or unsafe practice is likely to cause insolvency or substantial dissipation of assets or earnings or is otherwise likely to prejudice the interest of policyholders or the Corporation. The Corporation may apply to a U.S. district court for an injunction to enforce such an order, and the insurer may apply to such court for injunctive relief to set the order aside or suspend its effectiveness.

Section 14(d) Permits the Corporation to remove from office a director or officer of a participating insurer or to prohibit him from participating in the conduct of the affairs of the insurer if the Corporation finds, after hearing, that the director or officer has breached his fiduciary duty or has evidenced his personal dishonesty and unfitness. In certain cases the Corporation may make its suspension or prohibition effective prior to hearing, but the individual is authorized to apply to a Federal district court for a stay of the suspension or prohibition pending completion of the administrative proceedings.

Section 14(e) permits the Corporation to remove a director, officer or other person from office or prohibit him from participating in the affairs of an insurer when the person is charged with the commission of or participation in a felony involving dishonesty or breach of trust.

Under *section 14(f)*, no person convicted of a criminal offense involving dishonesty or breach of trust may serve as a director, officer or employee of a participating insurer, except with the written consent of the Corporation. Violation is punishable by a fine of up to $100 per day.

Section 14(g) provides a penalty of up to $5,000 fine and/or up to 1 year imprisonment for anyone who is convicted of violating orders issued under section 14(d) or (e).

Section 14(h) states that when an insurer violates one of the penal provisions of the act, the individual directors, officers or agents of the insurer who authorized, ordered or did the act constituting the violation shall also be deemed to have committed the violation and may be punished by a fine of up to $5,000 and/or imprisonment of up to 1 year.

Section 14(i) spells out the procedure for hearings and states that judicial review is to be by a U.S. court of appeals.

Section 14(j) gives the Corporation the power to apply to U.S. district court for enforcement of any notice or order issued by the Corporation under this section.

Section 14(k) defines certain terms used in the section.

Section 14(l) states that service of notices or orders may be made by registered mail or in such other manner as is reasonably calculated to give actual notice. Copies of notices or orders served by the Corporation are also to be sent to the state supervisory authority.

Section 14(m) concerns certain ancillary powers in connection with proceedings under this section, including the power to administer oaths, take depositions, issue subpoenas, make rules, and require attendance of witnesses and production of documents.

Section 15(a) provides that, with certain qualifications, money of the Corporation not otherwise employed shall be invested in obligations of the United States or obligations guaranteed by the United States.

Section 15(b) states that banking or checking accounts of the Corporation shall be kept with the Treasurer of the U.S., or with a Federal Reserve bank or a bank designated as a depositary or fiscal agent of the U.S.

Section 15(c) authorizes the Corporation to make loans to a participating insurer when it determines that the insurer is in danger of becoming insolvent.

Section 16 permits the Corporation to borrow from the Treasury such funds as are needed insurance purposes (up to a total of $500,000,000 outstanding at any one time). Interest on these loans is to be at least the current average rate on outstanding marketable and nonmarketable obligations of the United States.

Section 17 exempts the obligations of the Corporation from taxation. However, interest upon or income from the obligations and gain upon sales shall have no exemption. Nor shall loss upon sale have any special treatment. The Corporation and its income shall be exempt from taxation, but real property of the Corporation shall not be.

Section 18 authorizes the Secretary of the Treasury to prepare forms of obligations for the Corporation.

Section 19 requires the Corporation to report to Congress annually, and specifies that the financial transactions of the Corporation shall be audited by the General Accounting Office. Annual reports of the audits shall be furnished to Congress.

Section 20 adds the name "Federal Insurance Guaranty Corporation" to section 101 of the Government Corporation Control Act, as amended (31 U.S.C. §846).

Mr. HART. Mr. President, 35 years ago, Congress was faced with the question of the advisability of another guaranty fund—this one for the banking industry. Thankfully, at that time the vote was for establishment of the Federal Deposit Insurance Corporation. I say "thankfully" because I think the industry and its customers have been well

served by the protection the FDIC has provided.

A chart developed by the Senate Antitrust and Monopoly Subcommittee during its insurance investigation points this out very dramatically. I ask that it be printed at this point.

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

CLAIMS FILED, ASSETS AND PAYOUT RELATED TO TOTAL ADMINISTRATIVE EXPENSES, LEGAL FEES, AND SALARIES WITH RESPECT TO INSOLVENT AUTO INSURERS BY STATE

State	Companies	Number of policyholders and claimants filing claims	Actual assets available to pay claims to date	Amount paid out to policyholders and claimants to date	Total administrative expenses paid to date	Legal fees paid to date [1]	Salaries and wages paid to date [1]
Pennsylvania	19	20,315	$2,430,664	$8,113	$706,735	$53,220	$441,971
Illinois	17	49,186	5,619,395	2,192,108	[2]	[2]	[2]
Texas	7	15,560	451,370	3,077,082	1,023,526	112,248	612,999
Indiana	6	18,000	271,940	789,646	1,446,087	119,377	766,035
Maryland	4	8,470	2,026,085	354,961	1,105,538	340,132	281,142
Arkansas	4	13,404	254,277	----------	[3] 30,000	[2]	[2]
Missouri	4	5,936	271,000	75,943	[4] 155,000	[2]	[2]
California	4	23,813	----------	815,000	608,354	53,795	351,875
Michigan	3	34,471	1,065,231	4,686,406	1,571,659	377,851	772,678
Florida	3	11,705	1,527,159	396,012	268,912	34,312	143,810
Wisconsin	2	9,522	1,244,957	1,060,303	642,156	290,127	142,893
West Virginia	2	6,068	220,840	263,256	519,906	51,853	219,542
Tennessee	2	[2]	----------	108,915	[5] 56,431	[2]	[2]
Minnesota	2	3,201	643,471	----------	349,716	116,265	171,637
New York	1	20,246	6,265,275	4,987,687	2,802,564	164,605	1,658,581

[1] Included in "Total administrative expenses paid to date."
[2] Not available.
[3] For 3 companies.
[4] For 2 companies.
[5] For Monticello Insurance Co. only.

Source: State insurance department replies to Senate Antitrust and Monopoly Subcommittee questionnaire of June 6, 1968.

Mr. HART. As it shows, during the first 9 "shakedown" years of the FDIC, 390 banks failed. But once these obviously questionable enterprises were eliminated, only 85 bank failures occurred in the next 25 years.

Even better than the decrease in the number of bank failures is the fact that no depositor of any of these banks was financially hurt by the failures.

This is good. When the institution to which you entrust your money fails, it is an extremely unpleasant thing.

But it is less painful to lose your money when you still are capable of earning more than it is to suffer severe financial loss when at the same time you have lost the ability to earn more money.

Yet this is the situation thousands of Americans have faced in recent years. In the 1958–68 period alone, 109 automobile insurance companies failed, many of which were high risk. In addition, 18 fire and casualty companies writing other lines failed. A conservative estimate is that more than 1 million consumers were financially hurt by those failures. Further it is estimated that the failure of only 88 of those auto insurance companies cost consumers more than $200 million.

Obviously a good percentage of those losers were claimants—persons who may have lost the family breadwinner in a fatal accident or may have been handicapped for life themselves. For them, the hope of recouping from such financial distress is only a dream.

Briefly, then, my message in cosponsoring this bill is simple: If FDIC makes sense for banks, then the Federal Insurance Guaranty Corporation makes as much sense—doubled, in spades, for the insurance industry.

The sad plights that follow failure of an auto insurance company are not limited, of course, to the loss claimants suffer. Policyholders themselves—who turned to these companies with faith that they are solid and with no capacity for determining otherwise—find they not only lose protection and premiums but are often forced to bail out the untrustworthy company.

For example, another chart, which I ask be inserted at this point, shows that failure of 21 mutual and reciprocal companies ended up in more than 650,000 policyholders being assessed for more than $3⅓ million.

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

SUMMARY OF POLICYHOLDERS AND CLAIMANT ACTUAL AND POTENTIAL RECOVERY FROM INSOLVENT AUTO INSURANCE COMPANIES BY STATE

State	Companies [1]	Policyholders and claimants		Claims for submission to court for allowance to date		Claims submitted and approved by court to date		Actual assets available to pay claims to date	Amount paid out to date	Cents on the dollar of actual and total estimated [2] recovery	
		Number	Amount claimed	Number	Amount	Number	Amount			Actual	Estimated
Pennsylvania	19	20,315	$86,235,659	17,565	$60,254,290	62	$88,188	[3] $2,430,664	$8,113	9	6
Illinois	[4] 17	49,186	274,651,022	[5] 10,125	4,429,821	7,814	3,717,239	5,619,395	2,192,108	60	[6] 35
Texas	7	15,560	17,175,309	14,859	4,635,798	14,859	4,635,798	[7] 451,370	3,077,082	67	97
Indiana	[8] 6	18,000	[9] 32,156,335	[10] 5,507	[10] 2,939,108	[11] 7,189	6,945,849	[12] 271,940	789,646	14	17
Maryland	4	8,470	26,296,864	[11] 5,698	[11] 3,826,310	[10] 5,329	3,452,196	[13] 2,026,085	354,961	10	50
Arkansas	4	13,404	[14] 10,052,241	[15] 13,324	[15] 4,044,648	----------	----------	[16] 254,277	----------	----------	6
Missouri	4	[10] 5,936	[16] 2,184,743	3,800	[10] 2,893,553	----------	[11] 3,393,553	[17] 271,000	[16] 75,943	[18] 4	10
California	4	[19] 23,813	[19] 1,626,746	----------	----------	----------	[20] 3,545,349	----------	[20] 815,000	[20] 23	----------
Mississippi	3	34,471	----------	26,988	11,598,843	26,988	11,598,843	[21] 1,065,231	4,686,406	40	60
Florida	3	11,705	22,334,293	[10] 7,476	[10] 3,086,399	[10] 7,476	[10] 3,086,399	[22] 1,527,158	[10] 396,012	13	40
Wisconsin	2	9,522	23,770,550	5,095	4,000,815	----------	4,000,815	[23] 1,244,957	1,060,303	26	60
West Virginia	2	6,068	6,825,316	5,619	973,678	4,137	753,640	220,840	263,256	34	50
Tennessee	2	----------	----------	[24] 379	[24] 276,784	[24] 387	[24] 295,775	----------	[24] 108,915	37	----------
Minnesota	2	3,201	21,709,206	2,227	901,039	[25] 1,966	[25] 764,506	[26] 643,471	----------	----------	50
New York	1	----------	----------	3,898	3,819,487	3,898	3,819,487	----------	[27] 3,819,487	100	----------

[1] For which data is available.
[2] Actual recovery measured by amount paid out to amounts submitted and approved by court for allowance; estimated recovery measured (1) where sufficient number of claims have been evaluated by taking amount of claims for submission (or amount submitted and approved by court) for allowance (less amount paid out) to assets available to pay claims, and (2) where sufficient number of claims have not been evaluated, by taking from 5 to 50 percent (depending upon experience of particular State) of amount claimed, and amount for submission to court for allowance (less amounts paid out to date) to assets available to pay claims.
[3] Does not include potential assets (such as agents balances, reinsurance recoverable) of $4,001,271, and potential recovery of $41,300,000 from 396,138 assessable mutual policyholders.
[4] Data not available from Illinois Department for Highway, Lincoln Casualty & Progressive Insurance Cos.
[5] 16,941 claims have been evaluated by receiver to date.
[6] Does not include balance of $11,700,000 of potential recovery from some 90,000 assessable mutual policyholders.
[7] Does not include potential assets of $122,849.
[8] 4 insolvent estates have been closed.
[9] Data available for 4 companies.
[10] Data available for 2 companies.
[11] Data available for 3 companies.
[12] For 1 open insolvent company.
[13] Does not include potential assets of $9,302,054, nor potential recovery of $5,350,243 from 49,690 mutual assessable policyholders.
[14] Data available for 1 company.
[15] Data available for 3 companies; claims are in process of evaluation for North American Guaranty.
[16] Does not include North American Guaranty.
[17] Data available for 3 companies; does not include potential assets of $40,175.
[18] For 1 insolvent company; estate has been closed.
[19] Although data available for 3 companies, number or amount of claims for 2 of these are unavailable.
[20] Data available for 1 company, but California department reports that for 2 companies with combined amounts claimed of $1,400,000, a 100-percent payout was made, and for another company with an amount claimed of $230,000, 0 percent payout was made. Apparently, all 3 estates are being wound up.
[21] Does not include potential assets of $1,355,658.
[22] Does not include potential assets of $995,000.
[23] Does not include potential assets of $361,494.
[24] Data available for Monticello Insurance Co. only.
[25] For American Allied only.
[26] Does not include potential assets of $95,000.
[27] Auto bodily injury and property damage claims were paid out of the New York stock public motor vehicle liability security fund (under sec. 330), and the motor vehicle liability security fund (under sec. 333).

Source: State insurance department replies to Senate Antitrust and Monopoly Subcommittee questionnaire of June 6, 1968.

Mr. HART. Our hearing record includes vignettes of the personal distress these assessments have meant to several of the policyholders. As most of us are aware, a large number of the consumers forced into high-risk companies are deprived or handicapped in ways that keep them in the lower income brackets. This station in life adds to the suffering when they are faced with an assessment for company failure for which they were in no way responsible.

Further, as the subcommittee record shows, failure to pay the assessments can end in the jailing of the hapless policyholder—most of whom had no idea when they bought insurance that they also were buying financial responsibility for a company.

Mr. President, presently many in the insurance industry are advocating the substitution of competition for rate regulation. How can we be expected to consider seriously this change until full provision is made for the protection of policyholders? As any businessman knows, one product of competition is failure of the weak. In the unique insurance field, those failures will harm not just company stockholders—but the customers. Obviously, before any such major changes are initiated in the insurance field, we must be sure that protection is available for the now unprotected consumer.

Equally as obvious is the logic that when most States in effect force consumers to have insurance, that the consumers have some guarantee that protection will be available when he needs it.

This bill, in my estimation, would provide that protection at an average cost to policyholders of from 50 cents to $1 annually. I think the price is more than reasonable and the protection essential.

Mr. President, I ask unanimous consent that several tables bearing on the insurance company insolvency question which were prepared by the Senate Antitrust and Monopoly Subcommittee be inserted at this point.

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

FEDERAL DEPOSIT INSURANCE CORPORATION INSURED BANKS SUSPENDING AS A PERCENTAGE OF TOTAL OPERATING BANKS IN THE UNITED STATES, 1934–67 [1]

Year	Total banks	Insured banks suspending [2]	Rate (percent)
1967	14,244	4	0.0280
1966	14,291	7	.0489
1965	14,324	5	.0349
1964	14,281	7	.0490
1963	14,092	2	.0141
1962	13,951	1	.0071
1961	13,959	5	.0358
1960	13,999	1	.0071
1959	14,004	3	.0214
1958	14,060	4	.0284
1957	14,130	2	.0141
1956	14,206	2	.0140
1955	14,285	5	.0350
1954	14,409	2	.0138
1953	14,553	4	.0274
1952	14,616	3	.0205
1951	14,662	2	.0136
1950	14,693	4	.0272
1949	14,730	5	.0339
1948	14,750	3	.0203
1947	14,763	5	.0338
1946	14,747	1	.0067
1945	14,713	1	.0067
1944	14,700	2	.0136
1943	14,740	5	.0339
1942	14,837	20	.1347
1941	14,988	14	.0934
1940	15,063	43	.2854
1939	15,196	60	.3948
1938	15,370	73	.4749
1937	15,556	76	.4885
1936	15,809	69	.4364
1935	16,023	26	.1622
1934	16,128	9	.0558
Total		475	
Average, 34 years			.0952

[1] Federal deposit insurance began in 1934.
[2] Closed at any time because of financial difficulties. Some were able to reopen at a later date.

Source: Annual reports of the Federal Deposit Insurance Corporation.

ASSESSMENTS LEVIED AGAINST POLICYHOLDERS OF MUTUAL AND RECIPROCAL AUTOMOBILE INSURANCE COMPANIES THAT FAILED SINCE 1956 [1]

State	Number of companies	Number of policyholders assessed	Amount of assessments levied	Amount collected to date [2]
California	1	16,000	$1,940,000	[3]
Illinois	7	186,105	20,073,150	$3,149,614
Indiana	1	5,006	607,293	250,000
Maryland	2	49,690	5,350,243	[3]
Pennsylvania	10	396,138	[4] 41,300,000	[3]
Total	21	652,939	69,270,686	3,399,614

[1] All companies failed since 1962 except 2—Blackhawk Mutual (of Illinois) and Illinois Auto Insurance Reciprocal, which failed in 1957 and 1956, respectively.
[2] As of Jan. 17, 1969.
[3] Not available.
[4] Estimated by Insurance commissioner, Sept. 14, 1967.

Source: State insurance departments.

AUTOMOBILE INSURANCE PREMIUM WRITINGS OF FIRE AND CASUALTY COMPANIES THAT FAILED, 1958–68

Home State and companies	Years	Auto premiums written [2]
Pennsylvania:		
Home Mutual Casualty	1961–67	$2,658,000
Bankers & Telephone	1961–66	8,207,068
Sylvania Mutual	1964	200,000
Bankers Allied Mutual	1961–67	27,915,000
National Commercial		[3]
Municipal Mutual		[3]
Scandia Mutual		[3]
Palmyra General	1962–65	3,121,000
Tri-State Mutual	1962–65	592,000
Wissahickon Mutual	1963–65	1,049,000
Wilton Mutual		[3]
Reliable Mutual	1962–65	604,000
Lawn Mutual	1960–64	16,509,400
Delaware Valley Mutual	1960–64	2,442,771
Commonwealth Mutual	1957–63	5,616,865
Empire Mutual	1959–63	4,228,212
Graphic Arts Mutual	1959–62	2,717,111
Springfield Mutual	1960–62	72,378
State Mercantile Mutual		[3]
Total (14)		75,932,805
Illinois:		
Progressive General	1961–67	12,990,000
Trans-World Mutual		[3]
Highway	1960–66	11,415,730
St. Lawrence	1960–66	14,154,395
Mercury Mutual	1960–65	1,316,990
Lincoln Casualty	1959–65	8,947,685
Lake States Exchange	1961–65	4,354,370
Bell Mutual	1961–65	2,976,349
Bell Casualty		[3]
Banner Mutual	1959–65	20,630,918
Bedford Mutual	1963–65	75,425
Whitehall Mutual	1961–64	503,873
Monroe Mutual		[3]
Multi-State Interinsurance Exchange	1958–64	7,299,099
Oxford General Casualty Mutual	1961–64	2,090,042
Cosmopolitan	1958–63	18,361,777
Adams Mutual	1959–63	2,010,627
General Union Mutual	1959–62	179,242
Central Casualty	1956–61	3,871,860
Mid-Union Indemnity	1956–59	6,362,916
Total (17)		117,541,298
Missouri:		
Central Mutual	1960–66	$8,772,000
Midwest Mutual	1961–65	3,004,252
Surety Insurance Exchange	1960–65	904,379
Allied Western Mutual	1959–65	5,844,512
American Midwest Mutual	1962–64	1,835,836
Guaranty Insurance Exchange	1961–63	2,322,282
Missouri Union	1955–59	2,502,000
Independence		[3]
Eagle Exchange	1954–56	741,000
Total (8)		25,926,261
Arkansas:		
Independent Casualty		[3]
North American Guaranty	1963–67	14,525,316
Republic Casualty	1963–67	2,643,721
Mid-South	1961–65	2,117,434
Homestead Fire & Casualty		[3]
People's Indemnity		[3]
Royal Standard	1959–65	1,590,814
United Auto	1960–63	1,359,133
National Auto	1958–60	46,679
Total (6)		22,283,097
Texas:		
American Insurors		[3]
Great American County Mutual		[3]
Career	1960–65	139,980
Government Service Exchange	1958–64	4,368,045
Lumbermans Insurance		[3]
Franklin American	1956–58	1,480,000
Highway Exchange	1952–57	8,455,000
Total (4)		14,433,025
Indiana:		
United Public	1957–62 [4]	11,452,576
International Auto Exchange	1958–64	17,611,893
Insurance Corp. of America	1956–62	656,323
Universal Auto	1959–63	7,004,197
United Mutual	1957–63	2,188,123
Old Line Auto	1955–61	2,499,833
Total (6)		41,412,945

See footnotes at end of table.

AUTOMOBILE INSURANCE PREMIUM WRITINGS OF FIRE AND CASUALTY COMPANIES THAT FAILED, 1958-68—Continued

Home State and companies	Years	Auto premiums written [2]
Maryland:		
National Guild	1963-65	$2,691,000
Olympic		[3]
Chesapeake	1961-66	7,672,284
National Motors	1963	1,805,949
Total (3)		12,169,233
California:		
Consumers & Distributors Insurance Exchange	1958-64	2,231,000
Tower Indemnity Co		[3]
All Coverage Exchange	1959-63	4,324,897
Interstate Indemnity	1952-58	13,019,000
Total (3)		19,574,897
Michigan:		
Preferred	1957-63	32,027,696
Exchange Casualty	1957-63	15,132,813
Michigan Surety	1956-59	6,362,916
Total (3)		53,523,425
Wisconsin:		
Market Men's Mutual	1956-62	25,008,351
Shawano Mutual		[3]
Superior Mutual	1955-61	10,379,450
Total (2)		35,387,801
West Virginia:		
North Central	1964	1,125,000
Crown	1958-64	2,677,825
National Auto	1959	95,726
Total (3)		3,898,551
Florida:		
Florida Insurance Exchange	1963-66	4,257,000
National Home	1960-63	2,228,847
Equity General	1958-61	3,274,333
Total (3)		9,760,180
Minnesota:		
United States Mutual		[3]
American Allied	1963-66	$3,408,910
Total (1)		3,408,910
Delaware:		
American Military International	1959-62	7,147,047
National Auto	1956-60	4,648,740
Total (2)		11,795,787
Nebraska:		
United Benefit	1960-66	11,143,167
Surety National	1956-60	2,622,000
Total (2)		13,665,167
Tennessee:		
National Service	1964-68	24,840,613
Monticello	1958-63	1,297,372
Total (2)		26,137,985
Colorado:		
Western Standard	1955-61	941,938
Mountain Standard	[4] 1954-59	914,000
Total (2)		1,855,938
Louisiana:		
Marquette	1958-64	7,830,090
Delta Fire & Casualty	1953-59	2,429,000
Total (2)		10,259,090
New York: Manhattan Casualty		[6]
Nevada: Great Basin	1961-67	7,766,100
Massachusetts: Suffolk	1962-64	1,506,169
Maine: Washington	1962-66	915,436
New Hampshire: Sutton Mutual		[3]
South Carolina: First Citizens	1960-64	3,830,882
South Dakota: Security General	1958-64	4,420,632
Grand total (88)		517,415,614

[1] Not all premiums written in home State necessarily.
[2] Direct gross. Earned, instead of written, premiums are used in some instances.
[3] Not available.
[4] Placed in conservatorship in 1962, and in liquidation in 1965.
[5] Not available for 1957.
[6] New York has an insolvency fund which pays automobile bodily injury and property damage claimants. Company wrote no auto physical damage coverages.

Source: State insurance departments, annual statements; Bests reports.

Insolvent auto insurance companies by State of domicile, 1958-68 [1]

Arkansas	9
California	4
Colorado	2
Delaware	2
Florida	3
Illinois	20
Indiana	6
Louisiana	2
Massachusetts	1
Maine	1
Maryland	4
Michigan	3
Minnesota	2
Missouri	9
Nebraska	2
New Hampshire	1
New York	1
Nevada	1
Pennsylvania	19
South Carolina	1
South Dakota	1
Tennessee	2
Texas	7
West Virginia	3
Wisconsin	3
Total (25 States)	109

[1] Jan. 1, 1958 to Dec. 31, 1968.

Source: State Insurance Departments; Bests reports.

INSOLVENT FIRE AND CASUALTY COMPANIES WHO WROTE AUTOMOBILE INSURANCE, 1958-68

State and company	Date of receivership or liquidation
Pennsylvania:	
Home Mutual Casualty	1968
Bankers & Telephone	1967
Sylvania Mutual	1967
Bankers Allied Mutual	1967
National Commercial	1966
Municipal Mutual	1966
Scandia Mutual	1966
Palmyra General	1966
Tri-State Mutual	1966
Wissahickon Mutual	1966
Wilton Mutual	1966
Reliable Mutual	1966
Lawn Mutual	1965
Delaware Valley Mutual	1965
Commonwealth Mutual	1964
Empire Mutual	1964
Graphic Arts Mutual	1962
Springfield Mutual	1962
State Mercantile Mutual	1961
Total, 19.	
Illinois:	
Progressive General	1968
Trans-World Mutual	1967
Highway	1967
St. Lawrence	1967
Mercury Mutual	1966
Lincoln Casualty	1965
Lake States Exchange	1965
Bell Mutual	1965
Bell Casualty	1965

INSOLVENT FIRE AND CASUALTY COMPANIES WHO WROTE AUTOMOBILE INSURANCE, 1958-68—Continued

State and company	Date of receivership or liquidation
Illinois—Continued	
Banner Mutual	1965
Bedford Mutual	1965
Whitehall Mutual	1965
Monroe Mutual	1964
Multi-State Interinsurance Exchange	1964
Oxford General Casualty Mutual	1964
Cosmopolitan	1963
Adams Mutual	1963
General Union Mutual	1962
Central Casualty	1962
Mid-Union Indemnity	1962
Total, 20.	
Missouri:	
Central Mutual	1967
Midwest Mutual	1965
Surety Insurance Exchange	1965
Allied Western Mutual	1964
Jefferson Mutual	1964
American Midwest Mutual	1963
Guaranty Insurance Exchange	1962
Missouri Union	1960
Independence	1959
Eagle Exchange	1958
Total, 10.	
Arkansas:	
Independent Casualty	1967
North American Guaranty	1967
Republic Casualty	1967
Mid-South	1966
Homestead Fire & Casualty	1966

INSOLVENT FIRE AND CASUALTY COMPANIES WHO WROTE AUTOMOBILE INSURANCE, 1958–68—Continued

State and company	Date of receivership or liquidation
Arkansas—Continued	
People's Indemnity	1965
Royal Standard	1965
United Auto	1964
National Auto	1960
Total, 9.	
Texas:	
American Insurors	1965
Great American County Mutual	1964
Career	1964
Government Service Exchange	1963
Lumbermans Insurance	1962
Franklin American	1958
Highway Exchange	1958
Total, 7.	
Indiana:	
United Public	1965
International Auto Exchange	1964
Insurance Corp. of America	1962
Universal Auto	1962
United Mutual	1962
Old Line Auto	1962
Total, 6.	
Maryland:	
National Guild	1966
Olympic	1966
Chesapeake	1965
National Motors	1964
Total, 4.	
California:	
Consumers Distributors Insurance Exchange	1965
Tower Indemnity Co	1965
All Coverage Exchange	1964
Interstate Indemnity	1958
Total, 4.	
Michigan:	
Preferred	1964
Exchange Casualty	1962
Michigan Surety	1962
Total, 3.	
Wisconsin:	
Market Mens Mutual	1962
Shamano Mutual	1962
Superior Mutual	1961
Total, 3.	

INSOLVENT FIRE AND CASUALTY COMPANIES WHO WROTE AUTOMOBILE INSURANCE, 1958–68—Continued

State and company	Date of receivership or liquidation
West Virginia:	
North Central	1966
Crown	1964
National Auto	1960
Total, 3.	
Florida:	
Florida Insurance Exchange	1967
National Home	1962
Equity General	1961
Total, 3.	
Minnesota:	
United States Mutual	1966
American Allied	1965
Total, 2.	
Delaware:	
American Military International	1963
National Auto	1960
Total, 2.	
Nebraska:	
United Benefit	1965
Surety National	1961
Total, 2.	
Tennessee:	
National Service	1968
Monticello	1961
Total, 2.	
Colorado:	
Western Standard	1961
Mountain Standard	1959
Total, 2.	
Louisiana:	
Marquette	1965
Delta Fire & Casualty	1959
Total, 2.	
New York: Manhattan Casualty	1963
Nevada: Great Basin	1967
Massachusetts: Suffolk	1964
Maine: Washington	1965
New Hampshire: Sutton Mutual	1967
South Carolina: First Citizens	1963
South Dakota: Security General	1964
Grand total, 110.	

COMPARISON OF FAILURE RATES AMONG FIRE AND CASUALTY INSURANCE COMPANIES, THOSE WRITING AUTO INSURANCE, AND FDIC INSURED BANKS, 1958–67

Year	Fire and casualty companies	Fire and casualty failures	Rate (percent)	Companies writing auto insurance [1]	Auto insurance failures	Rate (percent)	Banks	FDIC insured banks suspending	Rate (percent)
1967	2,993	18	0.635	900	14	1.56	14,244	4	0.028
1966	3,028	16	.495	900	13	1.44	14,291	7	.049
1965	3,103	22	.709	900	22	2.44	14,324	5	.035
1964	3,124	19	.608	900	15	1.67	14,281	7	.049
1963	3,163	10	.316	900	8	.89	14,892	2	.014
1962	3,201	18	.594	900	17	1.88	13,951	1	.007
1961	3,240	8	.247	900	5	.56	13,959	5	.036
1960	3,243	6	.185	900	4	.44	13,999	1	.007
1959	3,244	4	.123	900	3	.33	14,004	3	.021
1958	3,254	5	.153	900	4	.44	14,060	4	.028
Total		126			105			39	
Average failure rate			.411			1.16			.028

[1] Estimated from Bests Insurance Reports.

Sources: Bests Insurance Reports, Federal Deposit Insurance Corporation, American Mutual Insurance Alliance, State insurance departments.

S. 2239—INTRODUCTION OF A BILL TO IMPROVE AND EXTEND THE PROVISIONS RELATING TO ASSISTANCE TO MEDICAL LIBRARIES AND RELATED INSTRUMENTALITIES

Mr. DOMINICK. Mr. President, I am pleased to introduce, at the request of the Senator from New York (Mr. JAVITS), the administration's bill to improve and extend those provisions of the Public Health Service Act authorizing assistance to medical libraries and related facilities in the field of health communications, entitled the "Medical Library Assistance Extension Act of 1969." In essence, the bill would extend the Medical Libraries Assistance Act of 1965 for 1 year, with several clarifying and technical amendments, and provide a coordinated national program to improve health communications. The present authorization for each of the programs added to the Public Health Service Act by the Medical Library Assistance Act of 1965 will expire June 30, 1970.

The proposed legislation reflects the administration's efforts to assure the success of the Nation's health programs and reaffirms our Government's responsibility in insuring that the vast accumulative knowledge of medicine is available for physicians, scientists, and the public in useful form in our libraries. Unless a program of library assistance is maintained, major investments in programs of health services and research will be placed in jeopardy through the failure of effective development of health information systems. The 1964 Presidential Commission Report on Heart Disease, Cancer, and Stroke, accurately portrays the situation by saying:

> Unless major attention is directed to improvement of our national medical library base, the continued and accelerated exchange of scientific knowledge will become increasingly an exercise in futility.

The services and facilities of medical libraries are needed by the research scientists, the teacher, the student, and the practioner to further the advances of knowledge, to transmit the knowledge to coming generations, and to apply the knowledge to the benefit of the people. I am hopeful for timely hearings in the Senate on this important proposal—medical practice, training, and research are now undergoing major changes, changes which, inevitably, will intensify the demands upon our medical libraries and health communications. The significant increase in specialization and the development of more complex systems of health care in our great urban centers also require an availability of access to large, centralized medical library facilities, as well as new tools for predigesting and repackaging the mounting volume of new information.

This legislation modifies the Medical Library Assistance Act of 1965 as follows:

First. The administration requests in place of the separate authorizations for each program a single general authorization provision, in an effort to provide greater flexibility both in the appropriation process and the program management.

Second. The administration proposes a reduction in the number of specifically identified library assistance programs through a consolidation of the existing sections 395 and 396.

Third, further administration modifications of the original act are proposed to improve the responsiveness of the program to national needs and to facilitate its administration: First, deletion of the authority of the present act which allows awards to be made for construction grants under conditions where matching funds are not immediately available; second, broadening the definition of eligible grantees for special scientific projects and for biomedical publication support; third, inclusion of the authority to support demonstration as well as research projects; fourth, inclusion of the authority to assist in establishing new medical library collections; fifth, inclusion of the authority for certain administrative changes for medical library research grants; and, sixth, inclusion of the authority to permit the use of contracts and to allow grants for planning under the regional medical library program.

I hope the bill will reach an early and favorable consideration—our medical libraries are vital to maintaining America's medicine in the forefront of international scientific advances.

I also ask that the names of the Senator from Vermont Mr. PROUTY and the Senator from California Mr. MURPHY be added as cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2239) to amend the Public Health Service Act to improve and extend the provisions relating to assistance to medical libraries and related instrumentalities, and for other purposes, introduced by Mr. DOMINICK (for Mr. JAVITS, for himself, Mr. MURPHY, and Mr. PROUTY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

Mr. INOUYE. Mr. President, on behalf of the Senator from Utah (Mr. BENNETT), I ask unanimous consent that at its next printing the name of the Senator from Alabama (Mr. ALLEN) be added as a cosponsor of S. 845, to change the definition of ammunition for purposes of chapter 44 of title 18 of the United States Code.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, I ask unanimous consent that, at its next printing, my name be added as a cosponsor of the bill (S. 941) to amend section 213(a) of the War Claims Act of 1948 with respect to claims of certain nonprofit organizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Indiana (Mr. BAYH) be added as a cosponsor of the bill (S. 2029) to provide improved judicial machinery for the selection of juries, to further promote equal employment opportunities of American workers, to authorize appropriations for the Civil Rights Commission, to extend the Voting Rights Act of 1965 with respect to the discriminatory use of tests and devices, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, at the request of the Senator from Michigan (Mr. GRIFFIN), I ask unanimous consent that, at its next printing, the names of the Senator from Alabama (Mr. ALLEN), the Senator from Colorado (Mr. ALLOTT), the Senator from Indiana (Mr. BAYH), the Senator from Oklahoma (Mr. BELLMON), the Senator from Nebraska (Mr. CURTIS), the Senator from Connecticut (Mr. DODD), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. FANNIN), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Utah (Mr. MOSS), the Senator from Wisconsin (Mr. NELSON), the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from South Carolina (Mr. THURMOND) be added as cosponsors of the bill (S. 2109), to provide for financial disclosure by members of the Federal judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPONG. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Maryland (Mr. TYDINGS) be added as a cosponsor of the bill (S. 2148) to amend the Merchant Marine Act, 1936, to encourage shipbuilding, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, on behalf of the Senator from Michigan (Mr. GRIFFIN), I ask unanimous consent that, at its next printing, the name of the Senator from Indiana (Mr. BAYH) be added as a cosponsor of the resolution (S.J. Res. 84), to declare the policy of the United States with respect to its territorial sea.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, at the request of the Senator from Alaska (Mr. GRAVEL), I ask unanimous consent that, at its next printing, the name of the senior Senator from Oregon (Mr. HATFIELD) be added as a cosponsor of the joint resolution (S.J. Res. 108), to provide for a study and evaluation of the relationship between underground nuclear detonations and seismic disturbances.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Pennsylvania (Mr. SCHWEIKER) be added as a cosponsor of the resolution (S. Res. 58), to create a standing Committee on Veterans' Affairs for the Veterans' Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 27—SUBMISSION OF CONCURRENT RESOLUTION IN SUPPORT OF CAPTURED AMERICAN FIGHTING MEN

Mrs. SMITH submitted the following concurrent resolution (S. Con. Res. 27) which was referred to the Committee on Foreign Relations:

S. CON. RES. 27

Whereas article VI of the United States Constitution specifically states that provisions of treaties ratified by the United States Government become the "supreme law of the land", notwithstanding contrary limitations of the Constitution itself; and

Whereas ratification of the United Nations treaty in 1945 has seriously compromised protection for men and women of our Armed Forces stationed in all parts of the world; and

Whereas notwithstanding solemn promises ratified at the international conferences at Geneva that all prisoners of war captured during the Korean conflict would be unconditionally released, no pretense of compliance has been advanced by defiant Communist aggressors; and

Whereas repeated appeals on the part of parents, relatives, and dependents of those unfortunate victims of Communist violence have proven ineffective either through the United States Department of State or the United Nations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) a more determined effort be made by our State Department to obtain the release and freedom from captivity of those American fighting men of the Korean conflict; and

(2) there be enacted by the Congress of the United States a code of protective legislation applicable to American personnel captured in military operations other than in a "declared war" to assure that the full force, authority, and power of the United States of America shall henceforth be publicly committed to the attainment of freedom from captivity of all Americans captured in such military operations, past and future.

NOTICE OF HEARINGS

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking and Currency Committee will hold a 1-day hearing, on June 6, 1969, on the model cities program, which is administered by the Department of Housing and Urban Development. The purpose of the hearing is to obtain an up-to-date progress report on the model cities program and to learn from the Housing Department the meaning of the recent announcement made by Secretary Romney on his plans to revise the program.

The hearing will be held on June 6, 1969, at 10 a.m. in room 5302, New Senate Office Building, and the witnesses will be Hon. George W. Romney, Secretary, and other representatives from the Department of Housing and Urban Development who have the responsibility for administering the model cities program.

ANNOUNCEMENT OF HEARING ON CONSUMER ASPECTS OF THE ECONOMICS OF AGING

Mr. CHURCH. Mr. President, as chairman of the Subcommittee on Consumer Interests of the Elderly, Special Committee on Aging, I am announcing today that the subcommittee will conduct a hearing in Ann Arbor, Mich., on consumer aspects of the economics of aging at 1:30 p.m., June 9, at the Rackham Auditorium on the University of Michigan campus.

The hearing will continue the work begun by the full Committee on Aging on April 29–30, when the committee chairman, HARRISON A. WILLIAMS, conducted survey hearings on the economics of aging. Witnesses at that time discussed present inadequacies in our retirement income systems, likely future developments, and the prevalence of poverty among large numbers of older Americans. At Ann Arbor, the subcommittee will look into matters related to one basic question: What are the consumer needs of the elderly and the relationship of those needs to retirement income? We will explore such matters as: the Bureau of Labor Statistics "moderate budget" for retired couples, and other measures of consumer needs; gaps in information about consumer behavior of the elderly; effects of early retirement upon budgetary planning by the elderly; and information on consumer problems that may reduce buying power of the elderly.

The June 9 hearing will be conducted in conjunction with the University of

Michigan's 22d annual conference on aging. The theme for the conference this year is: "The Aging Consumer." I would like to extend the thanks of the subcommittee to Dr. Wilma Donahue, director of the institution of gerontology at the university, for her assistance and interest in coordinating the hearing with the events of the conference.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. DODD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Lincoln C. Almond, of Rhode Island, to be U.S. attorney for the district of Rhode Island for the term of 4 years, vice Edward P. Gallogly.

David J. Cannon, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 years, vice James B. Brennan, resigned.

Otis L. Packwood, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years, vice H. Moody Brickett, resigning.

George E. Woods, Jr., of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years, vice Lawrence Gubow, resigned.

Harold S. Fountain, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years, vice George M. Stuart.

J. Pat Madrid, of Arizona, to be U.S. marshal for the district of Arizona for the term of 4 years, vice Roland S. Mosher.

John C. Meiszner, of Illinois, to be U.S. marshal for the northern district of Illinois for the term of 4 years, vice Joseph N. Tierney, resigned.

Gaetano A. Russo, Jr., of Connecticut, to be U.S. marshal for the district of Connecticut for the term of 4 years, vice Joseph T. Ploszaj.

George L. Tennyson, of South Dakota, to be U.S. marshal for the district of South Dakota for the term of 4 years, vice Leonard T. Heckathorn.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, May 30, 1969, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ELIGIBILITY REQUIREMENTS GOVERNING A GRANT OF ASSISTANCE IN ACQUIRING SPECIALLY ADAPTED HOUSING

Mr. SPARKMAN. Mr. President, I ask that the Chair lay before the Senate a message from the House on S. 408.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 408) to modify eligibility requirements governing the grant of assistance in acquiring specially adapted housing to include loss or loss of use of a lower extremity and other service-connected neurological or orthopedic disability which impairs locomotion to the extent that a wheelchair is regularly required, which was on page 2, after line 4, insert:

SEC. 2. Section 802 of title 38, United States Code, is amended by striking out "$10,000" and inserting in lieu thereof "$15,000".

SEC. 3. Section 1811(d) of title 38, United States Code, is amended (1) by striking out "$17,500" each place where it appears therein and inserting in lieu thereof in each such place "$25,000"; (2) by striking the second semicolon and all that follows in subsection (2) and inserting in lieu thereof a period; and (3) by striking out the semicolon where it appears in subsection (3) and all that follows and inserting a period.

SEC. 4. Section 1803(d)(3) of title 38, United States Code, be amended to read as follows:

"(3) Any real estate loan (other than for repairs, alterations, or improvements) shall be secured by a first lien on the realty. In determining whether a loan for the purchase or construction of a home is so secured, the Administrator may disregard a superior lien created by a duly recorded covenant running with the realty in favor of a private entity to secure an obligation to such entity for the homeowner's share of the costs of the management, operation, or maintenance of property, services or programs within and for the benefit of the development or community in which the veteran's realty is located, if he determines that the interests of the veteran borrower and of the Government will not be prejudiced by the operation of such covenant. In respect to any such superior lien to be created after the effective date of this amendment, the Administrator's determination must have been made prior to the recordation of the covenant. Any non-real-estate loan (other than for working or other capital, merchandise, goodwill, and other intangible assets) shall be secured by personalty to the extent legal and practicable."

And amend the title so as to read: "An act to liberalize the eligibility requirements governing the grant of assistance in acquiring specially adapted housing for certain service-connected disabled veterans, to increase the amount of such grant, to raise the limit on the amount of direct housing loans made by the Veterans' Administration, and for other purposes."

Mr. SPARKMAN. Mr. President, I move that the Senate concur in the amendments of the House to the bill, S. 408, with the following amendments: First, in the fourth line of the House amendments to the text of the bill strike out "$15,000" and insert "$12,500"; second, in the eighth line of the House amendments to the text of the bill strike out "$25,000" and insert in lieu thereof "$21,000."

Mr. President, for the information of the Senate, I have discussed this amendment to the House amendment to S. 408 with my colleague, the senior Senator from Utah (Mr. BENNETT). He is the ranking minority member of the Banking and Currency Committee and is also the ranking minority member of the Subcommittee on Veterans Legislation of the Finance Committee. The senior Senator from Utah joins me in the amendment I am now offering to S. 408 as amended by the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

INVESTMENT COMPANY AMENDMENTS ACT OF 1969

The PRESIDING OFFICER. Pursuant to the previous order, the Chair now lays before the Senate S. 2224, which the clerk will state by title.

The ASSISTANT LEGISLATIVE CLERK. S. 2224, to amend the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to define the equitable standards governing relationships between investment companies and their investment advisers and principal underwriters, and for other purposes.

Mr. SPARKMAN. Mr. President, S. 2224, the proposed Investment Company Amendments Act contains comprehensive amendments to the Investment Company Act of 1940, the Investment Advisers Act, the Securities Exchange Act, and the Securities Act of 1933. This proposed legislation also contains many provisions intended to update and modernize our Nation's securities laws so that they will be better suited for an ever-expanding investment company industry. It is the result of almost 3 years of extensive study, hearings, and review by the full Banking and Currency Committee. An additional 10 years of research and study has been spent on this topic by the Wharton School of the University of Pennsylvania and the Securities and Exchange Commission.

The only purpose of this legislation is to assure the 5 million Americans who have entrusted their savings to mutual funds and the many millions more who will do so in the future, adequate consumer protection. These consumers who comprise many of our small investors are the backbone of a healthy national economy.

S. 2224 has three primary objectives: First, it amends the sections of the Investment Company Act pertaining to investment company management fees, mutual fund sales commissions, and periodic payment plan sales commissions. Second, it amends various provisions of the securities laws to permit banks to operate commingled, managed agency accounts in competition with mutual funds. In this area, the bill would also clarify the status of bank collective funds and separate accounts established by insurance companies. Third, the bill contains a large number of amendments to the Federal securities laws, which would facilitate, update, and improve the administration and enforcement of these acts. These amendments have widespread support throughout the securities industry.

The function of a mutual fund is to pool the money of many different people into a single investment in securities, usually common stock. Mutual funds are, however, unique in their corporate organization. First, most funds are always ready to buy back their shares from in-

vestors. Therefore, they must continually promote the sale of new shares so that capital will be available. The second and most unique characteristic of a mutual fund, is its corporate organization which is far different from that of a typical industrial company, bank or insurance company. Mutual funds do practically none of their own work. Instead of hiring staffs of their own, they rely entirely on other people's employees.

MANAGEMENT FEES

A typical mutual fund is formed, controlled, and managed by a separate company called an investment adviser. The adviser's services are paid for by a fee which is calculated on a percentage of the fund's total assets. In the past the traditional fee has been one-half of 1 percent. Most fees still cluster around this figure although in recent years some have been reduced.

In 1940, at the time of the original Investment Company Act, most funds were relatively small in size and advisory fees did not present special problems. Presently, however, advisers manage funds whose assets amount to billions of dollars. The traditional fee of one-half of 1 percent charged on a fund with $30 million in assets in 1940 amounted to $150,000. Such charges were relatively modest and did not attract critical attention. Presently, however, due to the spectacular growth of mutual funds a similar fee on $3 billion in assets would amount to an annual charge of $15 million for each and every year. Obviously, elementary safeguards are necessary so that these fees may be objectively reviewed.

In its review of this subject matter, your committee has found that management fees are not fixed by normal price competition or by arms-length bargaining. The men who control the investment adviser also normally control the fund. Therefore, the relationships between mutual funds and their advisers are not the same as those that usually exist between buyers and sellers or in conventional corporations.

In 1940 it was impossible for Congress to foresee the explosive growth of the mutual fund industry—from assets of $450 million to the industry's present size of over $50 billion. Nor was it possible to foresee the increased compensation that mutual fund investment advisers would receive. The requirements written into the original act that advisory contracts be approved by shareholder vote, by unaffiliated directors, or both—intended to provide adequate shareholder protection—has had the opposite effect. Courts have held that because of these statutory requirements allegedly excessive management fees are subject to judicial review only under the test of "corporate waste" or when they shock the conscience of the court. This standard has been characterized by an eminent jurist as meaning that fees are subject to attack only when they are "excessively excessive."

Last year the Senate passed S. 3724 which contained a provision stating that management fees should be "reasonable." Jurisdiction was placed in the courts to determine what was a reasonable fee. This year S. 34 containing identical provisions was introduced. However, after hearings and further deliberations, your committee unanimously decided that there was an adequate basis to delete the express statutory requirement of reasonableness and to substitute a different method of testing management compensation. Under this proposed legislation, a mutual fund investment adviser has a specific fiduciary duty in respect to management fee compensation. This is in accordance with the belief, supported by the mutual fund industry, that the investment adviser should be a fiduciary in its relationship with the fund in the handling of assets and investments. Jurisdiction in enforcing this standard is placed in the courts who have traditionally judged fiduciary duties in similar type relationships.

Clearly this type of determination can only be made by the courts on the concrete facts of a particular case. Either the Securities and Exchange Commission or any mutual fund shareholder may sue in order to have a determination made as to whether the investment adviser has fulfilled his fiduciary duty to the mutual fund shareholders in determining the fee. As in any other lawsuit, the plaintiff would have the burden of proving to the satisfaction of the court that the defendant has committed a breach of fiduciary duty.

This legislation is not intended to replace the judgment of corporate directors with that of the courts. Under this section, courts are instructed to consider the approval given by the directors of the fund to the compensation paid and their approval shall be given such consideration as the court deems appropriate under all the circumstances. Among other things the court might wish to evaluate whether the deliberations of the directors were a matter of substance or a mere formality. However, such consideration would not be controlling in determining whether or not the fee encompassed a breach of fiduciary duty.

In my opinion, this section provides a reasonable solution to the management fee problem which has confronted Congress and your committee over the last 3 years. I am indeed grateful for the support given to this section by the senior Senator from Utah (Mr. BENNETT), the ranking minority member of the committee, and the Investment Company Institute.

SALES COMMISSIONS

In addition to management fees, the sales commissions paid by investors purchasing mutual fund shares are of great concern. The man who invests $10,000 in a mutual fund usually pays a sales commission of 9.3 percent of the total amount invested. This amount is far greater than the sales charges prevailing in other areas of the securities industry. For example, the normal stock exchange commission is approximately 1 percent. Over-the-counter securities transactions executed on an agency basis are the same as stock exchange commissions. When the dealer acts as principal, the commission is usually between 2 percent and 3 percent, and is limited to not more than 5 percent by the self-regulatory rules of the National Association of Securities Dealers. Nowhere else in the securities business are sales charges as high as for mutual funds.

In addition, mutual fund sales charges are protected by section 22(d) of the Investment Company Act. This section provides for a unique scheme of retail price maintenance whereby all dealers are prohibited by law from cutting the sales charge fixed by the mutual fund underwriter. Price cutting of mutual fund shares is a Federal crime.

Partially because of this section, and because of the way in which mutual fund shares are sold, competition has tended to operate in reverse—raising prices rather than lowering them. This has occurred because mutual fund shares are not sold on a competitive basis as are ordinary securities. In contrast, each fund competes for the favor of dealers and salesmen by offering higher sales compensation.

In some segments of the securities industry the protection of investors against excessive sales charges has been left to industry self-regulation subject to appropriate Government oversight. For example, brokerage commissions in the over-the-counter market are governed in this manner. A similar approach is recommended for mutual fund sales commissions by permitting the National Association of Securities Dealers to adopt rules prohibiting excessive sales charges.

The NASD has expressed the willingness to accept this function and to subject itself to the same type of SEC review as is provided in section 15A(k)(2) of the Securities Exchange Act. I am confident that the NASD and the SEC will work together to arrive at a result which is fair and reasonable both to the sellers of mutual fund shares and to the investing public.

FRONT-END LOAD

Many investors of relatively modest means purchase mutual funds shares by investing small amounts of money at monthly intervals. These investors pay the same sales commission as purchasers of ordinary mutual funds except for one significant factor—the "front-end load" method of collecting the sales charge.

The essential characteristic of the front-end load is that half of the investor's first year's payments are deducted for sales commissions. Obviously, this type of arrangement is detrimental to the investor, particularly if he discontinues his payments at an early date. Unless the stock market rises rapidly, he is almost certain to lose money.

These plans are sold mostly to lower and middle income families, who have the most to lose if they discontinue their payments. They are usually sold on a door-to-door basis, with potential purchasers being solicited in their homes and offices. While the front-end load is fully disclosed in the prospectus, studies have shown that most investors are still unaware of this feature.

If an investor is to make money he must be able to forecast his ability to continue making payments over a period of several years. Few small investors have been able to achieve this result. Over half of all contractual plan purchasers have failed to complete their payments on schedule.

The original legislation recommended

by the Securities and Exchange Commission would have abolished front-end load sales charges. This bill does not follow that recommendation. Instead, your committee recommends two alternative plans. The first would limit the amount that could be deducted for sales charges during any one of the first 3 years of the plan to 20 percent of the investors payments. The second would permit the current front-end load sales charge, but would provide that if an investor for any reason whatsoever elects to redeem his underlying shares during the first 3 years of the plan, he is entitled to receive a refund of the full value of his current account including all sales charges exceeding 15 percent of the total payments made under the plan.

These provisions, in addition to alleviating the burdens placed on the consumer by the front-end load, will also provide a monetary incentive for salesmen to encourage increased investor persistence in completing their plans. The present system under which the salesman automatically receives most of his commissions during the first year of the plan has unfortunately failed to provide such results.

This section is of the utmost necessity if we are to provide adequate consumer protection. The front-end load is found only in installment plans sold to people who have little accumulated capital reserves. These are the people whom this bill is intended to protect. Present law which permits the deduction of half of the investor's money for sales charges, unfortunately does not afford such protection.

BANKS AND INSURANCE COMPANIES

This bill deals with another major concern of Congress—the need to clarify the status of bank administered collective investment funds under the Federal securities laws and the various banking statutes. These proposals are intended to clarify the numerous statutes governing this area and will also assure equal treatment for similar collective investments offered by insurance companies.

In recent years, banks and insurance companies have entered the mutual fund field by pooling the individually limited resources of large numbers of investors into collective investment funds and separate accounts. Recent developments have, however, raised difficult questions under existing Federal securities laws. One Federal district court has held that banks are precluded from operating managed agency accounts. The uncertainty caused by this decision, which is currently being appealed, has unduly impeded banks from competing with mutual funds on an equal footing. This bill would remove that unwarranted comparative disparity. Savings and loan associations would also be permitted to operate managed agency accounts if they received the permission of the Federal Home Loan Bank Board and are registered under all applicable acts with the Securities and Exchange Commission.

The bill also exempts bank collective trust funds and insurance company separate accounts for corporate pension plans from all but the fraud provisions of the Federal Securities Acts—an approach which the SEC has in the past taken through administrative action. Provisions are also contained which exempt bank collective funds and insurance company separate accounts—Smathers-Keogh H.R. 10 plans—from the Investment Company Act, but not from the disclosure provisions of the securities laws.

The entry of banks into the mutual fund field and the increased activity of insurance companies will provide the American investing public with a wide choice among different equity investments. This increased competition for investor favor is an important step toward insuring healthy and viable securities markets.

In conclusion, this proposed legislation is a moderate measure intended to deal with the serious problems which have arisen in the investment company industry over the last 28 years. It is built on the traditional practices of existing securities laws. It embodies a program of governmental regulation which is the bare minimum needed to provide adequate consumer protection and to update the Investment Company Act to the needs of today's economy.

I may add that copies of this year's hearings and report are on the desks of Senators. This bill follows very closely the one which was passed by a voice vote by the Senate last year. This year it was unanimously reported out of the Banking and Currency Committee unanimously. I believe, and I certainly hope, that the Senate will give favorable consideration to this legislation.

Mr. McINTYRE. Mr. President, the bill which the committee has reported to amend the Investment Company Act of 1940, and for other purposes, represents, in my opinion, a very commendable effort by the Banking and Currency Committee to arrive at a fair compromise—fair to the investing public and to the mutual fund industry. It deserves the support of the full Senate.

This bill represents a decade of studies carried out by the committee and the Securities and Exchange Commission. I think that particular credit for its present form should be given to our chairman, the Senator from Alabama, and the ranking minority member, the Senator from Utah, for their essential leadership toward the compromise now before us. I would also like to single out for special mention the former Chairman of the SEC, Hon. Manuel Cohen, for his determined effort to support this legislation, and his successor, Chairman Budge, who has carried on the task of insuring that American investors receive the full protection of their Government from possible abuse.

I think that it is also appropriate to point out, Mr. President, that the mutual fund industry itself, while somewhat slow to cooperate at the beginning of the committee's study of this legislation, has performed a very useful role in the development of the final form of the present bill. Thus the industry has performed service for the Congress, much in line with its professional practice of performing services for small investors.

Over 5 million Americans now own shares of mutual funds. The dramatic growth of the industry in the last 30 years from about $500 million in assets in 1940 to over $50 billion today demonstrates how the industry has served important investor needs. As the SEC has stated:

> By offering the American public a medium for professionally managed investment securities, primarily the stocks of America's leading companies, the investment company industry, and specifically mutual funds, fulfill an important public need.

To the small investor, mutual funds have traditionally provided a method through which the judgment and skill of highly trained managers are made available to place him on a parity with sophisticated stock market professionals. The results achieved by mutual funds for their shareholders show the effect of this approach. For the 10-year period ending December 31, 1968, mutual funds stressing maximum capital growth show an increase of values of 270 percent, while the most conservative balanced funds show gains of 110 percent. These results have, in recent years, caused institutions such as college endowments to become important mutual fund investors.

In light of these facts, the provisions of this bill should not be taken as any criticism of the job that mutual funds have done for their shareholders over the years. In fact, the development and growth of the mutual fund industry may be taken as another example of the unique vitality of the American economic system. Although the ancestors of mutual funds were born in Europe during the last century, its development and growth has been uniquely American. The domestic success of the industry has been such that there have been increasing sales of American mutual fund shares abroad in recent years and, as a result, the industry now makes a significant contribution to rectifying our balance-of-payments problem.

The chairman has discussed the major points of this bill in some detail. I would like to comment very briefly on a few of those points.

I was delighted that the committee finally found a way out of the tangle on management fees which had given us so much trouble last year. I might point out, for the RECORD, that I initially suggested the use of a fiduciary standard for testing management fees in the closing minutes of our last public hearing, a suggestion which led to a series of industry-SEC meetings and ultimately to the language of the bill now before us.

I am hopeful that this provision will serve as a strong encouragement to mutual fund managers to pass on to their shareholders the benefits attained through applications of economy of scale. As funds grow in size, the economic benefits which are realized through that growth belong to the fund shareholders.

It is encouraging to realize that there are today, without this legislation, so many mutual funds which do, in fact, pass on these benefits of increased size to their shareholders.

On another matter, the committee decided to leave the regulation of sales loads to an industry self-regulating body. I accept the committee's decision, al-

though I would have preferred to see such regulation achieved by competitive forces operating in a free market, a situation which would result from the repeal of section 22(d) of the Investment Company Act. Surely, if the NASD does not move promptly and effectively to bring about a reduction in sales loads, the Congress should consider the repeal of section 22(d). It is encouraging to note that the committee has requested the SEC to report back on the effects of repeal of 22(d).

The committee acted wisely, as it did last year also, in modifying the exclusion from the Act's protections for investors for oil and gas mutual funds. This matter has been before the committee for some time, going back to 1966, and the case has been clearly made for granting protection to investors in these types of mutual funds.

During the executive session of the committee, a number of amendments were brought up at the last minute for committee consideration. The committee decided that those amendments which contained matter which had not been previously studied, and with which members were not familiar should be deferred. I believe that three such amendments, technical in nature, would be desirable. They are recommended by the SEC and the Investment Company Institute. In order to give advance notice that I will be offering them, I will now submit for the RECORD technical memorandum explaining their purpose. Mr. President, I ask unanimous consent that three technical statements be inserted in the RECORD at this point.

There being no objection, the technical statements will be printed in the RECORD, as follows:

TECHNICAL STATEMENT IN SUPPORT OF A PROPOSED AMENDMENT TO SECTION 22(c) OF THE INVESTMENT COMPANY ACT OF 1940 CLARIFYING THE COMMISSION'S AUTHORITY TO REGULATE THE PRICING OF INVESTMENT COMPANY SHARES FOR THE PURPOSE OF SALE, REPURCHASE, AND REDEMPTION

Section 22(a) of the Investment Company Act authorizes a securities association registered under Section 15A of the Securities Exchange Act of 1934 (i.e., the National Association of Securities Dealers, Inc. ("NASD")), to make rules respecting the method for pricing of mutual fund shares for sales, redemptions, and repurchases for the purposes of "eliminating or reducing so far as reasonably practical any dilution of the value of such purchase, redemption, or sale which is unfair to holders of such other outstanding securities. . . ."

Section 22(c) of the Act authorizes the Commission to make rules and regulations, applicable to both members and nonmembers of the NASD, covering the same subject matter and for the accomplishment of the same ends prescribed in Section 22(a). Section 22(c) further provides that any rules and regulations made by the Commission supersede any NASD rules made on the same subject matter.[1]

Section 22(c) provides that the Commission's rules shall be applicable to "principle underwriters of and dealers in, the redeemable securities of any registered investment company. . . ." The section does not specifically state that such rules shall be applicable to the registered investment company. Because of this wording, it has been suggested that the Commission's rule-making power with respect to pricing of mutual fund shares does not extend to the registered investment company itself.[2]

The Commission believes that the rule-making power given in Section 22(c), together with the general rule-making power given in Section 38(a), clearly extends to registered investment companies. Indeed, to interpret the section otherwise would allow mutual funds to fix the times as of when net asset value of their shares are to be computed in circumvention of the Commission's regulation of underwriters' and dealers' time of pricing of the same shares. For example, in some cases Commission rules would apply to the timing of the calculation of net asset value of shares for *sale* and *repurchase* by dealers and underwriters, and a different time might be used for calculation of net asset value for *redemptions* of shares of the same company,[3] subverting one of the main purposes of the section.[4]

Argument on this question would be obviated if the Act were more explicit. Therefore, the Commission recommends that Section 22(c) be amended to insert the phrase "to registered investment companies and" after the phrase "the Commission may make such rules and regulations applicable" in the Section.

TECHNICAL STATEMENT IN SUPPORT OF PROPOSED AMENDMENTS TO SECTION 8(b)(2) AND 13(a)(3) OF THE INVESTMENT COMPANY ACT OF 1940 CLARIFYING WHICH INVESTMENT POLICIES MAY NOT BE DEVIATED FROM WITHOUT PRIOR SHAREHOLDER APPROVAL

Section 8(b)(1) of the Investment Company Act of 1940 ("Act") requires that every registered investment company, in its registration statement filed under the Act, specifically recite its policy with respect to certain investments and other enumerated activities. Section 8(b)(2) requires a recital in the registration statement of policies "in respect of matters, not enumerated in paragraph (1), which the registrant deems matters of fundamental policy and elects to treat as such."

Section 13 prohibits a registered investment company from deviating from the policies enumerated in Section 8(b)(1) or from any policy which it has elected to treat as "fundamental" pursuant to Section 8(b)(2) without prior shareholder approval.

The Commission believes that "fundamental", as therein used, is simply a term which describes any investment policy which an investment company elects to make changeable only if authorized by shareholder vote, whether or not an investment company *labels* such a policy "fundamental".

However, it has been argued that Section 13 is not violated when an investment company changes an investment policy without a required prior shareholder approval, unless that policy has been labelled "fundamental". In other words, it was argued that requiring prior shareholder approval for a change in investment policy does not make it "fundamental".

In *Green* v. *Brown*, 276 F. Supp. 753 (1967), the District court accepted this so-called "plain meaning" approach despite its "curious result". In a Brief, filed *Amicus Curiae* with the Court of Appeals, the Commission took the position that the term "fundamental" was simply a term which describes any investment policy which an investment company elects to make changeable only if authorized by shareholder vote. That Court, in *Green* v. *Brown*, 398 F. 2d 1006 (C.A. 2, 1968) remanded the case to the District Court with instructions to reconsider the matter with the benefit of the Commission's Brief.

Therefore, while the Commission believes that it has the authority to effect a clarification by rule,[1] to obviate further misunderstanding, it recommends that Sections 8 and 13, be amended to make it clear that deviation from an investment policy which is changeable only by shareholder vote constitutes a violation of Section 13. The amendment would also allow investment companies the opportunity to afford shareholders similar protection from deviation with respect to any other policy. Thus the amended sections would read as follows:

"SEC. 8. * * *.

(b) Every registered investment company shall file with the Commission, within such reasonable time after registration as the Commission shall fix by rules and regulations, an original and such copies of a registration statement, in such form and containing such of the following information and documents as the Commission shall by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

* * * * *

"(2) [a recital of the policy of the registrant in respect of matters, not enumerated in paragraph (1), which the registrant deems matters of fundamental policy and elects to treat as such;] *a recital of all investment policies of the registrant, not enumerated in paragraph (1), which are changeable only if authorized by shareholder vote;*

"*(3) a recital of all policies of the registrant, not enumerated in Paragraphs (1) and (2), in respect of matters which the registrant deems matters of fundamental policy;*

"[(3)] *(4)* * * *. (Present Paragraph (3) renumbered (4)).

"[(4)] *(5)* * * *. (Present Paragraph (4) renumbered (5)).

SEC. 13. (a) No registered investment company shall, unless authorized by the vote of a majority of its outstanding voting securities—

* * * * *

"(3) deviate from its policy in respect of concentration of investments in any particular industry or group of indsutries as recited in its registration statement, [or deviate from any fundamental policy recited in its registration statement pursuant to Section 8(b)(2); or] *deviate from any investment policy which is changeable only if authorized by shareholder vote, or deviate from any policy recited in its registration statement pursuant to Section 8(b)(3);*

---

[1] Rule 22c-1, adopted October 16, 1968, effective January 13, 1969 superseded NASD Rules 26(e) and 26(h).

[2] In most cases sales and repurchases are handled through a dealer and underwriter, but redemptions are normally handled directly by the fund. Also, many no-load funds sell and redeem shares without using a separate underwriter or dealer.

[3] Many mutual funds designate underwriters and dealers around the country as their agents for "voluntary repurchase" of their shares. This enables share holders to shorten the period otherwise required to transmit the actual stock certificates to the fund for statutory "redemption."

[4] Section 1(b) of the Act requires the Commission to interpret the Act to mitigate and, so far as is feasible, to eliminate the conditions enumerated in the section which adversely affect the national public interest and the interest of investors. Section 1(b)(5) of the Act states that the national public interest and the interest of investors are adversely affected when *investment companies* in computing the asset value of their securities, employ unsound or misleading methods.

[1] In Investment Company Act Release No. 5565 (Securities Act Release No. 4939) the Commission proposed revisions of its instructions to Form N-8B-1 (and Form N-5) to effect this clarification.

TECHNICAL STATEMENT IN SUPPORT OF PROPOSED AMENDMENT TO SECTION 24 OF THE INVESTMENT COMPANY ACT OF 1940 TO ADD A NEW SUBSECTION (f) TO PERMIT RETROACTIVE REGISTRATION OF INVESTMENT COMPANY SECURITIES

Occasionally, due to inadvertence, a registered investment company making a continuous offering of its securities, sells more shares than are covered by its registration statement under the Securities Act of 1933. Although the number of shares sold in excess of those registered are not registered under the Act, in practical effect no investor is harmed if each offeree or purchaser is given a current prospectus. However, the inadvertence may result in a violation of Section 5 of the Securities Act and any person who can show that his shares were not actually registered might be entitled to the rescission rights given by Section 12 of the Securities Act.

This suggested Section would permit the Commission to adopt rules allowing retroactive registration of securities sold in excess of the number of securities included in an effective registration statement upon payment of three times the normal registration fee for such shares. The Section also permits the Commission additional flexibility, if it so desires, to adopt rules to permit certain types of investment companies to register an indefinite number of shares.

The text of the proposed amendment follows:

"Section 24 of the Investment Company Act of 1940 is Amended by adding a new Subsection (f) to read as follows:

"'(f) In the case of securities issued by a face-amount certificate company or redeemable securities issued by an open-end management company or unit investment trust, which are sold in an amount in excess of the number of securities included in an effective registration statement of any such company, such company may, in accordance with such rules and regulations as the Commission shall adopt as it deems necessary or appropriate in the public interest or for the protection of investors, elect to have the registration of such securities deemed effective as of the time of their sale, upon payment to the Commission, within six months after any such sale, of a registration fee of three times the amount of the fee which would have otherwise been applicable to such securities. Upon any such election and payment, the registration statement of such company shall be considered to have been in effect with respect to such shares. The Commission may also adopt rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors to permit the registration of an indefinite number of the securities issued by a face-amount certificate company or redeemable securities issued by an open-end management company or unit investment trust.'"

Mr. McINTYRE. In conclusion, Mr. President, I would like to think that all of the controversy which surrounded this legislation 3 years ago has vanished in the general agreement of all parties affected that this bill is highly desirable. It was 29 years ago that the Investment Company Act was enacted. It would be nice to think that, after the enactment of this bill, another 29 years may pass before additional mutual fund legislation will be thought necessary.

Mr. INOUYE. Mr. President, the leadership wishes to announce that further consideration of the bill, S. 2224, will be had on Monday, May 26.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2232—INTRODUCTION OF A BILL TO AMEND THE ALASKA STATEHOOD ACT

Mr. INOUYE. Mr. President, in behalf of the Senator from Alaska (Mr. GRAVEL) I introduce a bill to amend the Alaska Statehood Act, Public Law 85–508, and ask unanimous consent that it be referred to the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, the bill will be received and referred as requested.

The bill (S. 2232) to amend the Alaskan Statehood Act, Public Law 85–508, July 7, 1958, 72 Stat. 339, by repealing the exclusive jurisdiction of the Federal Maritime Board over common carriers engaged in transportation by water between any port in the State of Alaska and other ports in the United States, introduced by Mr. INOUYE (for Mr. GRAVEL), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs, by unanimous consent.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CENTER ON EDUCATIONAL MEDIA AND MATERIALS FOR THE HANDICAPPED

Mr. INOUYE. Mr. President, I ask unanimous consent that the unfinished business be temporarily set aside, and that the Senate proceed to the consideration of Calendar No. 185, S. 1611.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. Calendar No. 185, S. 1611, a bill to amend Public Law 85–905 to provide for a National Center on Educational Media and Materials for the Handicapped, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Hawaii?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments, on page 2, line 16, after the word "and" strike out "nonprofit"; in line 17, after the word "agencies" insert "and organizations"; and on page 4, at the beginning of line 18, strike out "and inserting after "1970" the following: $12,500,000 for the fiscal year ending June 30, 1971, $15,000,000 for the fiscal year ending June 30, 1972, and $20,000,000 for the fiscal year ending June 30, 1973, and for each succeeding fiscal year.". "; so as to make the bill read:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 2, 1958 (Public Law 85–905) is amended—

(1) in section 3, by adding at the end thereof the following new subsection:

"(c)(1) The Secretary is authorized to enter into an agreement with an institution of higher education located in the National Capital area for the establishment and operation (including construction) of a National Center on Educational Media and Materials for the Handicapped, which will provide a comprehensive program of activities to facilitate the use of new educational technology in education programs for handicapped persons, including designing and developing, and adapting instructional materials, and such other activities consistent with the purposes of this Act as the Secretary may prescribe in the agreement. Such agreement shall—

"(A) provide that Federal funds paid to the Center will be used solely for such purposes as are set forth in the agreement;

"(B) authorize the Center, subject to the Secretary's prior approval, to contract with public and private agencies *and organizations* for demonstration projects;

"(C) provide for an annual report on the activities of the Center which will be transmitted to the Congress;

"(D) provide that any laborer or mechanic employed by any contractor or subcontractor in performance of work on any construction aided by Federal funds under this subsection will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a–276a–5); and the Secretary of Labor shall have, with respect to the labor standards specified in this clause, the authority and functions set forth in Reorganization Plan Numbered 15 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) In considering proposals from institutions of higher education to enter into an agreement under this subsection, the Secretary shall give preference to institutions—

"(A) which have demonstrated the capabilities necessary for the development and evaluation of educational media for the handicapped; and

"(B) which can serve the educational technology needs of the Model High School for the Deaf (established under Public Law 89–694).

"(3) If within twenty years after the completion of any construction (except minor remodeling or alteration) for which such funds have been paid—

"(A) the facility ceases to be used for the purposes for which it was constructed or the agreement is terminated, unless the Secretary determines that there is good cause for releasing the institution from its obligation, or

"(B) the institution ceases to be the owner of the facility,

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or

by action brought in the United States district court for the district in which the facility is situated."

(2) in section 2, by adding at the end thereof the following:

"(5) The term 'construction' means the construction and initial equipment of new buildings, including architect's fees, but excluding the acquisition of land."

and

(3) in section 4, by striking out "and" after "1969," and by striking out "1970" and all that follows and inserting in lieu thereof the following: "1970, $12,500,000 for the fiscal year ending June 30, 1971, $15,000,000 for the fiscal year ending June 30, 1972, and $20,000,000 for the fiscal year ending June 30, 1973, and for each succeeding fiscal year.".

Mr. PELL. Mr. President, the Congress has, through its past actions, made it public policy to foster education for handicapped children. Their teaching and training has been the concern of the Federal Government for about 10 years. The Government has been most involved in training teachers in the specialized skills needed to work with the handicapped. However, it is estimated that we still need more than 300,000 teachers, speech pathologists, audiologists, and other specialists in these areas. At the present time there are only about 75,000 teachers presently available to the five million children in need of special education services, and sadly enough, it is estimated that only 40 percent of those children receive some degree of special education.

With this in mind, the Congress has recognized that while not filling the void created by the lack of teachers, technological advances could be utilized as an aid to teaching handicapped children. The captioned films for the deaf act, first legislated in 1958, was our first effort to apply technology to this area.

In truth, it can be said that the results of the programs under that act are more successful than had been thought attainable. The experience gained under this act led subsequent Congresses to broaden the scope of the captioned films for the deaf program to include other types of handicapped children.

The Bureau of Education for the Handicapped of the Department of Health, Education, and Welfare has very ably carried out its role in administering the components of the Federal programs of aid to the handicapped. Its regional media centers for the deaf, instructional material centers, the Education Research Information Center project, and distribution work of captioned films, among other programs, all bring the software within the reach of those working with handicapped children.

However, there is no single center combining all facets of this effort, that is, the development, testing, and actual use of this type of material. It was with this void in mind that I introduced S. 1611, to amend Public Law 85–905 to provide for a National Center on Educational Media and Materials for the Handicapped. The center is viewed as not only a source of production of materials but also as a disseminator of the useful work done by others in this area. It would have an important function of coordination and study of existing programs in the field of media for the education of handicapped children. It is the type of function which could be called a capstone to the many Federal and private efforts in this area.

Two specific questions have very rightly been raised about this legislation. The first is the placement of the center in the National Capital area. It was the judgment of the committee that in order to fully coordinate its activities with those of the Federal Government, the private groups interested in the education of the handicapped and the Model High School for the Deaf at Gallaudet College, placement of the National Media Center, in or near the city of Washington was necessary.

The second question concerned the need for construction of a separate building. Evidence and onsite inspection indicate that it is absolutely necessary that a separate building be specifically designed for this type of work. Efforts of the Bureau of Education for the Handicapped to set up regional media centers has found this type of function being placed in abandoned churches, leaky, and other unsuitable structures. When one considers that this media center will be making and developing films and other audiovisual materials the need for special wiring alone indicates a specially designed building. When one considers the storage space and weight of material to be stored, again the specialty of the building is indicated. And finally, when one considers that this material is being designed for handicapped children who require special physical structure, a specific building is indicated.

Recognizing the needs for a specially designed building, the committee has expressed its view that construction not be commenced before July 1, 1971. All other needed activities preparatory to construction may be carried on; indeed, it is expected that the special designing problems will call for this passage of time.

Mr. President, I strongly urge the Senate to support S. 1611. The handicapped children of our Nation will be the ultimate recipients of new instructional material as a result of a small expenditure of funds, one which we can ill afford to defer.

Mr. DOMINICK. Mr. President, I was happy to support the bill in committee. There are two things that I wish to report for the RECORD that we had added to it.

First, I think the Senator from Rhode Island (Mr. PELL), in reporting this bill, has done a very fine job, and I should like to be a cosponsor of the bill, as I stated in comimttee.

Mr. PELL. I request that the Senator's name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, the name of the Senator from Colorado will be added as a cosponsor of the bill.

Mr. DOMINICK. Second, at my request in committee, we agreed to put a provision in the report which said the committee did not expect that construction of new facilities, if any, would be started before July of 1971. I thought that was our understanding and it seemed to me that this was important, because the Secretary of Health, Education, and Welfare is going to need to do a certain amount of planning and review what institutions of higher education may already have available. I did not want to bind us solely into a position for a new building authorization, and then find ourselves unable to obtain the appropriation of any money for it. We would not get any center, and it would look as though this proposal had died on its feet.

When the majority report was made we were unable to reach agreement on the wording which states, as shown on page 5 of the report: "The committee found that construction of a specially designed facility was absolutely necessary if the Center were to produce films" and so forth.

So we wrote individual views, which were signed by myself, the Senator from Vermont (Mr. PROUTY), and the Senator from California (Mr. MURPHY), in which we are not finding fault with the bill at all, but simply saying, "Give us a little more flexibility; we may find within the next year that we do need a new center, but we may also find within the next year that there are existing institutions or facilities that can be modified at a far cheaper price, which would do the same job."

The point I want to make is that the individual views are not intended, as such, to oppose the bill, but are intended to show that we do not want to find the President, the administration, and Congress put to the necessity of building something, when we may be able to do the job with existing facilities, suitably modified, at a far cheaper cost.

I again congratulate the Senator from Rhode Island for bringing up the matter.

Mr. PELL. Mr. President, in connection with the point the Senator from Colorado makes, he is quite correct in that there was discussion in the committee about whether we should proceed with the building of a facility.

The Senator made the very important suggestion, which was agreed to, that we include in the report a strong recommendation and state that no construction under any circumstances should be started prior to July 1, 1971.

However, when it came to the question of whether the building should be built, this was a problem that we faced up to in the committee.

We had expert testimony from Dr. Frank B. Withrow, who is the director of the Division of Educational Services, Bureau of Education for the Handicapped, Office of Education, who answered the question about the need for construction authority, as follows:

Dr. Withrow said:

Yes, in the construction of a center such as indicated in the lanuage of the bill new construction would be required for production facilities. We have in some of our other centers attempted to modify buildings for production facilities, for film and television studios. For instance, in one center we did develop a film studio and such sounds as ladies' hard heels on the floor above came through on the soundtrack of the films.

Therefore, in our experience at least, developing a sound studio, it is almost essential that you design it from the beginning and build it from the ground up. In addi-

tion to this we would envision this center storing most of the materials that are developed in prototypical form from other centers. To do this requires humidity and temperature control for storage of original filmed material in very special rooms designed for such storage.

While I fully appreciate the concern of the Senator from Colorado, I think the RECORD should clearly show that the passage of the bill fully authorizes the construction of such a center.

Mr. DOMINICK. Mr. President, I completely agree with the latter statement. This bill authorizes, but does not require, the construction of new buildings. I am merely trying to preserve flexibility. That is what I wanted to be sure we had well understood in the process of this colloquy.

Construction was mentioned by the Bureau of the Budget in its report of May 2, 1969, which stated:

Whether additional construction authority is needed and should be sought requires further consideration in the context of budgetary needs and priorities for fiscal year 1971.

Accordingly, the Bureau of the Budget recommends against the enactment of S. 1611 at this time.

Dr. Gallagher, Associate Commissioner of Education, for the Bureau of Education for the Handicapped, came up and testified in favor of the bill right until the end of his statement, at which point he almost reversed himself.

He said—and it appears in our individual views:

We plan to consider the question of establishing such a center in preparing our fiscal year 1971 legislative and budget requests.

However, we have been assured by legal counsel and others reviewing S. 1611 that we already have legislative authority for most of the steps called for in the bill. Only construction authority is lacking, we see no need to seek additional legislation for this purpose until we decide whether to propose new facilities.

If budgetary priorities permit inclusion of the center in the 1971 budget, and we decide that additional construction authority is needed, we would return to the Congress to seek that authority.

In the meantime, we do have to face the realities of a stringent budget which requires hard choices in the light of other national priorities and needs.

Therefore, we are unable to recommend approval of S. 1611 at this time, although we support its objective of extending additional educational opportunities for handicapped children.

He testified in favor of the bill in one minute, and then said in the next minute that he could not recommend it. I do not think that is very helpful testimony, to be perfectly frank, whether it is from Dr. Gallagher or anyone else.

I am happy to be a cosponsor of the bill. However, I want to make sure that the Senator and I are agreed that the question of whether we will modify existing facilities of an institution of higher education or construct new facilities must be determined at a later date after further investigation and inquiry has been made and after we look at our budgetary requirements.

Mr. PELL. Mr. President, I think it should be noted that, while the Senator is completely correct, Dr. Gallagher was talking about two different thoughts in his testimony and they were completely divergent. However, in the exchange of views, Dr. Gallagher said that there was no disagreement in substance on going ahead. The question is on timing and having the money. That is where the difference is.

I think we should understand that in the passage of the bill—and I am sure the Senator does understand—the bill is being passed and authorizes the construction of such a center with the proviso that such construction must not start prior to July 1, 1971, and if there is any later change viewed in this regard, it can be done. We cannot pin down the administration 1 or 2 years from now. However, I would not want the RECORD to show that we have changed the wording of the bill on the floor.

Mr. DOMINICK. I understand that. We are not trying to change anything. I just want to make sure that we are leaving some flexibility in the bill.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

Mr. HUGHES. Mr. President, the bill S. 1611, that we are considering today provides for a National Center on Educational Media and Materials for the Handicapped. It is an amendment and an extension to the captioned films for the deaf program, Public Law 85–905, which for over 10 years has been an outstanding success in improving and enriching educational programs for deaf youngsters.

The use of educational media and materials for handicapped children is especially important. First, because there are now only 80,000 teachers, speech and hearing specialists, and other experts necessary for working in the schools with handicapped children. We should have available more than 300,000 such personnel. Second, because we currently face a situation where less than 40 percent of the Nation's handicapped children, the retarded, the deaf, the blind, the emotionally disturbed, et cetera, have been receiving an appropriate response from our schools. Of the more than 5½ million children who need special education services if they are to be able to prosper and survive in the school system, only 2 million are currently receiving this specialized help.

We must look for new ways to provide handicapped children with these unique educational experiences that they require. It is my feeling and that of my colleagues on the Labor and Public Welfare Committee that specialized efforts to develop appropriate educational media and materials will be an enormous aid in extension of services to handicapped children.

S. 1611 proposes that a national center be developed in the Washington, D.C., area. It authorizes the establishment and operation, including construction, of such a center. It specifies however, that the applicant institution must be able to provide the land for the construction of a free standing, identifiable facility and for subsequent expansions of that plant. The national center will provide a comprehensive program of activities to facilitate the use of new educational technology in education programs for handicapped persons. This will include designing, developing and adapting instructional materials, field testing of such materials, and ultimately their dissemination, and the dissemination of information about them. For this center and for the continued growth of the program, the bill increases the authorization of the Captioned Films Act from $10 million to $12.5 million in fiscal year 1971; and to $15 million for fiscal year 1972, and to $20 million for the fiscal year 1973 and succeeding years.

Expertise in the specially designed educational programs for the handicapped is only slowly being developed, and the emerging area of educational technology is following a very similar course.

Very few persons, whether educators or specialists in instructional media, have such firsthand, practical experience. At the present time, there is a great need to consolidate the resources which are available, to pool the existing knowledge, to bring together the best minds now working in these fields and to provide an environment where rapid growth in educational technology for the handicapped may take place.

I ask unanimous consent that a statement by Senator YARBOROUGH be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR YARBOROUGH

Mr. President, I support S. 1611, a bill to create a National Center on Educational Media and Materials for the Handicapped. In my years in the Senate, I have participated in the development of many pieces of legislation and none have given me more satisfaction than the efforts we have made in the last few years to provide additional educational opportunities for handicapped children.

A little over two years ago, we created and established a Bureau of Education for the Handicapped, in the Office of Education, which by the law creating it, was given the duty of operating all of the programs that then existed and that since have been developed for educating handicapped children. You will remember that we had to do this task over some determined resistance. That is usually the case with regard to programs for handicapped children. As long as people think in terms of the greatest good for the greatest number, and do not recognize that a series of systematic decisions made on that basis will exclude children such as the handicapped, we will face the problem of the necessity of focusing special legislative attention on these children. The bill being considered today was accepted unanimously by the Committee which I am privileged to chair, and by the Subcommittee chaired by my distinguished and able colleague from Rhode Island, Mr. Pell.

We all know too well that only two million out of more than five and one-half million handicapped children are getting an appropriate assistance. We know only too well that there is only one teacher for every two or three there should be to serve these children—only 80,000 out of 300,000 that are needed. We know that the country is now spending only 1 billion dollars a year from all sources to educate these children, and that it needs another two billion dollars to do the job right. We know in fact, that the American ideal of improved educational opportunity for each handicapped child is merely a pleasant sounding phrase and that for the parents of severely handicapped chil-

dren the reality to them is a school system which frequently turns them away. We are making progress in this area, and we believe that a merging together of the best brain power in the area of instructional technology and media with the persons who are experts in educating these children will be the basis for a breakthrough in the extension of services to more children and the improvement of education for the children now in special education classes.

I know the positive response of this Senate to the needs of handicapped children. I have seen it demonstrated time and again in recent years. I can only say to you that we propose today another step in getting this job done, and we ask for your support.

Mr. PROUTY. Mr. President, I earnestly urge Senators to consider favorably S. 1611, a bill to provide a National Center on Educational Media and Materials for the Handicapped, and for other purposes.

In recent Congresses, our legislation has begun to catch up with our compassion for our handicapped citizens, but a large gap still remains.

It is estimated that more than 300,000 teachers, speech pathologists, audiologists, and other specialists are needed to work with handicapped children.

However, only 75,000 to 80,0000 such specialists are now available; therefore, some 3½ million of this Nation's 5½ million children who need special educational services are struggling without special education.

To close this gap we must improve upon our present pattern of delivery and look to new ways of providing handicapped children with the specialized educational experience that they require.

The bill will provide an intensified search for new and improved teaching methods and seek to counteract the critical personnel shortage through technology.

The proposed location of the national center in the Nation's Capitol will permit the Center to thrive on Federal facilities for the development of instructional aids. Its close ties with the Model High School for the Deaf at Gallaudet College will insure this facility a continuous supply of instructional materials and the experience of this school will be shared with the rest of the Nation.

I wish to make two additional points. Senators are aware of the immense demands on our Federal budget. The administration in testimony on this bill expressed concern that budgetary priorities might preclude inclusion of the Center in the fiscal year 1971 budget, but I contend that the spending of small amounts of money at an early date may, in this case, save greater amounts at a later date.

The bill now before us authorizes funding for the Center starting in fiscal year 1971. However, a clause in the committee's report on the bill makes it clear that any construction related to the Center is a second priority to the Center's comprehensive programs to expand the educational technology in education programs for the handicapped. This clause specifies that actual construction of the Center not begin until fiscal year 1972. The clause was the suggestion of the distinguished Senator from Colorado (Mr. DOMINICK) and was unanimously accepted by the full committee.

However, as he, the distinguished Senator from California (Mr. MURPHY), and I indicated in our individual views in the committee report, we disassociate ourselves with the conclusion of the committee that "existing buildings cannot be modified" and construction of a new facility is "absolutely necessary."

In our individual views we indicate:

The bill places discretion with the Secretary of Health, Education, and Welfare to construct a new building or contract with an institution of higher education for use and modification of existing facilities.

We concluded:

A National Center on Educational Media for the Handicapped would be a major step forward, but that the Secretary of Health, Education and Welfare should be given maximum flexibility in moving in this direction. If an alternative to new construction proves feasible, an operational center would become a reality and benefits would be delivered to the handicapped at an earlier date. This, after all, is our objective.

I urge the favorable consideration of the measure in the belief that its passage will bring benefits far beyond the costs of its provisions. In the absence of adequate specialists to provide services to the handicapped, we must provide every benefit of modern technology. Are not the handicapped particularly entitled to the benefits of our scientific achievements? I think so.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill (S. 1611) was read the third time, and passed.

HELEN KELLER MEMORIAL WEEK

Mr. INOUYE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 99.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 99) to authorize the President to issue annually a proclamation designating the first week in June of each year as "Helen Keller Memorial Week" which were in line 6, after the word "issue", strike out "annually"; and in line 7, after the word "June" insert "of 1969"; so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of Helen Keller's contribution to the education, welfare, and rehabilitation of blind and deaf persons throughout the world, the President is authorized and requested to issue a proclamation designating the first week in June of 1969, as "Helen Keller Memorial Week", calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. INOUYE. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

The title was amended so as to read: "Joint resolution to authorize the President to issue a proclamation designating the first week in June of 1969 as 'Helen Keller Memorial Week'."

ADJOURNMENT UNTIL MONDAY, MAY 26, 1969

Mr. INOUYE. Mr. President, I move that the Senate, under the order previously entered, stand in adjournment until 12 o'clock noon on Monday.

The motion was agreed to; and (at 1 o'clock and 59 minutes p.m.) the Senate adjourned until Monday, May 26, 1969, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate, May 21, 1969, under authority of the order of May 20, 1969:

OFFICE OF EMERGENCY PREPAREDNESS

Haakon Lindjord, of Virginia, to be an Assistant Director of the Office of Emergency Preparedness, vice Charles S. Brewton, resigned.

IN THE COAST GUARD

The following-named Reserve officers to be permanent commissioned officers of the Coast Guard in the grade of lieutenant:

Frederic J. Grady III
James C. Quinn
Peter E. Prindle
Eldon L. Beavers

The following-named officers of the Coast Guard to be permanent commissioned warrant officers in the grade of chief warrant officer, W–4:

Cluese Russell
Charles R. Wilson
Robert C. Hilker
Cordus G. Bough
Franklin L. Fountaine
Donald E. Dean
Lenox A. Johnson
John H. Wiechert
Donald D. Luedke
Dalton L. Burrus
Louis De Bernardi, Jr.
Stanley W. Mead
Sewell G. Loggins
Forrest W. Ringsage
Carl R. Schattenberg
Coit Rodgers
Robert E. Demichillie
James H. Tyner
Charles R. Finn
John R. Alford
Paul R. Harp
Raymond J. Gorman
Earl A. Ericksen
Charles F. Coolidge
Eugene E. Doyle
Earl L. Dickson
John A. Marino
Robert A. Murrell
Arthur M. McIver
Frederick R. Cooper, Jr.
Charles D. Pearson
Richard D. Bundy
Robert Casale
Harry V. Walker
Thomas E. Hilton
Gerald E. Palmer
Stephen Peckiconis
William T. Vanderberg
John W. Gates
George P. Spaniol
Marlan H. Murphy
Truxton W. Payne
Richard E. Eastman
John D. Kakalia
Robert D. Bowen
Richard J. Harding
William Chestnutt
Francis V. McMahon
Charles W. Brandon
Jesse E. Sparks
Russell L. Holt
William R. Greene
James R. Reese
Jerry R. Cox
James J. Torpey
Donald R. Karwadsky
Aloysius P. Seiler
Eugene E. Ockrassa
Earl F. Moore

The following-named officers of the Coast Guard to be permanent commissioned warrant officers in the grade of chief warrant officer, W–3:

Charles A. Vedder
Stephen W. Clark
Charles H. Lancaster
Bruce T. Collings, Jr.
Gary R. Wilkins
Gerald T. Victor
Daniel K. Mazurowski
Nevin A. Pealer
Warren W. Johns
William L. Engleson, Sr.
Dewain D. Clark
Peter L. Ehrman
Kenneth C. Coder
Hope L. Beacham
Benny B. Bacon
Thomas L. Wofford
William T. Pierce
Joseph W. Nofs
Carl Nucilli
Garland C. Fulcher
Clyde A. Phillips, Jr.
Alan E. Bailey
Harry L. Croneberger
James B. Coyle

Philip Souza
Neil E. Benson
James L. Rowe
Norman F. Wheeler
James A. Hodges
Charles F. Rogers
Hugh C. Teel
Antonnealle G. Townsend
William C. Hidinger
Clarence W. Waage
James O. Deardoff
Kenneth C. Riggs
William A. Clubb
Harvey F. Moore
Paul G. Blossfield
Fred W. Alcock
George S. Lee
Philip Ellia
Robert E. Sanders
Richard D. Slocum
Robert J. Hughes
Patrick T. Denney
Joseph J. Geryk
Elmer S. Turley
Ronald E. Buzhardt, Jr.
William H. Colagross
Lyle H. Dever
Robert W. Bolen
Joseph Millard
Joseph H. Ansom, Jr.
Duane H. Larson
George T. Causey
Thomas P. Kent
Harold W. Fox
Edward F. Golaszewski
Gerry A. Henneman
Elbert L. Roller
Daniel J. Debrowski
David G. Rash
Colon P. Butler
James R. Foy
Charles W. Dierolf, Jr.
Arthur R. Chavonelle, III
William H. Shaw
William P. Seaverns
Charles J. Mahaffey
Robert K. Bond
John R. Bradley, Jr.
Leonard E. Klumpp
Eugene G. Ostlund
John W. Scott
Silvester Altieri
William C. Drexler
John C. Wimbrow
Otello Agostini
Sigma H. Barnett
James H. Stoutjesdyk
William G. Womick
Horace T. Piver
Richard L. Williams
Frank W. Jurin
Gerald E. Flynn
Charles T. Beals
Raymond T. Peterson
Carmen E. St. Clair
Everett W. Bray, Jr.
Robert D. Coppens
George J. Brookfield, Jr.
Gordon E. Cates
Murray A. Strange
William A. Bromley
Clayton Keith, Jr.
Allen E. Gray
Newton L. Bennett
Thomas W. Hart
Archie Smith
Alan C. Anderson
Robert W. Gerlach
Robert E. Smith
Stanley C. Schmelz
Eugene J. Robl
Robert J. Denk
Kenneth N. Lindsey
Robert O. Midgett
James B. Price
Frederick A. Kahl
Charles H. Wilson
Freddie I. Wooten
Richard L. Moseley
Martin C. Baechler, Jr.
Anthony A. Rossi
William J. Ledoux, Jr.
Russell W. Badger
Henry O. Wall, Jr.
Floyd E. Duck
Carroll J. Whitman
Dale T. Dodd
David F. Steele, Jr.
William E. Waller
Philibert B. Akau
George F. Morris
Claude B. Peden
Earl R. Hoggard
Jackie L. Ranson
Steven Guedesse
Flaviel J. Rollinson
Burton G. Howell
James P. M. Joyce
Donald D. Moore
David H. Meekins
Norman W. Shaffer
Harry D. MacInnes
Bernice A. Edenfield
Albert D. Miller
Darwin L. Vineyard
Joseph Greco, Jr.
Duane M. Ferguson
Charles H. MacLean
Russell Pouncy
Charles H. MacLean III
John S. Feagan
George H. Rucker, Jr.
Edmund Katz
Clair H. Upton
Earl E. Smith
Joseph B. Bonica
Burl E. Mann
Ernest L. R. Johnson
Ronald W. Syren
John J. Ogurkis
Clarence T. Hayes
Joseph Phillips

The following-named officers of the Coast Guard to be permanent commissioned warrant officers in the grade of chief warrant officer, W-2:

Gerald T. Victor
Daniel K. Mazurowski
Nevel A. Pealer
Nevin A. Pealer
Warren W. Johns
William L. Engleson, Sr.
Dewain D. Clark
Peter L. Ehrman
Kenneth G. Coder
Harry F. Schmecht
George S. McDowell, Jr.
William R. Paul
James M. Hough
Winston G. Churchill
Rob R. Hathaway
Jerry L. Echols
Hope L. Beacham
Leonidas M. Patton
George H. Wilp
Robert A. Swanson
William C. Russell, Jr.
William Sneller
Tomas K. Jahn
Donnie R. Weitzel
Richard L. Jonas
David E. Hagberg
Gerald F. Perry
Tom W. Shelton
John W. Spreter
Dan R. Riksen
David N. Russell
Robert I. Young
Paul F. Burden
Colin J. Woodbury
Ronald D. Ricker
Ernest C. Card
Peter J. Anderson
Pleasant A. Lewis, Jr.
William C. Pless
Ernest P. Joyce
Richard J. Bebble
Jerry L. Furey
Gene O. Morse
Robert C. Simpson
Gordon M. Schreiber
John C. Siena
Don L. Schmidt
Fred L. Sanders
Paul B. Christian
Dale U. Duren
Rudolph Eberwein, Jr.
Paul T. Mayba
Joseph F. Harris
Louis A. Nataro
Maxwell B. Ferrill, Jr.
Bobbie W. Evans
John N. Edens
Mitchel Arnold, Jr.
James W. Bailey
Wilbur A. Yoast
Clifford A. Emert
William L. Lett
Daniel Ing
Joseph J. Welsh
Frank L. Risley
Reginald T. Hensley
Robert E. Barbutti
William M. Haggett
Richard G. Pelley
Robert C. Curtz
Thomas G. Henderson
Festus L. Snead
Donald E. Marler
John P. Fitzgerald
Donald H. Jones
Edmond B. Paradis, Jr.
Eugene P. Bishop
William F. Young
Louie J. Weber
William K. Herrell
Leonard W. Flood
William F. Madigan
James W. Knapp
Horace O. Rawls
William H. Gill
George A. Nicholson
John S. Bujun, Jr.
Kenneth E. Clark
Fred B. Eidson
Roger E. Cowley, Jr.
Thomas J. Lynn
Myron G. Colburn, Jr.
James R. Seward
Harold R. Packer
Barney C. Revell, Jr.
Kyran P. Kane
Odom E. Nowlin
John W. Acuff
Harold L. Skinner
Edward L. Ferguson, Jr.
Ronald P. Vancamp
James T. McAndrews
Albert J. Ryzner
Donald H. Yonkie, Jr.
William E. Davis
Jack N. Bond
Robert C. Hoffman
Winstead K. Nichols

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior surgeons

Hilary H. Connor
William M. Dixon
Jean R. Goorman
Marilyn K. Hutchison
Felix P. Hurtado
Harry M. Meyer, Jr.
William Pollin

To be surgeons

Kenneth S. Brown
William P. Castelli
Irwin R. Henkin
Carl M. Leventhal
Robert N. Ligo
Richard B. Lyons
Charles H. Neilson
Donald L. Randall

To be senior assistant surgeons

Alberto Arrillaga
Kenneth Behymer
John V. Bennett
Stanley B. Burns
Glyn G. Caldwell
David A. Cooney
David H. Groth
David J. Harris
Robert C. Hastings
John R. Herd
Allan S. Hild
Donald R. Jasinski
Trois Johnson
Euclid H. Jones
Stephen C. Joseph
Thomas W. Kiernan
Howard E. Kulin
Rice C. Leach
John H. Lutz
Jerry M. Lyle
Jon K. Meyer
Frank L. Mitchell
Roy S. Musick
Lee M. Schmidt
Albert T. Snoke
Richard M. Susel
Lon R. White
Paul O. Woolley, Jr.

To be dental surgeons

John F. Goggins
Charles H. Hayden

To be senior assistant dental surgeons

John W. Burns
Jeffrey B. Clark
Lynn D. Curry
Stephen Gobel
Morris A. Hicks
William P. Hussman
Michael W. Roberts
Dennis L. Smedley
Harry D. Smole
Robert K. Stone
William E. Wright

To be senior sanitary engineers

Raymond R. Goldberg
Walter F. Myers, Jr.

To be senior assistant sanitary engineers

Robert L. Ajax
Charles R. Bowman
Walter E. Gundaker
Joseph M. Hans, Jr.
Robert E. Hatten
James L. Oser
James G. Payne, Jr.
Fred G. Rueter

To be assistant sanitary engineers

Dennis A. Degner
Clark L. Gaulding
Henry M. Holman
Theodore Levin
Harold T. Peterson

To be senior veterinary officer

Richard E. Stanley

To be veterinary officers

William T. London
John H. Richardson

To be nurse officers

Invelda M. Artz
Norma J. Baxter
Thomas G. Carodiskey
Alice R. Harmon
Joan A. Hartwell
Mary Rose Anne Kennedy
Agnes M. Newell
Pietrina R. Ragalia

To be senior assistant nurse officers

Jean M. Craig
Paul V. Donnelly
George F. Hedquist
Irene C. Zyniewicz

To be senior assistant pharmacists

Donald R. Hamilton
Gordon H. Jensen
Philip G. Lawrence
James E. Mills

To be assistant pharmacists

Charles W. Cook
Gayle R. Dolecek
Vincent J. Fierro
Thomas A. Gaylord
James A. Keene
John F. Mays
Chester L. Wilson, Jr.

To be dietitian

Martha E. Clark

To be senior assistant dietitian

A. Eileen Murnin

To be therapist

Ronald E. LaNeve

To be assistant therapists

Robert K. Baus
Katherine J. Fromherz
William A. Fromherz
Jeffrey B. Mannheimer
Robert H. Ude

To be senior scientist

George E. Jay, Jr.

To be scientists

Kenneth A. Borchardt
Malcolm D. Hoggan

To be senior assistant scientists

Sven O. E. Ebbesson
Ashley Foster

To be health services officers

Gloria S. Burich
Isom H. Herron, III
Joseph K. Owen
Francis F. Reierson
Reginald A. Spindler

To be senior assistant health services officers

Robert F. Hickman
Edwin P. Yarnell

Executive nominations received by the Senate, May 22, 1969, under authority of the order of May 20, 1969:

ASSISTANT SECRETARY OF STATE

John Richardson, Jr., of New York, to be an Assistant Secretary of State.

PEACE CORPS

Thomas J. Houser, of Illinois, to be Deputy Director of the Peace Corps.

U.S. MARSHALS

Edward J. Michaels, of Delaware, to be U.S. marshal for the district of Delaware for the term of 4 years, vice Joseph Novak.

Christian Hansen, Jr., of Vermont, to be U.S. marshal for the district of Vermont for the term of 4 years, vice Thomas W. Sorrell.

MISSISSIPPI RIVER COMMISSION

Maj. Gen. Andrew Peach Rollins, Jr., XXXXXX, Army of the United States (brigadier general, U.S. Army), to be a member and President of the Mississippi River Commission, under the provisions of section 2 of an Act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

IN THE ARMY

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3210, 3284, and 3306:

To be brigadier general

Col. Manley Glenn Morrison, XXXXXX, U.S. Army.

Executive nominations received by the Senate May 23, 1969:

SUPREME COURT

Warren E. Burger, of Minnesota, to be Chief Justice of the United States.

IN THE ARMY

Lt. Gen. William Beehler Bunker, XXXXXX, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general under the provisions of title 10, United States Code, section 3962.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Henry Augustine Miley, Jr., XXXXXX, Army of the United States (brigadier general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate May 23, 1969:

OFFICE OF ECONOMIC OPPORTUNITY

Donald Rumsfeld, of Illinois, to be Director of the Office of Economic Opportunity.

COMMISSIONER ON AGING

John B. Martin, Jr., of Michigan, to be Commissioner on Aging.

GEOLOGICAL SURVEY

William T. Pecora, of New Jersey, to be Director of the Geological Survey.

AMBASSADORS

Francis J. Galbraith, of South Dakota, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

Sheldon B. Vance, of Minnesota, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Congo.

Oliver L. Troxel, Jr., of Colorado, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

John Davis Lodge, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Matthew J. Looram, Jr., of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey.

Francis E. Meloy, Jr., of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Spencer M. King, of Maine, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guyana.

Armin H. Meyer, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

Jack Hood Vaughn, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia.

David H. Popper, of New York, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

Kingdon Gould, Jr., of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Bert M. Tollefson, Jr., of South Dakota, to be an Assistant Administrator of the Agency for International Development.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

James F. Leonard, Jr., of Maryland, a Foreign Service officer of class 1, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

U.S. NAVY

Rear Adm. Maurice F. Weisner, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Vice Adm. John B. Colwell, U.S. Navy, for appointment to the grade of vice admiral on the retired list, in accordance with the provisions of title 10, United States Code, section 5233.

U.S. MARINE CORPS

Lt. Gen. Lewis W. Walt, U.S. Marine Corps, for appointment to the grade of general while serving as Assistant Commandant of the Marine Corps.

TENNESSEE VALLEY AUTHORITY

Aubrey J. Wagner, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 1978.

IN THE NAVY

The nominations beginning Jon F. Abel, to be lieutenant, and ending Jacquelyn S. Wills, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 8, 1969;

The nominations beginning Guy H. Able III, to be ensign, and ending Nicolas E. Walsh, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1969; and

The nominations beginning Kenneth D. Aanerud, to be lieutenant (junior grade), and ending Frank E. Kline, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1969.

IN THE MARINE CORPS

The nominations beginning John E. Allen, to be 2d lieutenant, and ending John T. Wilson, to be 2d lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 13, 1969.

EXTENSIONS OF REMARKS

PARENTAL GUIDANCE AND DISCIPLINE

HON. BIRCH BAYH

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, May 23, 1969

Mr. BAYH. Mr. President, in the midst of widespread publicity about the so-called generation gap and the increasing amount of juvenile delinquency, it is well to remember that many stories in the headlines are not truly representative of the bulk of Americans. We tend to overlook too quickly the fact that most parents make special efforts to understand, guide, and participate in wholesome activities with their children, and that throughout the Nation families are united by close ties of respect, love, and veneration.

Typical of the positive influence for good exerted on their families' lives by many fathers is the relationship described in an article brought to my attention recently about three men in the Calumet area of Indiana. These three fathers—Robert Blaemire, an assistant fire chief in Hammond; Albert Kaufman, a supervisor for a Chicago Heights steel firm; and Robert J. Stefaniak, an insurance broker in Calumet City—while coming from differing backgrounds and following varied careers, share with millions of others the common bond of concerned parents the world over.

Because the son of one of these men has been a part-time employee in my office while attending college, I can testify personally to the success with which the obligations of parenthood have been met in this particular instance. As a tribute to these fine men as well as to uncounted fathers and mothers who devote themselves unselfishly to the welfare and training of their children, I ask unanimous consent that this article, which appeared in the Hammond Times for April 6, be printed in the RECORD.

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

DISCIPLINE REVIVED

". . . Youth Gets 1–10 Year Term."
"Two Burglars Shotgunned."
"Police Snare 16 in Pot Raids."
"Unrest Hits 4 Colleges."
"Teens Beat Conductor."

Headlines like these are appearing in newspapers across the country.

All of them, however, are about Calumet Region youths because they're from The Times, with the exception of college unrest and there's been some of that here, too.

All too frequently the blame for teens and young people going astray can be placed with the parental supervision—or lack of it.

Busy dads often forget the mischievous pranks they pulled as youngsters and the pitfalls which could have swallowed them up.

In an age of permissiveness, today's fathers are reverting to old-fashioned discipline and participation. They're taking an interest in what their children do, with whom, where, when and why.

This, at least, was the impression given by three fathers.

As assistant fire chief in Hammond, Robert Blaemire works one 24-hour shift and is off for three. While it may sound like he has an abundance of time for family activities, it should be pointed out he also works 24 hours a week as a part-time furniture salesman.

With two jobs, Blaemire finds time to attend night school two nights each week and coach a junior youth league baseball team.