opens his Bible to the 12th verse of the first chapter of the Book of John:

"But as many as received Him. He gave them power to become the sons of God, to those who believe on His name".

The son of a Chrysler Airtemp division vice president, who is also an engineer by training, Paul says he made his decision to accept Christ when he was a small boy.

"I was curious, you know, about who God is, who I am and how the two might fit together. The Bible is the key emphasis at our church, Fair Haven Christian and Missionary Alliance, so I knew some of the things the Bible said.

"The main thing I knew was that God loved me, and that sin cuts off the possibility of getting to know Him; that sin is spiritual death, that Jesus Christ died to pay the penalty for the sins of men."

Paul says he made his personal commitmitment following a Sunday night church meeting, but he made it at home, by himself. He wants you to know he "didn't go rolling down any aisle."

Paul acknowledges that he was no juvenile delinquent at Fairmont West high school and, by standard societal measures, hadn't fallen from earthly grace.

"But that's the danger," he quickly interjects. "We kinda stack ourselves up against each other instead of trying to measure up to God, whose standard is perfection."

During his freshman year at Wheaton college, where he got B's in a creative writing course and in ROTC, Paul doesn't feel he was "stacking up" very well.

Then, as a Purdue sophomore, he says his faith began to grow and he became involved with a campus group called Navigators, a nonsectarian organization whose members meet for prayer and Bible study.

He thinks he knows some of the reasons why God—particularly organized religion—has been taking a beating from the "now generation" of college students.

"One thing is the image. Whatever you picture God in your mind, it's not what He is. He's a spirit; he operates independently of time and space."

College students almost without exception, Paul believes, "are searching for joy, peace, security, purpose and meaning in their lives and hope for the future."

It's all in the Book, John says, and he plans to enter some form of Christian ministry—perhaps campus ministry—to promote it.

"The idea of what it means to be a Christian has been all fouled up," he believes, "as a series of thou shalt not, nots, instead of a love relationship with God."

To a generation of cynics, it's perhaps rather idealistic, and Paul, the mechanical engineer with the fantastic 6.0 grade average understands that.

"It's ridiculous, let's face it, in rational terms to pray and ask Christ to come into your life, but somehow God makes it work."

Paul leaves Monday for a summer training program conducted by the Navigators in Washington, D.C. He has applied to a Chicago theological seminary but if the draft board calls, he says he probably will not seek C. O. status.

War, poverty, racial discrimination—"a fairly advanced result of sin," he says simply. "And the answer is to preach the word."

The way a lot of people view religion these days. Paul's enthusiasm, his truly radical stance, is kind of weird.

The way he tells it, though, is kind of wonderful.

GEORGE WASHINGTON ON PEACE TALKS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1969

Mr. RARICK. Mr. Speaker, excerpts from Gen. George Washington's letters covering peace talks with the British following their defeat at Yorktown indicate how we would be dealing with Communists at the Paris talks—if knowledgeable patriots were in charge.

Neither war nor enemies change in tactics it seems. General Washington, in 1872, felt the British were stalling at peace talks and wrote, "their only aim is to gain time that they may become more formidable at sea, form new alliances, if possible, or disunite us."

General Washington's admonition against the common enemy then should be basic foreign policy today against the Communist menace.

We, if wise, should push our preparation with vigour; for nothing will hasten Peace more than to be in a condition for War—and if the Contest is to continue, 'tis indispensably necessary.

What a variance from the leadership of today. George Washington exerted positive action and got peace for his people—where are we going?

I include the following article:

[From the Washington Post, July 12, 1969]

PEACE TALKS IRKED GEORGE

(By Ferrel Guillory)

In much the same way Americans are showing impatience at the sluggishness of the Vietnam negotiations, George Washington once expressed exasperation at the slow pace of peace talks in Paris in 1782.

Writing to James McHenry, one of his secretaries during the Revolutionary War and later a Secretary of War, Washington accused England of stalling the Paris talks which followed the British military defeat at Yorktown.

The original manuscript of Washington's letter to McHenry was recently donated to the Library of Congress by Sol Feinstone, a collector who lives in Washington Crossing, Pa. The letter, in a good state of preservation, is now on display in the second floor gallery in the Library of Congress.

A statement announcing the exhibition of the letter says it is "written in Washington's clear distinctive hand." A Library spokesman said the letter is authentic.

The letter was written by Washington on Aug. 15, 1782, ten months after Cornwallis surrendered for the British at Yorktown. The peace talks in Paris began soon after the battle with Benjamin Franklin, John Jay, John Adams and Henry Laurens as the American team of negotiators.

Early in the negotiations the British conceded the American demand for total independence, but later raised as an issue the restoration of property to British loyalists living in the colonies or compensation for property lost in the war.

Washington felt the British were stalling and wrote that they "are guilty of more duplicity than comports with candid Minds."

" 'Tis plain," Washington wrote, "their only aim is to gain time that they may become more formidable at Sea—form new Alliances, if possible—or disunite us."

At this time still the top general of the colonies, Washington advised continued military readiness. "Be their object what it may," he wrote, "we, if wise, should push our preparations with vigour; for nothing will hasten Peace more than to be in a condition for War—and if the Contest is to continue, 'tis indispensably necessary."

The negotiations finally ended on Sept. 3, 1783, when the peace treaty was signed, the colonies having won most of the vital negotiating points. The issue of property restoration and compensation was settled by the American negotiators pledging to have the congress of the states pass a resolution urging the colonists to adjust claims with the loyalists—a compromise favorable to the Americans.

The Library of Congress also announced that Feinstone soon will donate a collection of documents pertaining to the Revolutionary War, including additional letters by Washington, along with letters of Thomas Jefferson, Thomas Paine and Lafayette. The Library said the manuscript collection will be included in the historical materials it will assemble to celebrate the Bicentennial of the American Revolution.

SENATE—*Friday, July 18, 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:

O God, who art from everlasting to everlasting, with whom there is neither beginning nor end, we beseech Thee to accompany the voyagers in space, granting unto them sturdy spirits, peaceful souls, poised minds, wisdom and power in every action that their mission amid the splendors of Thy universe may open to mankind a new age of spirituality, of international morality and universal peace.

O God, be with us in the Senate of the United States teaching us not only to do Thy will but how to do it, that we may faithfully serve Thy purposes for this Nation and all mankind.

In Thy holy name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, July 17, 1969, be dispensed with.

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

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries.

THE POPULATION PROBLEM—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the

President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In 1830 there were one billion people on the planet earth. By 1930 there were two billion, and by 1960 there were three billion. Today the world population is three and one-half billion persons.

These statistics illustrate the dramatically increasing rate of population growth. It took many thousands of years to produce the first billion people; the next billion took a century; the third came after thirty years; the fourth will be produced in just fifteen.

If this rate of population growth continues, it is likely that the earth will contain over seven billion human beings by the end of this century. Over the next thirty years, in other words, the world's population could double. And at the end of that time, each new addition of one billion persons would not come over the millenia nor over a century nor even over a decade. If present trends were to continue until the year 2000, the eighth billion would be added in only five years and each additional billion in an even shorter period.

While there are a variety of opinions as to precisely how fast population will grow in the coming decades, most informed observers have a similar response to all such projections. They agree that population growth is among the most important issues we face. They agree that it can be met only if there is a great deal of advance planning. And they agree that the time for such planning is growing very short. It is for all these reasons that I address myself to the population problem in this message, first to its international dimensions and then to its domestic implications.

IN THE DEVELOPING NATIONS

It is in the developing nations of the world that population is growing most rapidly today. In these areas we often find rates of natural increase higher than any which have been experienced in all of human history. With their birth rates remaining high and with death rates dropping sharply, many countries of Latin America, Asia, and Africa now grow ten times as fast as they did a century ago. At present rates, many will double and some may even triple their present populations before the year 2000. This fact is in large measure a consequence of rising health standards and economic progress throughout the world, improvements which allow more people to live longer and more of their children to survive to maturity.

As a result, many already impoverished nations are struggling under a handicap of intense population increase which the industrialized nations never had to bear. Even though most of these countries have made rapid progress in total economic growth—faster in percentage terms than many of the more industrialized nations—their far greater rates of population growth have made development in per capita terms very slow. Their standards of living are not rising quickly, and the gap between life in the rich nations and life in the poor nations is not closing.

There are some respects, in fact, in which economic development threatens to fall behind population growth, so that the quality of life actually worsens. For example, despite considerable improvements in agricultural technology and some dramatic increases in grain production, it is still difficult to feed these added people at adequate levels of nutrition. Protein malnutrition is widespread. It is estimated that every day some 10,000 people—most of them children—are dying from diseases of which malnutrition has been at least a partial cause. Moreover, the physical and mental potential of millions of youngsters is not realized because of a lack of proper food. The promise for increased production and better distribution of food is great, but not great enough to counter these bleak realities.

The burden of population growth is also felt in the field of social progress. In many countries, despite increases in the number of schools and teachers, there are more and more children for whom there is no schooling. Despite construction of new homes, more and more families are without adequate shelter. Unemployment and underemployment are increasing and the situation could be aggravated as more young people grow up and seek to enter the work force.

Nor has development yet reached the stage where it brings with it diminished family size. Many parents in developing countries are still victimized by forces such as poverty and ignorance which make it difficult for them to exercise control over the size of their families. In sum, population growth is a world problem which no country can ignore, whether it is moved by the narrowest perception of national self-interest or the widest vision of a common humanity.

INTERNATIONAL COOPERATION

It is our belief that the United Nations, its specialized agencies, and other international bodies should take the leadership in responding to world population growth. The United States will cooperate fully with their programs. I would note in this connection that I am most impressed by the scope and thrust of the recent report of the Panel of the United Nations Association, chaired by John D. Rockefeller III. The report stresses the need for expanded action and greater coordination, concerns which should be high on the agenda of the United Nations.

In addition to working with international organizations, the United States can help by supporting efforts which are initiated by other governments. Already we are doing a great deal in this field. For example, we provide assistance to countries which seek our help in reducing high birth rates—provided always that the services we help to make available can be freely accepted or rejected by the individuals who receive them. Through our aid programs, we have worked to improve agricultural production and bolster economic growth in developing nations.

As I pointed out in my recent message on Foreign Aid, we are making important efforts to improve these programs. In fact, I have asked the Secretary of State and the Administrator of the Agency for International Development to give population and family planning high priority for attention, personnel, research, and funding among our several aid programs. Similarly, I am asking the Secretaries of Commerce and Health, Education, and Welfare and the Directors of the Peace Corps and the United States Information Agency to give close attention to population matters as they plan their overseas operations. I also call on the Department of Agriculture and the Agency for International Development to investigate ways of adapting and extending our agricultural experience and capabilities to improve food production and distribution in developing countries. In all of these international efforts, our programs should give further recognition to the important resources of private organizations and university research centers. As we increase our population and family planning efforts abroad, we also call upon other nations to enlarge their programs in this area.

Prompt action in all these areas is essential. For high rates of population growth, as the report of the Panel of the United Nations Association puts it, "impair individual rights, jeopardize national goals, and threaten international stability."

IN THE UNITED STATES

For some time population growth has been seen as a problem for developing countries. Only recently has it come to be seen that pressing problems are also posed for advanced industrial countries when their populations increase at the rate that the United States, for example, must now anticipate. Food supplies may be ample in such nations, but social supplies—the capacity to educate youth, to provide privacy and living space, to maintain the processes of open, democratic government—may be grievously strained.

In the United States our rate of population growth is not as great as that of developing nations. In this country, in fact, the growth rate has generally declined since the eighteenth century. The present growth rate of about one percent per year is still significant, however. Moreover, current statistics indicate that the fertility rate may be approaching the end of its recent decline.

Several factors contribute to the yearly increase, including the large number of couples of childbearing age, the typical size of American families, and our increased longevity. We are rapidly reaching the point in this country where a family reunion, which has typically brought together children, parents, and grandparents, will instead gather family members from *four* generations. This is a development for which we are grateful and of which we can be proud. But we must also recognize that it will mean a far larger population if the number of children born to each set of parents remains the same.

In 1917 the total number of Americans

passed 100 million, after three full centuries of steady growth. In 1967—just half a century later—the 200 million mark was passed. If the present rate of growth continues, the third hundred million persons will be added in roughly a thirty-year period. This means that by the year 2000, or shortly thereafter, there will be more than 300 million Americans.

This growth will produce serious challenges for our society. I believe that many of our present social problems may be related to the fact that we have had only fifty years in which to accommodate the second hundred million Americans. In fact, since 1945 alone some 90 million babies have been born in this country. We have thus had to accomplish in a very few decades an adjustment to population growth which was once spread over centuries. And it now appears that we will have to provide for a third hundred million Americans in a period of just 30 years.

The great majority of the next hundred million Americans will be born to families which looked forward to their birth and are prepared to love them and care for them as they grow up. The critical issue is whether social institutions will also plan for their arrival and be able to accommodate them in a humane and intelligent way. We can be sure that society will *not* be ready for this growth unless it begins its planning immediately. And adequate planning, in turn, requires that we ask ourselves a number of important questions.

Where, for example, will the next hundred million Americas live? If the patterns of the last few decades hold for the rest of the century, then at least three quarters of the next hundred million persons will locate in highly urbanized areas. Are our cities prepared for such an influx? The chaotic history of urban growth suggests that they are not and that many of their existing problems will be severely aggravated by a dramatic increase in numbers. Are there ways, then, of readying our cities? Alternatively, can the trend toward greater concentration of population be reversed? Is it a desirable thing, for example, that half of all the counties in the United States actually lost population in the 1950's, despite the growing number of inhabitants in the country as a whole? Are there ways of fostering a better distribution of the growing population?

Some have suggested that systems of satellite cities or completely new towns can accomplish this goal. The National Commission on Urban Growth has recently produced a stimulating report on this matter, one which recommends the creation of 100 new communities averaging 100,000 people each, and ten new communities averaging at least one million persons. But the total number of people who would be accommodated if even this bold plan were implemented is only twenty million—a mere one-fifth of the expected thirty-year increase. If we were to accommodate the full 100 million persons in new communities, we would have to build a new city of 250,000 persons each month from now until the end of the century. That means constructing a city the size of Tulsa, Dayton, or Jersey City every thirty days for over thirty years. Clearly, the problem is enormous, and we must examine the alternative solutions very carefully.

Other questions also confront us. How, for example, will we house the next hundred million Americans? Already economical and attractive housing is in very short supply. New architectural forms, construction techniques, and financing strategies must be aggressively pioneered if we are to provide the needed dwellings.

What of our natural resources and the quality of our environment? Pure air and water are fundamental to life itself. Parks, recreational facilities, and an attractive countryside are essential to our emotional well-being. Plant and animal and mineral resources are also vital. A growing population will increase the demand for such resources. But in many cases their supply will not be increased and may even be endangered. The ecological system upon which we now depend may seriously deteriorate if our efforts to conserve and enhance the environment do not match the growth of the population.

How will we educate and employ such a large number of people? Will our transportation systems move them about as quickly and economically as necessary? How will we provide adequate health care when our population reaches 300 million? Will our political structures have to be reordered, too, when our society grows to such proportions? Many of our institutions are already under tremendous strain as they try to respond to the demands of 1969. Will they be swamped by a growing flood of people in the next thirty years? How easily can they be replaced or altered?

Finally we must ask: how can we better assist American families so that they will have no more children than they wish to have? In my first message to Congress on domestic affairs, I called for a national commitment to provide a healthful and stimulating environment for all children during their first five years of life. One of the ways in which we can promote that goal is to provide assistance for more parents in effectively planning their families. We know that involuntary childbearing often results in poor physical and emotional health for all members of the family. It is one of the factors which contribute to our distressingly high infant mortality rate, the unacceptable level of malnutrition, and the disappointing performances of some children in our schools. Unwanted or untimely childbearing is one of several forces which are driving many families into poverty or keeping them in that condition. Its threat helps to produce the dangerous incidence of illegal abortion. And finally, of course, it needlessly adds to the burdens placed on all our resources by increasing population.

None of the questions I have raised here is new. But all of these questions must now be asked and answered with a new sense of urgency. The answers cannot be given by government alone, nor can government alone turn the answers into programs and policies. I believe, however, that the Federal Government does have a special responsibility for defining these problems and for stimulating thoughtful responses.

Perhaps the most dangerous element in the present situation is the fact that so few people are examining these questions from the viewpoint of the whole society. Perceptive businessmen project the demand for their products many years into the future by studying population trends. Other private institutions develop sophisticated planning mechanisms which allow them to account for rapidly changing conditions. In the governmental sphere, however, there is virtually no machinery through which we can develop a detailed understanding of demographic changes and bring that understanding to bear on public policy. The federal government makes only a minimal effort in this area. The efforts of state and local governments are also inadequate. Most importantly, the planning which does take place at some levels is poorly understood at others and is often based on unexamined assumptions.

In short, the questions I have posed in this message too often go unasked, and when they are asked, they seldom are adequately answered.

COMMISSION ON POPULATION GROWTH AND THE AMERICAN FUTURE

It is for all these reasons that I today propose the creation by Congress of a Commission on Population Growth and the American Future.

The Congress should give the Commission responsibility for inquiry and recommendations in three specific areas.

First, *the probable course of population growth, internal migration and related demographic developments between now and the year 2000.*

As much as possible, these projections should be made by regions, states, and metropolitan areas. Because there is an element of uncertainty in such projections, various alternative possibilities should be plotted.

It is of special importance to note that, beginning in August of 1970, population data by county will become available from the decennial census which will have been taken in April of that year. By April 1971, computer summaries of first-count data will be available by census tract and an important range of information on income, occupations, education, household composition, and other vital considerations will also be in hand. The Federal government can make better use of such demographic information than it has done in the past, and state governments and other political subdivisions can also use such data to better advantage. The Commission on Population Growth and the American Future will be an appropriate instrument for this important initiative.

Second, *the resources in the public sector of the economy that will be required to deal with the anticipated growth in population.*

The single greatest failure of foresight—at all levels of government—over the past generation has been in areas connected with expanding population. Government and legislatures have frequently failed to appreciate the demands

which continued population growth would impose on the public sector. These demands are myriad: they will range from pre-school classrooms to post-doctoral fellowships; from public works which carry water over thousands of miles to highways which carry people and products from region to region; from vest pocket parks in crowded cities to forest preserves and quiet lakes in the countryside. Perhaps especially, such demands will assert themselves in forms that affect the quality of life. The time is at hand for a serious assessment of such needs.

Third, *ways in which population growth may affect the activities of Federal, state and local government.*

In some respects, population growth affects everything that American government does. Yet only occasionally do our governmental units pay sufficient attention to population growth in their own planning. Only occasionally do they consider the serious implications of demographic trends for their present and future activities.

Yet some of the necessary information is at hand and can be made available to all levels of government. Much of the rest will be obtained by the Commission. For such information to be of greatest use, however, it should also be interpreted and analyzed and its implications should be made more evident. It is particularly in this connection that the work of the Commission on Population Growth and the American Future will be as much educational as investigative. The American public and its governing units are not as alert as they should be to these growing challenges. A responsible but insistent voice of reason and foresight is needed. The Commission can provide that voice in the years immediately before us.

The membership of the Commission should include two members from each house of the Congress, together with knowledgeable men and women who are broadly representative of our society. The majority should be citizens who have demonstrated a capacity to deal with important questions of public policy. The membership should also include specialists in the biological, social, and environmental sciences, in theology and law, in the arts and in engineering. The Commission should be empowered to create advisory panels to consider subdivisions of its broad subject area and to invite experts and leaders from all parts of the world to join these panels in their deliberations.

The Commission should be provided with an adequate staff and budget, under the supervision of an executive director of exceptional experience and understanding.

In order that the Commission will have time to utilize the initial data which results from the 1970 census, I ask that it be established for a period of 2 years. An interim report to the President and Congress should be required at the end of the first year.

OTHER GOVERNMENT ACTIVITIES

I would take this opportunity to mention a number of additional government activities dealing with population growth which need not await the report of the Commission.

First, increased research is essential. It is clear, for example, that we need additional research on birth control methods of all types and the sociology of population growth. Utilizing its Center for Population Research, the Department of Health, Education, and Welfare should take the lead in developing, with other federal agencies, an expanded research effort, one which is carefully related to those of private organizations, university research centers, international organizations, and other countries.

Second, we need more trained people to work in population and family planning programs, both in this country and abroad. I am therefore asking the Secretaries of State, Labor, Health, Education, and Welfare, and Interior along with the Administrator of the Agency for International Development and the Director of the Office of Economic Opportunity to participate in a comprehensive survey of our efforts to attract people to such programs and to train them properly. The same group—in consultation with appropriate state, local, and private officials—should develop recommendations for improvements in this area. I am asking the Assistant to the President for Urban Affairs to coordinate this project.

Third, the effects of population growth on our environment and on the world's food supply call for careful attention and immediate action. I am therefore asking the Environmental Quality Council to give careful attention to these matters in its deliberations. I am also asking the Secretaries of Interior, Agriculture, and Health, Education, and Welfare to give the highest priority to research into new techniques and to other proposals that can help safeguard the environment and increase the world's supply of food.

Fourth, it is clear that the domestic family planning services supported by the Federal Government should be expanded and better integrated. Both the Department of Health, Education and Welfare and the Office of Economic Opportunity are now involved in this important work, yet their combined efforts are not adequate to provide information and services to all who want them. In particular, most of an estimated five million low income women of childbearing age in this country do not now have adequate access to family planning assistance, even though their wishes concerning family size are usually the same as those of parents of higher income groups.

It is my view that no American woman should be denied access to family planning assistance because of her economic condition. I believe, therefore, that we should establish as a national goal the provision of adequate family planning services within the next five years to all those who want them but cannot afford them. This we have the capacity to do.

Clearly, in no circumstances will the activities associated with our pursuit of this goal be allowed to infringe upon the religious convictions or personal wishes and freedom of any individual, nor will they be allowed to impair the absolute right of all individuals to have such matters of conscience respected by public authorities.

In order to achieve this national goal, we will have to increase the amount we are spending on population and family planning. But success in this endeavor will not result from higher expenditures alone. Because the life circumstances and family planning wishes of those who receive services vary considerably, an effective program must be more flexible in its design than are many present efforts. In addition, programs should be better coordinated and more effectively administered. Under current legislation, a comprehensive State or local project must assemble a patchwork of funds from many different sources—a time-consuming and confusing process. Moreover, under existing legislation, requests for funds for family planning services must often compete with requests for other deserving health endeavors.

But these problems can be overcome. The Secretary of Health, Education, and Welfare—whose Department is responsible for the largest part of our domestic family planning services—has developed plans to reorganize the major family planning service activities of his agency. A separate unit for these services will be established within the Health Services and Mental Health Administration. The Secretary will send to Congress in the near future legislation which will help the Department implement this important program by providing broader and more precise legislative authority and a clearer source of financial support.

The Office of Economic Opportunity can also contribute to progress in this area by strengthening its innovative programs and pilot projects in the delivery of family planning services to the needy. The existing network of OEO supported community groups should also be used more extensively to provide family planning assistance and information. I am asking the Director of the Office of Economic Opportunity to determine the ways in which his Agency can best structure and extend its programs in order to help achieve our national goal in the coming years.

As they develop their own plans, the Secretary of Health, Education, and Welfare and the Director of the Office of Economic Opportunity should also determine the most effective means of coordinating all our domestic family planning programs and should include in their deliberations representatives of the other agencies that share in this important work. It is my intention that such planning should also involve State and local governments and private agencies, for it is clear that the increased activity of the Federal Government in this area must be matched by a sizable increase in effort at other levels. It would be unrealistic for the Federal Government alone to shoulder the entire burden, but this Administration does accept a clear responsibility to provide essential leadership.

FOR THE FUTURE

One of the most serious challenges to human destiny in the last third of this century will be the growth of the population. Whether man's response to that

challenge will be a cause for pride or for despair in the year 2000 will depend very much on what we do today. If we now begin our work in an appropriate manner, and if we continue to devote a considerable amount of attention and energy to this problem, then mankind will be able to surmount this challenge as it has surmounted so many during the long march of civilization.

When future generations evaluate the record of our time, one of the most important factors in their judgment will be the way in which we responded to population growth. Let us act in such a way that those who come after us—even as they lift their eyes beyond earth's bounds—can do so with pride in the planet on which they live, with gratitude to those who lived on it in the past, and with continuing confidence in its future.

RICHARD NIXON.

THE WHITE HOUSE, *July 18, 1969.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Vice President laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

AUTHORIZATION OF THE SECRETARY OF THE INTERIOR TO CONVEY TO THE STATE OF TENNESSEE CERTAIN LANDS WITHIN GREAT SMOKY MOUNTAINS NATIONAL PARK AND CERTAIN LANDS COMPRISING THE GATLINBURG SPUR OF THE FOOTHILLS PARKWAY, AND FOR OTHER PURPOSES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 288, H.R. 2785.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2785) to authorize the Secretary of the Interior to convey to the State of Tennessee certain lands within Great Smoky Mountains National Park and certain lands comprising the Gatlinburg Spur of the Foothills Parkway, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, 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. 91–297), explaining the purposes of the bill.

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

PURPOSE

The purpose of H.R. 2785 is to authorize a conveyance to the State of Tennessee of certain existing road rights-of-way under the administration of the National Park Service. This would be accomplished by conveyance to the State of the Gatlinburg Spur of the Foothills Parkway and portions of two Tennessee highways bordering the Great Smoky Mountains National Park.

BACKGROUND

Existing roadways form portions of the north and west boundaries of the Great Smoky Mountains National Park. Four segments of Tennessee Highway 73 (totaling approximately 3.38 miles) were constructed along one boundary of the park by the State pursuant to three special use permits granted by the National Park Service. Another 2.33 miles of the north-bound lane of Tennessee Highway 72 (also designated U.S. 129) was relocated on park lands pursuant to a similar special use permit. Since this park is under the exclusive legislative jurisdiction of the United States, State authority does not extend to accident investigation or traffic control along these portions of the two highways.

The Gatlinburg Spur of the Foothills Parkway was constructed to provide access to the Great Smoky Mountains National Park. Since it is also used by general traffic, as well as by park visitors, it has added to the traffic congestion in the city of Gatlinburg. As a result, it was agreed in 1962 that a bypass should be constructed from the spur to the park. The State acquired the necessary rights-of-way, conveyed them to the National Park Service, and the bypass was completed in June 1968. It was understood that, upon completion, the spur would be conveyed to the State if authorized by the Congress.

NEED

The conveyance of these roadways to Tennessee, under the terms of H.R. 2785, will enable the State to exercise uniform jurisdiction along the routes involved without impairing the administration of the park or isolating any part of the park. It should be noted that the legislation authorizes the conveyances to be made subject to such conditions as the Secretary deems necessary for the protection of the park environment. By relieving the Federal Government of the administrative and maintenance costs arising from its jurisdiction over these roadways, it is estimated that a savings of approximately $25,000 annually can be realized.

COST

No Federal expenditures are required under the terms of this legislation.

ORDER FOR RECOGNITION OF SENATOR YOUNG OF OHIO AND SENATOR CURTIS

Mr. MANSFIELD. Mr. President, it is my understanding that under a previous order the distinguished Senator from Wyoming (Mr. HANSEN) is to be recognized for not to exceed 30 minutes, to be followed by the distinguished Senator from Colorado (Mr. ALLOTT), who is to be recognized for not to exceed 30 minutes.

I ask unanimous consent that, following the remarks of the Senator from Colorado, the distinguished Senator from Ohio (Mr. YOUNG) be recognized for not to exceed 10 minutes and that the distinguished Senator from Nebraska (Mr. CURTIS) be recognized for not to exceed 30 minutes.

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

ORDER OF BUSINESS

The VICE PRESIDENT. Under the previous order, the Senator from Wyoming is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for 6 or 7 minutes, without losing his right to the floor and without infringing on his time?

Mr. HANSEN. I yield.

THE SURTAX EXTENSION AND TAX REFORMS

Mr. MANSFIELD. Mr. President, the Finance Committee overrode the judgment of its own chairman, Senator LONG, in voting out the House bill on surtax extension at this time; the action was regrettable, even though the committee was within its rights in doing so, because Senator LONG was seeking a way to break through the impasse which had been developing.

On top of that, the tax extension came out by a seriously split vote of 9 to 8, without hearings; yet, this is a most controversial bill which passed the House by only a handful of votes.

Insofar as the leadership is concerned, it has no intention of calling the surtax extension up at this time in this context; under the rules, however, any Member of the Senate is at liberty to do so by a simple motion which, of course, is fully debatable.

It should be noted that an attempt to call up the surtax measure and make it the pending business will be at the expense of consideration of the vitally important military procurement authorization bill which is now before the Senate.

There may well be a prolonged discussion of the question of displacing military construction as the pending business and taking up the surtax measure at this time. The question is procedural, and every hour spent on it will be an hour wasted insofar as considering the substance of either issue is concerned.

If the Senate votes to take up the surtax extension in preference to continuing on military construction, what then? Amendment after amendment can be offered, debated, and tacked on to the surtax extension—reform amendments, special interest amendments, exemption amendments and what-not amendments—until, as I have said on many occasions, the bill is an overloaded Christmas tree.

After that there are two alternatives: send the bill back to the Finance Committee to lop off the decorations and start all over again or forward it, packed with goodies, to conference with the House. In conference, the process of reducing the bill once again to reality will get underway, the process of undressing the Christmas tree will begin. How long it will take is anyone's guess.

If the measure comes out of conference stripped to the bare essentials, it will be in jeopardy in the House, where it passed in that form on the first round by only the skin of its teeth.

A stripped-down conference report, moreover, will also be in jeopardy in the Senate, where a very serious determination exists—as evidenced by the unanimous decision of the Democratic policy committee—that reform in the direction of more equitable taxation for Americans of moderate and lower incomes is no less significant to the economic health

of this Nation than continuing the burdens of the surtax extension which also fall heaviest on these groups.

What started out, therefore, as an understandable effort on the part of the Finance Committee to hasten the extension of the surtax may well end up without any extension at all, along with a long delay in the military procurement authorization bill, and with uncertainty for many weeks for the Nation's economy. What may well come out of this action, in short, would be an exercise in futility or, worse, in legislative mischief.

Whether to move this bill now in the context in which it has emerged from committee is a judgment which rests with the Senate. In my judgment, however, it will hurt American wage earners and salaried employees, it will hurt the Senate, it will hurt the President, and it will hurt the Nation.

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

Mr. HANSEN. I yield, with the understanding that I will not lose my right to the floor.

Mr. DIRKSEN. Mr. President, the distinguished majority leader, and my friend, paints a rather dismal picture, except I am afraid it is not quite that dismal. One would almost have to consider it as a confession that this body reasonable when times require, cannot work to purpose—and it can.

If the majority leader called up that bill, which was reported by the Committee on Finance yesterday morning, any Senator would be free to move to delete anything except the surtax. He could even delete the surtax, if he so desired. It is within the province of the Senate to vote to table any so-called Chrismas tree amendment. It is a question of what the Senate, as a responsible body, wants to do at a time when the economic factors are such as to portray for us a somewhat dangerous situation ahead.

I had my chance to speak my piece in the Committee on Finance yesterday morning. I reached across the table and asked the Senator from Arkansas (Mr. FULBRIGHT) when he had come to the House of Representatives. He said in 1943. I said, "I was there 10 years before you arrived, and I came on the crest of the wave of economic dislocation which began on black Friday in 1929."

I remember so vividly how bankers and others jumped out of 15-story windows, and I lived through that aggravated period. Then came the New Deal and it continued, lo, for many years.

Mr. President, when I came to that body, they elected a Member from my own State as the Speaker of the House of Representatives. I refer to the Honorable Henry T. Rainey, my congressional neighbor. I recall from the lips of Herbert Hoover himself, at an intimate little dinner, that he said to me that he called Mr. Rainey and said, "I need this, I need that, and I need this. The storm clouds are gathering." They were not fashioned in this country; they were fashioned when the banks, known as the Big Three D Banks in Europe, failed. That is when it began and we got caught in the backwash. But they refused in that Congress to give Herbert Hoover what he wanted and the country paid in the gloom, doom, sweat, agony, and misery of a depression that lasted many years.

Maybe I paint a picture of gloom. Let it be what it is, but the economic factors have not been good. So I have been impelled to do what little I can as a Senator to get something on this floor on which we can work our will. I do not cross any bridges until I get to them. Let it be the responsibility of this body first to do what is necessary and then we will see what else is necessary beyond that point.

I listened to all the arguments. It is amazing how a committee like the Committee on Finance can toy with one idea and then another idea, overturning a good many suggestions there. But finally, by a vote of 9 to 8 they voted the bill out of committee. To be sure, they overrode the chairman. Is that unusual? Chairmen are overridden every day around here in both the Senate and in the House. There is nothing unusual about that.

We were impelled by the exigencies of the situation that confronts us now and will confront us to do what we did. Two members of the other side certainly appreciated it and they voted with us and that is how the bill came out. Now, the responsibility is here.

I say this with all kindliness to my distinguished friend—and he is my distinguished friend, and he has been a great majority leader. I say the responsibility is now here. And if I can undertake anything, if I can help, I am at his beck and call to help get this job done. I will humble myself in any possible way and prostrate myself at his feet, because this is serious business, and we are playing with the destiny of 202 million people, for if some kind of economic disaster strikes, it will not be merely us, it will be every chit and child, every man and woman in the country, high and low, rich and poor, whoever they may be; they will all be affected by it.

That is all I have to say, Mr. President.

Mr. SCOTT. Mr. President, will the Senator yield to me without losing his right to the floor?

Mr. HANSEN. I yield to the Senator from Pennsylvania without losing my right to the floor.

Mr. SCOTT. Mr. President, what the distinguished minority leader has said about his recollection is entirely correct; and he is even modest in his appraisal of what happened to this country at a time when Congress denied the President of another party an opportunity to fix the economic wheels of the Nation so that they would not go off the tracks.

I recall that in addition to that, in those days, a majority in Congress rode down and refused to act favorably on a bill by the late Senator Vandenberg of Michigan providing for the insurance of bank deposits in this country. They delayed and they politicked and did everything they could to keep Senator Vandenberg from getting credit for guaranteeing the first $5,000 of deposits by the people in this country against loss. When the banks failed those people failed with them.

Let there be no mistake about it. We are in the process of establishing who killed Cock Robin. In the course of doing it, I want to point out that I think, with all due respect to the majority leader, whom we all love and respect, that the pessimism expressed is hardly warranted here unless the pessimists plan to say that there is not any tax bill until we go into recess. I am not concerning myself here immediately with the timing. That is a matter for the majority and its policy committee, which made a certain ominous decision; and I am not critical of anybody on the Committee on Finance. I understand the chairman's feelings. He had to vote against reporting the bill. He had stated he desired to give Senators an opportunity to appear to offer amendments until July 18, and he could not go back on his commitment. That does not mean we can draw inferences as to where he stands on the bill.

However, let it be understood that if there is legislative mischief, as the majority leader has said, the legislative mischief is in the action of those Senators who delay action on the first of two tax relief and reform bills, the first one being the phasing-out of the surtax in an orderly manner, and the relief to 13 million people in this country, dollarwise.

Those people who delay that first tax relief and reform bill will have to assume the responsibility in answering to a public which will see what kind of legislative mischief is going on here and who killed Cock Robin. They will see who are the people who indulged in legislative mischief. I am one Senator who intends to hold to responsibility those people who must take the burden of the continuing inflation and the rise in the cost of living in this country if they do not want to let us vote on the tax bill. I know that efforts will be made to load it down like a Christmas tree. There will be amendments which I will favor; and some of the amendments will bear on improving the condition of people in this country; social security, and all the rest. I may have to vote against some amendments I favor, and some may even be my amendments, because I intend to support them on the second tax relief reform bill and let them take their chances there.

But I do not think anything overrides the importance of the right of the people of the United States today to have some assurance that steps are being taken to stop this dreadful, helical spiral, this series of ascending helical planes, which is the spiral of inflation.

So I say if this tax bill is not voted on before we go into recess, I am one of a good many Members of Congress who are going to hit the streets. I am going to use a helicopter in the course of it, by the way, and hit the rural areas and visit 18 counties in the first week when I leave here.

Wherever I go, I am going to carry the message. They will say to me, "Why did we not get a tax bill?" I am going to tell them who is to blame. I am going to say, "It is inflation. It is the cost of living. The increase in the burden that you daily pay comes from the people who would not give you a tax bill." I am going

to identify them. As I carry the message through the 18 counties, along the hot streets of our cities, I will say to the people there, "The burden of inflation lies upon the people who would not act."

How many Senators want to face that? How many Senators want to go home and face that? Some of them would be well advised to stay here, in my opinion, because at least it is cool and air-conditioned. It is a lot quieter than it will be at home. Because when I go home my people do not talk to me about the ABM very much. They talk to me mostly about ending the war in Vietnam, the great and overriding concern they have with the immense tax burden they are carrying, and the constant rise in the cost of living.

Yes, Mr. President, let us have a second tax relief and reform bill. I hope that we will act on it promptly. I hope that it will be calendared; but what concerns me is the mischief involved in having to listen to my friends talk about their being friends of the people: "We are the friends of the people," or "How we love the people," or "How we worship the people," or "We want the people to remember us on election day and send us back." How hot the tears are.

When they go home, how are those people going to explain it to the 5 million people, whom they love, whom they worship, who are in the lowest income brackets, and whom this bill will take off the tax rolls entirely—the first time in many years that such numbers of people have been taken off a tax roll? What will they say to the other 8 million who will benefit, dollarwise, by this bill, those people who love people so much, they love them so much they will keep them on the tax roll indefinitely? They love them so much they are keeping higher taxes rather than lower taxes for the 8 million who would benefit.

All right, I say, the people who want to take that path, let them take it; but I say to them that I will take the other side and I will carry that other banner.

I will say to the 5 million people who will be taken off the tax rolls, these benefits, these mercies which would have happened to them are being withheld by the people who say they are their friends.

I am going to tell them, "I am for taking five million people off the tax rolls. I am for improving the condition of the other 8 million people who will benefit from it. I am for an orderly phasing out of the surtax, which has not been done before."

No one else has proposed ending the surtax. No one else has said, "Phase it out." We are the ones who say it.

Whenever any group of people in a political party come up with something that is so good, so workable and so appealing, and the other side does not have a better answer, they plead delay, delay, and more delay, and defer, and then go out to the people and say, "We did it for your good. It was for your benefit that we did not take you off the tax roll. It was for your good that we allow inflation to continue. It was for your good that we are keeping you on the hot seat. It was for your good we did those things."

I submit, Mr. President, without any humility at all, because there is no humility in me on this issue, let them have that side of the argument. I will take the side of the orderly phasing out of the surtax—and do it now.

I will take the side of taking 5 million people off the tax rolls—and do it now.

I will take the side of the 8 million people who benefit, dollarwise, from the bill—and do it now.

Then when we come to the second tax relief and reform bill, some people will get hurt and some will get helped.

Let us face that when it comes up. Let us improve the conditions of those people whose condition should be improved. Let us penalize those who are doing too well under our tax system. Let us close up some of the loopholes. Let us find areas of relief. Let us find areas where the Federal Government will be able to count on an orderly source of income.

But, in the meanwhile, the first priority is not to engage in a fight between the Democratic policy committee and certain members of their party, or certain members of our party.

We are not concerned here about personalities, or whether some group in the Senate wants to get the jump on another group in the Senate. In the course of it, I will tell the people who will get jumped. It will be them—the people of the United States. They will get jumped on. They will be jumped on every day if they do not get some kind of tax relief. Inflation will cool itself a little more and a little more and get tighter and tighter around them as it spreads its burden more seriously and harder upon the people of this country.

Mr. President, the weather yesterday registered its highest discomfort index for the year in Washington. I hope that today I may have raised the level of the discomfort index of those people who would dare to say to the people of the United States, "Stay on the tax roll. Face inflation. We have got a little family argument going on our side and we have not been able to decide it."

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield me 2 minutes to reply to the Senator from Pennsylvania?

Mr. HANSEN. I am happy to yield to the Senator from Montana, provided I do not lose my right to the floor.

Mr. MANSFIELD. Mr. President, may I say, first, that I am not interested in dispensing "mercies" to the low-income groups in this country.

What I am interested in is, if possible, to dispense justice to all our citizens.

So far as holding up this legislation is concerned, I would say to my distinguished friend, the assistant minority leader, that we on our side would be willing—very willing—to extend the withholding levels added by the original surcharge for 60 days, 90 days, or to the end of the year.

We would like to see at the same time something in the way of justice done for all our people. So far as I am concerned, let me say that I am willing to take my case to Montana's 56 counties.

So far as my index is concerned, it is quite comfortable. I feel that I am doing what I think is right. I do not believe there is a Member of this body who has ever accused me, even though I am a politician, of playing politics with any issue.

I think that the welfare of the country—and that means the people of this Nation—must always come first.

What I have tried to do is not place the blame, as my distinguished friend from Pennsylvania has, and who, in his philippic, without mentioning the Democratic Party, has in effect threatened us on the basis of the present issue.

If that is the case, so be it.

The gauntlet has been thrown down.

We accept it.

We will not allow anyone to blame us for the increase in the interest rate by 2½ percent since the beginning of this year, for the increase in the cost of living, and for all the other inflationary spirals that have come into existence during the past 6 or 7 months while the surtax has been in full effect.

We both have a case. We should rest that case. I will not decide it. The Senator from Pennsylvania will not decide it. The Members of this body will decide it—both Democrats and Republicans.

I thank the distinguished Senator from Wyoming for being so gracious in yielding me this time.

ORDER FOR RECOGNITION OF SENATOR JAVITS

Mr. JAVITS. Mr. President, I ask unanimous consent that when the Senator from Nebraska (Mr. CURTIS) has concluded his remarks, and there are quite a succession of unanimous-consent requests to speak, that I may be recognized for 20 minutes.

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

CLOSED SESSION ON ABM

Mr. SYMINGTON. Mr. President, will the Senator from Wyoming yield to me briefly without losing his right to the floor?

Mr. HANSEN. Mr. President, I am happy to yield to the Senator from Missouri, provided I do not lose my right to the floor.

Mr. SYMINGTON. Mr. President, I thank my good friend from Wyoming.

Mr. President, after noting remarks made to the press just prior to the closed session yesterday, and also reports this morning in the press about that session, and also statements made on the television media last night, I now see no reason for another closed session on the ABM.

Later, during further discussion of this matter in open session, I shall present to the Senate in greater detail my reasons for this course.

Mr. President, I thank the Senator from Wyoming for yielding to me at this time.

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

Mr. HANSEN. Mr. President, I yield to the Senator from South Carolina for 1 minute, without losing my right to the floor.

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

PERSONAL STATEMENT

Mr. THURMOND. Mr. President, this morning an article in the Washington Post reported that I stated in a speech to Prince Georges County Young Republicans last night that opponents of the Safeguard antiballistic missile are "people who don't believe in America, in free enterprise, people who are against our way of life." While the words actually quoted were a portion of my remarks, they were given in a context referring to radicals and violent-prone leaders who are disrupting the processes of law and order in our cities. My remarks on the ABM and violence in America were both contained in this speech, but it is incomprehensible how the reporter confused my remarks on these two completely different subjects. I hasten to set the record straight.

I certainly did not question the sincerity of those who are not supporting the President's Safeguard program. The people in America who are fighting the ABM are fully within their rights and are doing what they consider best for this country. In supporting the ABM, I am doing likewise.

A SWORD AND A SHIELD

Mr. HANSEN. Mr. President, the decision to deploy Safeguard stands on a solid foundation of reasoned judgment. It was developed on demonstrated fact—not conjecture. It was conceived from a proven capability—not wishful thinking. It took into account all factors—not just isolated incidents.

The structure of the decision has withstood the test of dissent.

Objections have been raised against it, but each has been satisfied—each rejected—to leave the basic decision even stronger for its examination.

I think it would be worthwhile at this time to review two basic reasons for supporting the President's phased Safeguard program—the first is its ability to do the task for which it is designed—the second, to examine its role in the arena of arms control.

Last Wednesday, this Nation launched a mission to place a man on the moon. It seems inconceivable to me that anyone could doubt the technical competence of a nation that could achieve such a feat. The United States of America has the scientific, technological, and industrial base to put an American on the moon. The United States of America has the scientific, technological, and industrial base to develop an anti-ballistic-missile defense that will work.

Mr. President, the Safeguard program is the culmination of more than 13 years of research and development effort and the expenditure of about $5 billion, including all the various projects related to ballistic missile defense. An ABM program was first presented to the Congress in 1955. It moved into full-scale development in 1958. In 1963, the initial program—the Nike-Zeus system—was abandoned because, with the mechanically steered radars which it employed, it could not cope with the kind of attack the Soviets could mount in the late 1960's. For this reason, a new improved system, known as the Nike-X, was placed in development. This system was to use new phased-array radars and a new high acceleration terminal defense missile, the Sprint. In 1964, a program was initiated to develop a new, long-range interceptor with a high-yield warhead. This was the Spartan missile.

This review was just to give you some indication of the time our scientists have spent on the system and the confidence the Congress has shown in these scientists by our continued allocation of funds for this development.

For our investment, those scientists have provided us with a missile site radar that works—they have developed the long-range Spartan missile that works—they have successfully demonstrated the short-range Sprint missile. Now they say, let us put them all together in a single system and we will make the whole thing work. Can we doubt them? Can we doubt this type of demonstrated performance? I think not. These men are equipped with the facts—their recommendations are based on proven capability. They have testified before us that no question has been raised by outside experts that they had not raised in their own internal debate and for which satisfactory answers had been found. With these types of assurances, how can we doubt them.

The chance of a nuclear war today, I believe, is zero due to our overwhelming strategic deterrent. As I conceive it, the primary job of our Government is to keep this chance at zero—for without security, we have nothing. Nuclear war is the one thing that we absolutely cannot afford. We have two routes available to do this job. The first is to counter any attempt by any nation to overcome our deterrent force. We do this by improving, modifying, adding to or substituting weapons systems to insure that we can respond overwhelmingly in the case of attack. The second, and in my judgment the best course, is to reach some meaningful international agreements limiting strategic arms and thus insuring through agreement, rather than through investment in arms, that we can deter nuclear aggression.

These two courses are not separate routes. They are closely interrelated and intertwined to that point in the road where the arms agreement is signed. We must approach the bargaining table with the Soviets fully conviced that we will not allow them to overcome our deterrent no matter what the cost to us—no matter what the cost to them. We must approach the arms limitation talks with a club in one hand and a pen in the other, allowing them their choice. They must be convinced of the futility of proceeding with an arms race. We must present them with a posture that leaves no doubt as to our resolve.

The initial result we are looking for in strategic arms limitation talks is a method of insuring ours and the Russians' mutual deterrent capability without the need to further engage in the arms race and without reducing our security.

A properly designed agreement to limit strategic forces can better insure the security of both the United States and the Soviet Union. Our task in negotiating such an agreement should be eased by the growing realization on both sides that a first strike capability will not be permitted to develop regardless of the effort and money expended for that purpose. The Safeguard decision would be a clear indication of intent to the Soviets of our attitude in this regard.

The needs of the world are too urgent to waste the world's wealth on useless competition in strategic weapons. But the prospect for ending this competition rests on the attitudes and actions of both the Soviet Union and ourselves—not us alone.

The opposition to the Safeguard system strongly advocates the opposite position. They say that the deployment of these defensive weapons will accelerate the arms race and will make it more difficult to negotiate with the Russians. My answer to them is this—and please listen to these words carefully—"I believe that the defensive systems, which prevent attack, are not the cause of the arms race, but constitute a factor for preventing the death of people." These words represent well the point of view of those supporting the Safeguard system, but they were not spoken by a Safeguard advocate. These are the words of Soviet Premier Kosygin. This statement by Mr. Kosygin certainly does indicate an understanding of a defensive system.

Safeguard is a defensive system. The United States' decision to deploy a defensive ABM has been matched by an intensified Soviet interest in arms control. The Safeguard system makes it very clear to all nuclear powers, large and small, that we seek only to protect our deterrent forces—so that, in case of attack, we will be assured of the ability to destroy the attacker.

As someone once said:

> Our pleas for peace are measured not by the sincerity with which they are spoken, but by the strength we can array to enforce them.

We cannot read the minds of the Soviet leaders, nor can we readily determine their intentions. We must base our decisions on their known capabilities. It does appear, though, that they understand the defensive nature of our Safeguard system. If they are ready for arms control—so are we. But, if arms control should fail, then the Safeguard system will give us the edge on deterrence.

A prudent person seeking a prudent decision on the difficult question of our strategic posture can do no other than to conclude that the phased Safeguard system is the prudent answer.

Mr. President, we must remain secure as a free nation. Our days must be days of preparedness and reality. One of the realities we must not forget is that weakness invites aggression, while strength deters it.

Preparedness in this nuclear age must constitute more than a sword; it must include a shield, as well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MANSFIELD. I do so only to express my deep personal thanks to the distingushed Senator from Wyoming for his graciousness in allowing so many of us to infringe on the time which he had asked for yesterday. I want him to know that I am deeply grateful and thankful for his graciousness, his courtesy, and the kindness he has shown us; but these are attributes of the Senator from Wyoming.

Mr. HANSEN. Mr. President, I am indeed grateful and appreciative of the very kind remarks of my beloved friend, the distinguished majority leader. The things he says about me have been said about him so many times that I shall not repeat them now; but I do appreciate his kind remarks.

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

Mr. HANSEN. I yield.

Mr. STENNIS. I want to thank the Senator as well as commend him for taking time to put together in such concise and definite form his thoughts on this important question. As always, we know where he stands; he has expressed himself well, and has made a great contribution to the debate on this subject.

Mr. HANSEN. I thank the distinguished Senator from Mississippi very much.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Pursuant to previous order, the Senator from Colorado (Mr. ALLOTT) is recognized for 30 minutes.

THE MANAGEMENT OF THE NATIONAL PARK SYSTEM

Mr. ALLOTT. Mr. President, George B. Hartzog, Jr., who is director of the National Park Service, was chosen to deliver the distinguished alumni address to the Federal Executive Institute in Charlottesville, Va., on July 12. Mr. Hartzog is a graduate of the Institute, which serves the development needs of career executives in the upper levels of our Government; and because his speech, "National Park Service Management," evidenced insight which I know will be of interest in the Senate, I ask unanimous consent that the text of Mr. Hartzog's remarks be printed in the RECORD at this point.

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

NATIONAL PARK SERVICE MANAGEMENT

(By George B. Hartzog, Jr.)

It is a great privilege and pleasure to participate in this reunion of the graduates of the first and second sessions of the Federal Executive Institute. For the high honor you have bestowed on me to present this first Distinguished Alumni address, I am deeply grateful.

I remember my attendance here as one of the highlights of my career. I shared many hours of good fellowship; made new friends among my colleagues in the Federal service; and gained new insights into our mutual problems and aspirations.

It is my firm belief that this Institute has the highest potential existing today for significant improvement in the quality of management within the Federal career service. I congratulate the Civil Service Commission, Dr. Sherwood, the faculty and the staff of the Institute for creative leadership in Executive Education. This pioneering effort has been difficult. You have accepted the challenge with vigor and imagination. You have achieved results and I predict even greater success in the years ahead.

Dr. Sherwood, in extending the invitation on behalf of the Alumni, suggested that I discuss with you the management of the National Park Service, with particular emphasis on policy leadership, the relationship of management to the political processes, and the special management needs of the National Park Service. Since you are all "old pros" of management in the Federal Government, I shall not presume on your time and your patience to treat literally all of the ramifications of the broad subject he has suggested.

By numerous legislative enactments, the Congress has granted the National Park Service a broad charter:

(a) To manage and develop the National Park System for public use and benefit by such means and in such manner as to leave its resources and values unimpaired for future generations.

(b) To cooperate with Federal, State, and local Governments and the private sector in programs to preserve the natural and cultural inheritance of our Nation.

To establish a frame of reference for this discussion of the management of the National Park Service, I wish to mention, briefly, three basic factors, as follows:

First, the National Park Service is not an independent agency of the Executive Department. The National Park Service was established as—and remains—a Bureau of the Department of the Interior. The positions of Director and Deputy Director are in excepted Schedule C. My Deputy Director and I serve, therefore, during the pleasure of the Secretary, in supportive policy making roles with him in the management of the National Park Service. Within the Department of the Interior, the Director of the National Park Service reports to the Assistant Secretary for Fish and Wildlife, Parks, and Marine Resources.

There have been seven Directors of the Service since it was established in 1916. Five of the seven Directors have been appointed to this position from the ranks of the National Park Service after many years of service in the Federal career system. Moreover, no Director has ever been changed with a change in Administration. This record is one in which all employees of the National Park Service take justifiable pride for it bespeaks of the high professional integrity of our work. It bespeaks, likewise, I suggest, of the responsiveness of each Director to the principal policy making officers in the Department and to the goals of the Administration.

Second, the area of the National Park System are public lands of the United States. Under our constitution, the Congress is charged with the responsibility of establishing the public land policies of the United States. These policies, for the most part, are broad guidelines leaving large areas of discretionary authority in the President and in the Secretary. For example, the Antiquities Act of 1906 authorizes the President of the United States by Proclamation to set aside, from lands owned or controlled by the United States, national monuments having scientific significance or containing artifacts of antiquity.

Moreover, the Historic Sites Act of 1935 authorizes the Secretary of the Interior to determine the national significance of historic sites and in his discretion to designate them as National Historic Sites either in private ownership or as a part of the National Park System, with fee simple title vested in the United States. In connection with the exercise of this latter authority, President Franklin D. Roosevelt directed that the authority should be exercised with respect to placing areas in the National Park System only after clearance by the Bureau of the Budget.

In the decade of the 1960's, through negotiations with the Interior and Insular Affairs Committee of the House of Representatives, an agreement was reached by President Kennedy and Secretary Udall—and adhered to by succeeding Administrations—that the authorities of the 1906 and the 1935 Acts would be exercised only after consultation with the legislative committees of the Congress.

Third, the resources of the National Park System represent values far beyond their significance as public lands of the United States. They are, in fact, the strands of the natural and cultural inheritance of a great Nation and a proud people. This Nation perhaps more than any other, was richly endowed with a superlative natural environment. Its creative, ingenuous, hard-working people have laid on this land the foundations of our American way of life.

Thus, the natural, historical, and recreational resources of your National Park System have a tremendous tug at the heart strings of America. The manifestation of this reality is that thousands of citizens through numerous organizations—with funds to employ full-time professional staff—intimately involve themselves not only in day-to-day management decisions but also in policy decisions of both the Administration and the Congress.

The National Park Service—like all of your organizations—is a public agency. Policy making—and even more significantly the implementation of policy—in public agencies is, in actuality, a function of all its members. Policy, to be creative in its making and constructive in its implementation, must be validated by the members of the organization. Thus, while the employees of the National Park Service are, on the one hand, members of the management body they are also, on the other hand, a very special and important public.

In light of these "facts of life" I have, quite naturally, formed certain fundamental beliefs that undergird my approach to management of the National Park Service. In stating these beliefs and reporting our management program as it has been shaped by these beliefs, I do not presume to suggest that the way we have approached our responsibilities is either the only way or, indeed, even the best way to manage—although, certainly, the latter is the ideal and the objective we seek.

My first belief is this:

A public agency, such as the National Park Service, cannot operate successfully in a vacuum;

Its programs are executed in a political environment—not a partisan environment; that is to say, its programs are scrutinized, evaluated, validated or rejected in the arena of public discussion among the Congress, the administration and the taxpayers and within the context of national priorities.

It is, therefore, the function of management to open lines of communication—and keep them open constantly—with our Departmental policy making leadership, the Congress, and the public to facilitate this evaluation process.

An essential keystone for building channels of communication, in my judgment, is a concise—easily understood—statement, of management philosophy. As a public agency responsive to the policy making authority of the Congress and the Administration, our statement of management philosophy must necessarily embody the mandates of these policies. Thus, our statement of management

philosophy—summarized in the National Park Service Pledge of Public Service—is a synthesis of the numerous public land policies enunciated in a series of legislative enactments concerning the National Park System.

Stripped of all technicalities generally associated with legislative enactments, it distills the essence of the philosophies expressed in these statutes. To make it even more useful for communication—especially with our employees—we have duplicated the statement of management philosophy on wallet-sized cards for each employee—whether permanent or seasonal—of the National Park Service.

Of equal importance to a statement of management philosophy in communication, is the development of long-range objectives. Our long-range objectives—confirmed by the Honorable Walter J. Hickel, Secretary of the Interior on June 18, 1969, are as follows:

1. To provide for the highest quality of use and enjoyment of the National Park System by increased millions of visitors in years to come.

2. To conserve and manage for their highest purpose the natural, historical and recreational resources of the National Park System.

3. To develop the National Park System through inclusion of additional areas of scenic, scientific, historical, and recreational value to the Nation.

4. To participate actively with organizations of this and other nations in conserving, improving, and renewing the total environment.

5. To communicate the cultural, inspirational, and recreational significance of the American heritage as represented in the National Park System.

6. To increase the effectiveness of the National Park Service as a "people-serving" organization dedicated to park conservation, historical preservation, and outdoor recreation.

In his management directive of June 18, Secretary Hickel also established policy guidelines for the management of the National Park System. Briefly summarized, they are as follows: The National Park Service shall—

1. operate campgrounds rather than lease them to concessioners;

2. initiate study of opportunities which may exist, as well as financing proposals, for an expanded program of Federal acquisition and federally-assisted acquisition of park and recreation lands in large urban centers in order to bring parks to people;

3. innovate programs, especially in the Nation's urban parklands, to make parks more meaningful to people;

4. make parks and park facilities more available for neighborhood school districts;

5. initiate mass transportation services, such as shuttle busses, tramways, etc., to lessen the impact of private automobile congestion now threatening the quality of several of our most popular National Parks;

6. explore possibilities for increasing the participation of private citizens, the business community, and organizations in nature and historic preservation;

7. speed up wilderness studies to get this program on schedule;

8. identify gaps in the National Park System that should be filled by establishing new parks to preserve the heritage of our history and our natural environment;

9. work with colleges and universities to develop joint training opportunities for young people seeking careers in park and recreation programs;

10. plan appropriate activities to commemorate the Centennial of National Parks in 1972;

11. work in cooperation with the Bureau of Indian Affairs and the Bureau of Outdoor Recreation to plan programs for developing the recreational and cultural resources of the Indian people, thus enhancing the economy of our Indian Reservations.

Long-range objectives and policy guidelines serve several useful purposes in the communications process:

First, they establish a clear understanding between the Secretary—the policy making official appointed by the President to oversee the management of the National Park System—and the Director of the National Park Service appointed by the Secretary to manage the National Park System.

Second, through objectives and policy guidelines we communicate to the Congress—which has constitutional responsibility for public land policy—the direction we are heading in implementing their policies and the programs to be emphasized in the execution of our missions.

Third, they are useful in communicating with the several publics interested in the management and the policies of the National Park Service.

And, lastly, they set the broad parameters for our work program and serve as guidelines for day-to-day management.

Of course, our agency, like yours, appears annually before the Subcommittees of the House and Senate Appropriations Committees to support the President's budget for its programs. During these hearings we have an opportunity to communicate to the members of our Subcommittees significant accomplishments of the Service and also trends which we see developing that may affect future management and funding needs of the agency. A copy of my statement to the House and Senate Subcommittees on Appropriations for the Interior Department and Related Agencies is available as reference material.

Additionally, with the cooperation of the House Committee on Interior and Insular Affairs, I have been provided the opportunity each year that I have served as Director of the National Park Service to report to the Subcommittee on Parks and Recreation on my stewardship. Occasionally, the Senate Committee on Interior and Insular Affairs has also scheduled such oversight briefings.

These have been extremely useful sessions since they afford the members of the legislative committees a formal opportunity to address themselves to programs initiated in implementation of their broad policy mandates. Occasionally, the committee members have challenged the merit of our management decisions. For instance, in 1968, as a result of personnel ceilings and budgetary restrictions, we adopted an administrative policy to lease campgrounds to concessioners for operation. Historically, campgrounds had been operated by National Park Service personnel. A great many complaints were received from the public concerning this decision to switch to concessioner-operated campgrounds. In the meantime, Secretary Hickel advised the House Committee that he had this particular administrative policy under review. At the briefing session, the House Subcommittee on Parks and Recreation expressed itself very strongly in opposition to the administrative policy.

After reviewing the basis for our initial decision, the public complaints, and evaluating the views of the Subcommittee, the Secretary reversed this administrative policy and directed that in the future the National Park Service operate its campgrounds and not lease them to concessioners.

In another instance, the House Subcommittee took an unusual and tremendously supportive action. It passed a resolution requesting the Chairman and Ranking Minority Member of the Subcommittee on Parks and Recreation and of the full Committee on Interior and Insular Affairs to direct a letter to the Chairman of the House Subcommittee on Appropriations for the Interior Department and Related Agencies urging approval of the entire budget for the National Park Service as recommended by the President.

These briefing reports, of course, are only a part of the communication process with the Congress.

Throughout the course of a year there are dozens of individual meetings with members of the Congress to discuss matters of concern to them—to us—and to their constituents. There are, moreover, thousands of letters from the Congress referring for attention subjects of concern to their constituents with respect to the management of the National Park System. These Congressional referrals are an extremely important part of the communication process with the Congress.

As a result, one of the first actions I took upon becoming Director of the National Park Service was to consolidate all congressional mail in one office. This has enabled us to acknowledge every congressional inquiry within 48 hours. We cannot provide the answer in the great majority of instances within this time frame, but, importantly, we have said to the member of the Congress, and he, in turn, can say to his constituent, "the matter is receiving attention." A follow-up system has been established for these communications to insure that the final answer is supplied as quickly as possible.

Of course, there are many other forms of communication with the Congress associated with legislative hearings, special inquiries, etc.

With respect to communications with our several publics, I shall touch briefly on only two matters. First, the citizen conservation organizations. To maintain channels of communication with them, I have tried to meet with their professional staff representatives each three to four months during the period of my Directorship. This is an unstructed meeting, usually, two to three hours, at which they can present any subject of interest to them and at which I report to them on significant management and policy matters in which I believe they may have a particular interest.

Second, the National Park Service employees are our unique and all-important public. To meet a part of the communication need with them, we initiated a Newsletter—published biweekly—which contains important matters of Service-wide interest to all employees. The Newsletter also includes a special column for the ladies of the National Park Service.

The cardinal principle in communications in a public agency, I believe, is complete candor. If you don't know the answer to a question—say so. It is much better for people to conclude you are ignorant than for them to find out later that you are a liar! Your personal integrity in fulfilling your commitments is an absolute irreducible minimum in maintaining communications with your policy making officers of the Department, the Congress, and the publics concerned with your management.

My second belief about management of a public agency is this:

People do not work for money alone;

Efficiency is a byproduct of personal interest and achievement;

People do wish to achieve and to grow.

It is, therefore, a function of management to create an environment in which people may grow and achieve to the limit of their potential.

One of the long-range objectives established by the Secretary to guide our management is "to increase the effectiveness of the National Park Service as a 'people-serving' organization dedicated to park conservation, historical preservation, and outdoor recreation." This objective recognizes that our management in its essence is of human beings and not of theories and charts. We shall

achieve this objective only as the employees of the National Park Service grow in their capabilities and in their commitment to the agency and its programs.

To assist us in meeting this challenge, we have established objectives for personnel management, as follows:

1. Encourage highly motivated people of talent and high potential to seek employment with the National Park Service.

2. Provide equal opportunities to all employees for individual growth.

3. Encourage an attitude of constructive inquiry, a receptivity to change, and a determination to find better ways of doing our job.

4. Encourage, recognize, and reward individual initiative.

5. Require consistent and demonstrated productivity and achievement as the essential requirement for advancement.

6. Provide opportunities for transfers, details, and other assignments of employees that contribute to the good of the Service and the career development of the employee. Foster the development of a climate that recognizes and accepts the benefits of such interchanges.

7. Make fullest utilization of modern management methods and technology.

The National Park Service had 56 volumes of Administrative manuals and handbooks. Some of these were absolutely essential. They contained the accounting, procurement, and personnel requirements and procedures established pursuant to law. But, the vast majority of these handbooks and administrative manuals dealt with the subject of "how to do the job."

Sometime ago, I appointed a committee to evaluate our handbooks and manuals and make recommendations on the subject. The committee concluded, in part, that these volumes—many of which they acknowledged were out of date and not current—should be maintained in order "to insure uniformity in management." My experience in Government leads me to believe that, generally, "uniformity" is a synonym for "mediocrity."

Uniformity is not what I seek in management! Rather, I seek creativity and personal growth.

Accordingly, I issued a memorandum abolishing all handbooks and administrative manuals as of July 1, 1969, except those essential to guide our field personnel in adhering to legal requirements of personnel, property, and money.

In lieu of administrative manuals, we have provided different management tools.

First, we have promulgated administrative policies to guide day-to-day management in the field. Each of these policies is accompanied by an explanation of "why this is the policy." These poliies do not provide answers to specific problems. They do, however, establish boundary lines within which a decision can be made consistent with the policy of the organization and in light of the circumstances that exist in the particular case at hand.

These administrative policies recognize the three different categories of areas making up the National Park System, i.e., the natural, historical, and recreational. Each category of area was established by the Congress to serve a different purpose and these different purposes are reflected in the administrative policies.

Secondly, we have established program standards for the execution of each major field function—administrative management, maintenance, protection and visitor services, resources management, and interpretation. These program standards define three appropriate levels for the operation of these programs depending upon season of the year, public use and similar demands on the local operations. For example, the maintenance program standards recognize that all facilities do not require the same degree of maintenance care. Thus, a back-country administrative road does not have to be maintained at the same level as does a major park road having high density visitor use. Importantly, therefore, the standard of maintenance established for each facility is designed to achieve the best balance between meeting the public needs and preserving the public investment at reasonable cost.

Third, we have initiated personal performance standards for each employee of the National Park Service. These standards describe the conditions which will obtain when the job has been done satisfactorily. We initiated this as a four-year project. In the first year, we have developed personal performance standards for Regional Directors, Superintendents, and District Rangers. In the second year, it is our goal to develop performance standards for Assistant Directors and for each member of the Regional offices. Our third year program will involve the development of personal performance standards for each member of the park organization; and our final year's program will involve the development of personal performance standards for each member of the Washington Office and the Service Centers.

These performance standards establish a channel of communication between the employee and his supervisor for objective dialogue concerning job performance. They represent an agreement in advance between the employee and his supervisor as to the job to be done and the results that will be obtained when the job is done adequately. In my mind, at least, their greatest value is to enable the employee to know in his own mind that he is, indeed, doing an adequate job, or he is not doing an adequate job, even before his supervisor knows it.

My third belief about management in a public agency is this:

The support of one's partner—either husband or wife—is essential to top performance in the job;

Retirement—like recruitment—is simply a change in occupational status.

It is, therefore, the function of management to provide the avenues by which an employee's family (as well as former employees and their families) may relate to the organization and its programs in meaningful ways.

The "team" is generally the basic work unit in day-to-day park management, such as, mountain climbing, rescue, fire fighting, underwater swimming, wildlife management, and a wide variety of other responsibilities.

One of the most effective applications of the "team" principle in the National Park Service is the family. We have conscientiously and systematically tried to encourage this family team effort. For example, as I mentioned earlier, one section of our employees' Newsletter is devoted to the activities of our park wives. We have encouraged them in maintaining a national park wives organization. They do much significant work without which our programs would simply founder. They are the hostesses in the parks, many of which are isolated; they are a vital link between the official organization and the community; in an emergency they serve as the unpaid—yet indispensable—communication link between a rescue team and home base; they advise constructively and creatively on many of our management programs such as employee housing, park communications, etc. The stories that I could share with you—based on my personal experience in the field—as to the invaluable contributions of our park wives would require a second alumni presentation. As a matter of fact I am so thoroughly convinced of the value of the wife's commitment and contribution to her husband's career and the agency's mission that I suggest it would be well worth the money for the Institute to provide a training opportunity for Government wives. I suggest that the taxpayers would get the biggest dividend for their money ever offered by a sovereign!

In many ways the National Park Service is a young agency; and, yet, we are older than we sometimes realize. For example, we now have third generation employees in the Service. The result is that we have a growing body of alumni. These are talented men and women who have devoted decades of their lives to the management of this Nation's natural and cultural inheritance, and to providing opportunities of inspiration, relaxation, and recreation for millions of citizens in God's great out-of-doors.

To encourage their continued interest in the programs of the Service and to provide meaningful ways in which they can continue to relate to the agency, we initiated several years ago a "reemployed annuitant program." In this program was employ those retirees who are interested in pursuing part-time active work. The pay for this part-time work is the difference between the annuitant's retirement and the salary of the position he occupies. It is a small amount, indeed. Generally, we can reemploy a GS–15 annuitant for an amount roughly equivalent to the salary of a GS–5—and where can you improve on that bargain today? We have also adopted a "trial retirement" program.

Several years ago our employees and our alumni organized an Employee and Alumni Association which publishes a monthly paper "The National Park Courier." Through this paper we are able to communicate with our retirees on important aspects of park programs and thereby continue their link with the Service.

There are many other things that we have done to improve the management of the National Park Service. For example, we have consolidated our professional disciplines, i.e., planners, architects, engineers, landscape architects, etc., in Service Centers; grouped parks in the immediate vicinity of each other under centralized management, providing common administrative services, such as, accounting, purchasing, etc.; expanded our training and manpower development programs; restructured our Washington Office to recognize the growing dimension of our urban parklands; initiated ecological master planning and joint regional planning; improved resource management based on scientific data; designed an environmental education program integrated with the secondary school curriculum; started studies to determine the "carrying capacity" of parks—to mention just a few things.

So much for management of the National Park Service—more importantly, what are we managing for?

I believe a National Park is more than a physical resource. I believe a National Park is an idea which in the fullness of its meaning is a link between the generations of men in their continuing search to be "at home" in their world.

National Parks and historic landmarks help give us all a "sense of place" in a mobile America. They contribute to our sense of both the beautiful and the familiar. Love of locality is one of the roots of social cohesion, according to Charles E. Merrian, who was one of our greatest political scientists. But in a new country like the United States, and in a society where one family in five moves each year, and where we have over 80 million automobiles, we have a hard time developing local roots of the kind familiar to Englishmen in Sussex, Frenchmen in Brittany, or Irishmen in County Cork. Our National Parks like Yosemite and Grand Canyon, and our historic places like Independence Hall and the Washington Monument take the place of local roots for tens of millions of mobile Americans. They give us the assurance of a "sense of place" expressive of our country

that we can tie to permanently, wherever we move or live.

I believe many people go to the National Parks and historic landmarks not simply to satisfy a need to get back to nature from crowded cities or for outdoor recreation. Many people go to the National Parks and landmarks to strengthen their identity with their country. "Seeing is believing," and touching the Liberty Bell or setting foot in Yosemite Valley is worth a long trip to experience a sense of identity with America where it is unchanging. It isn't subtle. It's the deep human need to know "I was there" at Independence Hall or Yosemite Valley; and, as a result am a little more an American. This experience is especially needed in these times of war, turmoil, and technological change.

When the bill to create a National Park Service was under consideration in Congress in 1916, J. Horace McFarland testified before the House Committee on Public Lands. His words echo today's needs of our urban society:

". . . the word 'park' in the minds of most of us suggests a place in which there are a number of flower beds, and probably stone dogs, and iron fountains, and things of that kind, and a road over which an automobile may travel. We forget that the park has passed out of that category in the United States. *The park now serves the people; the park decreases the demand on the forces for keeping order; the park is the direct competitor, in the United States, of the courts, of the jail, of the cemetery, and a very efficient competitor with all of them.*" (Italic supplied.)

The beauty of the parks in the National Capital was just coming to fruition in 1916 when Congress was talking about a National Park Service. The McMillan Commission had made its great report on the plan for Washington in 1902, the Mall was rescued shortly afterward, the Lincoln Memorial was authorized in 1911, and the Arlington Memorial Bridge followed along. In his testimony, McFarland linked this to the idea of establishing a National Park Service:

"I had the great pleasure one day to bring here a sort of wild man from Iowa, who had never seen the East at all; who had never seen any great buildings, and, while a man of tremendous business ability, he had no conception of the value of beauty. We reached Washington about nine o'clock one night and he was so eager to see what this town looked like that we went on top of one of the buildings just back of the Capitol, and he had his first glimpse of the whole scene by moonlight. He was fairly crazy about it. *He said he had never been a good American citizen before. There was made that very instant a good, strong, fighting unit out of a man who was merely a business man before—in it for what he could get out of it. There was born in his bosom at that instant a devotion to the country because of the beauty of the city which has been created by the hand of man.*

"Now, gentlemen, if that can happen in Washington—and it happens constantly— . . . it will happen to a much greater extent in connection with these great national wonders that are comprised in the national parks."

The National Park System has a deep stake in the urban park idea, and it goes back to the founding of the Service in 1916; and, to a realization that the National Capital and the National Parks are both symbols of the Nation.

Beyond our need to identify with the nation is the urgent need to understand our place in the world environment and to join hands in doing our part to rescue it from impending ecological disaster. As Freeman Tilden put it, we need "to understand our place in nature and among men." We will reach this objective more quickly and we will heal our environment more rapidly if we develop social cohesion "at home" by learning we are one people with a common heritage well expressed in your National Park System. As we achieve social harmony we will do better in joining together to recover our natural heritage and that of the world around us.

With innovative programs, such as Living History demonstrations and Summer-in-the Parks we are striving to make parks more meaningful to people in their search to be "at home" in their world. In assessing the impact of Summer-in-the-Parks on his work, one park policeman, recently, observed, "we now play with the youngsters in the parks, rather than chase them on the streets."

"Through program innovation in response to the changing needs of our society and by sensitive management," Secretary Hickel has said, "the National Park System can contribute enormously to our national goals of enhancing the life of every American and supporting the effort to articulate an environmental ethic as a rule of human conduct." He has challenged us to make this larger objective our "constant guide as we approach the decade of the seventies."

Thank you very much.

CAPTIVE NATIONS WEEK

Mr. ALLOTT. Mr. President, this week has been officially proclaimed Captive Nations Week by President Richard M. Nixon.

As Mr. Nixon said there have been many changes during the past 10 years since the first Captive Nations resolution passed the Congress, but to quote the President:

One thing that has not changed is the desire for national independence in Eastern Europe.

During the past year, in Czechoslovakia, we witnessed the sad truth that the Soviets, contrary to prevailing opinions in some circles, have not mellowed, nor reoriented themselves, but rather are as ruthless as ever in suppressing elementary freedom of those under their jurisdiction.

In the Ukraine at the present time, the Soviet Government is pursuing a policy of horrible religious persecution. Members of the clergy are being arrested and thrown into prison. Indeed earlier this year, a Ukrainian bishop was murdered, after a Soviet secret police agent, through impersonating a French tourist, was able to obtain the locations of "underground churches" from the bishop. These churches have all been closed, needless to say.

The renewed religious terror in the Ukraine is part of the Soviet plan to destroy the church there by 1970, or the 100th anniversary of Lenin's birth. Lenin, we are told, expressed a particular wish to see the church in the Ukraine obliterated.

Certainly our policies must be tailored to deal with this very real threat to the freedom of millions of brave people.

The invasion of Czechoslovakia occurred in 1968, not 1918. The persecutions in the Ukraine are taking place in 1969, not 1939. Yet, it is the governments of Eastern Europe, not the people, which concern us.

As any visitor to Moscow will tell you, decades of continuing propaganda have not been able to diminish the friendship of the people of Russia for the people of America.

I have long maintained that our greatest potential allies in the great struggles of this world are the people of the captive nations.

As we once again pay homage to their bravery, let us firmly hope that the day has arrived when soon we will be able to offer the people of the captive nations real encouragement instead of false hopes.

THE ABM

Mr. ALLOTT. Mr. President, I have asked for time to speak today on the ABM because in my opinion it is one of the most vital questions for decision. I shall attempt to avoid technical references to MIRV's, FOB's, overpressures, delivery systems, PAR's, and MSR's. All these highly technical components and relationships are part of the offensive and defensive missile vocabulary which we have heard so much. In fact, the more I read, analyze, and study these technical matters, the more I become convinced that confusion is rampant in the minds of much of the public.

Since I am not a psychologist, a psychiatrist, or a clairvoyant and cannot state with precision what is in the collective mind of the Russian leadership, I shall not attempt to forecast the intentions of either Russia or any other possible enemy of this Nation.

My colleagues on the Armed Services Committee, in accordance with their responsibilities, have immersed themselves in the scientific details presented by the experts, and have rendered the considered judgment of that committee. I accept that judgment. As a member of the Defense Subcommittee of the Appropriations Committee, I have spent many hours and days in hearings on these same subjects. My most careful examination supports its correctness and nothing that I have heard or read, classified or not, persuades me the committee is wrong.

My purpose instead, is to swing the pendulum of deliberation toward a reasonable perspective which not only can we, but also our constituents, more easily understand.

I represent a State with a citizenry in which I take great pride. I believe the questions, and expressions I have received on the Safeguard ABM system are representative of those throughout the country and frame the issues to be resolved. I, therefore, propose to set forth representative questions together with what I believe are the proper answers, in language with which laymen are familiar.

As my views on the matter before us are delineated, I can only add my hope for an early resolution of the issue before us. The studies have been made, the protracted committee deliberations have transpired, its conclusion delivered. I therefore believe we should be able to proceed shortly to make our decision.

What is the ABM system?

The ABM is a weapons system to provide a defensive shield from nuclear missiles fired against our country. The Safeguard ABM system will use two dif-

ferent missiles which are not designed to be fired at any other country, but which are designed only to intercept and destroy incoming missiles. Its pattern of deployment and mix of components will protect a portion of the most important part of our deterrent—the Minuteman ICBM's.

Why is the Senate considering ABM systems?

For many years our Government has been considering, testing, evaluating, and improving prospective ABM systems. In 1968 Congress voted funds to proceed not only with continued research but actual production and location, or deployment, of an ABM system. I voted in favor of that. This year it is necessary to make the annual provision of further funds. S. 2546, the bill before the Senate, includes as part of the Department of Defense funds authorization, funds for the continuation of work on the ABM program including limited deployment. The actual Safeguard system proposed by President Nixon and the Department of Defense is different in some important respects, from what was initially authorized. The Safeguard system is strictly a defensive system designed to protect our deterrent capability.

Is there opposition to Safeguard?

No. According to a recent statement by Senator PERCY before Congress, the great majority of opponents to the ABM portions of S. 2546 favor continued Safeguard research and development. What is opposed and has been opposed is the actual deployment, for which only a small portion of the funds would be used. Two sites are involved in this initial deployment—one in Montana and one in North Dakota.

Why is deployment, as contrasted to only research and development, desired?

The initiation of deployment at this time is specifically sought in order to obtain preliminary operating experience at the earliest practicable time. It will permit production of components for the Safeguard system which require up to several years of leadtime.

What is the ultimate plan for deploying Safeguard?

Construction of approximately 10 sites in defense of our land-based deterrent forces.

Why is beginning of deployment now opposed while continuation of laboratory research and development is not, in view of the fact that the result of research and development is a deployed system to be used if needed?

The essential reasons mentioned are to maintain, or to engender, good will on the part of any potential enemy—to avoid appearing aggressive, and because it will not cost as much money if we defer all deployment.

How can it be said that Safeguard, a purely defensive system, is aggressive, particularly when it is understood that most opponents to Safeguard are in favor of continuing upgrading and deployment of our ICBM missiles, and other offensive forces?

The only way I see that any potential enemy might label our Safeguard system as aggressive is to believe that we might use it to launch an aggressive "first strike." I do not believe any American President would ever "push the button" first. In fact, there is evidence that Safeguard will actually increase international stability and ward off increases in the arms race. Russian Premier Kosygin has said:

> It seems to me that defensive measures do not accelerate the arms race.

Do the Russians have an ABM system?

Yes.

Is it deployed?

Yes.

Why?

Purportedly for the same reason we want it, to bring down our missiles if we should fire them at Russia and also for protection against Red China when and if she attains a delivery capability. If our ABM were ever used it would simply be directed against an enemy's "first strike" against our missile sites.

I do not believe the United States will ever fire its ICBM missile strike force first, and Safeguard will help to prevent an enemy from knocking our ICBM's out of action before we could fire them in response to any attack they might initiate.

Russian ABM's, therefore, would most likely be used to ward off our so-called "second strike."

Do we know we can launch a retaliatory "second strike" after we are attacked?

A vital factor in answering this question is the point in time about which we are speaking. Today, our announced strategy is to absorb any first strike and then fire our ICBM's in retaliation. Helping this situation today is the fact that we believe our missile firing submarines would survive any "first strike" and still be able to fire their missiles in retaliation. In other words, even if many of our land-based missiles are destroyed, our submarines still would be able to send their missiles hurtling toward any attacking enemy.

However, if we are talking about some date after Safeguard is deployed, we are much less sure of this strategy. By that time we will need Safeguard to protect sufficient land-based missiles to do extensive damage to whomever the enemy might be. This is necessary, in my opinion, because it is a real possibility by that date that we no longer can rely on having our missile firing submarines untouched by an enemy's first strike, due to advances in undersea warfare which would permit some neutralization of their effectiveness.

In the future, would we be able to launch a "second missile strike" if we do not have the Safeguard system to protect our strike force?

Without Safeguard, our land-based missile force could be virtually nonexistent after a large-scale attack. And, if our subs were to be substantially neutralized, we would have a negligible second strike missile capability. The only thing we might be able to do is detect and identify the incoming missiles and launch all of our missile strike force against the enemy. This is a very dangerous strategy for this country.

What does it mean to have a doubtful second strike capability?

If we do not have Safeguard, it means that an enemy could confront the President with a choice of either yielding to overt aggression or being forced to push the button first to annihilate that country with our missiles, knowing that the result, aside from other considerations, will be a "second strike" against us which undoubtedly would completely destroy our Nation. That is not a situation into which I would ever want to put a President of this country. Right now, we must guard against it and give the Presdent the Safeguard missile system.

How do we know any enemy will react in the way just dsecribed if they believe our deterrent is insufficient?

We do not know it. We will never know what they will do at some future date. We have not built our missile strike force on the basis of knowing that Russia, or any other country, intends to institute a nuclear war. Rather, we must judge by evidences of intent, knowledge of military capabilities, and knowledge of the general attitudes of those people who are now making strategic decisions in other countries. We must judge these various possibilities and provide for them. If an enemy should unleash an attack against us, it might be sudden and without warning. It might be preceded by unsuccessful attempts to coerce and intimidate us. It might be preceded by an unfounded fear that we are preparing an attack upon them. Hence, so far as I am concerned, our course of action at this time should be to make sure that any potential aggressor will not at some future date believe it can carry off such an attack. We are confident no country believes it can do it now. Safeguard is the best way known to me by which we can keep Russia and other nuclear powers convinced of this in the mid-1970's.

Must the Safeguard deployment be authorized now for the two sites mentioned?

Yes, in order to have the system operational by the time it is believed that any potential enemy might decide it could launch a satisfactory attack.

What about an arms control agreement with Russia?

If we could achieve an effective arms control agreement with Russia, it would be highly desirable. I hope we soon can commence talks in this regard. However, I feel it would take a long time, even after talks were started, to arrive at an exact agreement which must include ways of assuring against cheating. The mere possibility of achieving such an agreement, and the time which may be involved in negotiations, cannot be allowed to stop us from proceeding with our Safeguard system. We must commence the two initial facilities without delay. As a matter of fact, there is considerable and convincing evidence that beginning our Safeguard deployment will serve to cause the Soviets to more seriously consider an effective arms control agreement.

If the construction of the two operational Safeguard sites is authorized by Congress, is this an irreversible decision?

No, it is not. If the situation regarding arms control or if the Russian escalation of offensive weaponry production ceases,

the Safeguard system can then be halted.

Is your position supported by your constituents?

Yes, it is. The majority of the great volume of mail I have received favors uninterrupted progress toward providing the President with the Safeguard ABM system as he has requested, including deployment at the two initial sites. The majority do not believe that uncertainty regarding our own intentions and abilities will benefit us.

What I have given is a nontechnical discussion of the issues as I see them, and my conclusions. I sincerely believe that the Senate must act favorably on Safeguard to assure the future security of our country.

A man whom I deeply admired, Sir Winston Churchill, has spoken wisely concerning both our Russian competitors and the issue of war, especially nuclear war. In his famous "Iron Curtain" speech in 1946, he stated:

From what I have seen of our Russian friends and allies during the war I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness.

Before a joint session of our Congress in 1941, he said:

Do we not owe it to ourselves, to our children, to tormented mankind, to make sure that these catastrophes do not engulf us for a third time?

And, before a similar joint session in 1952, he pointed out:

If I may say this, Members of the Congress. be careful above all things, therefore, not to let go of the atomic weapon until you are sure, and more than sure, that other means of preserving peace are in your hands.

It is my belief that by accumulating deterrents of all kinds against aggression we shall in fact ward off the fearful catastrophe, the fears of which darken the life and mar the progress of all the peoples of the globe.

Mr. President, I believe the Safeguard ABM system to be one of those great deterrents.

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

Mr. ALLOTT. I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I have listened with interest to the Senator's analysis of the situation here, especially with respect to trying to judge or guess about the Soviet leadership as it may be now or as it may vary in years to come. I think the Senator made his decision on the right basis. We cannot rest our decisions here solely on speculations as to what they may do; no one can tell. It is a matter of their minds. We measure their capabilities; we know their strategic capability, which has to be greatly respected. I could not be more positive in my belief than that their major strategic capability is oriented on our missile bases rather than on our cities.

Mr. ALLOTT. I thank the Senator.

There has been a great deal of discussion perhaps too much discussion, about psychology and psychiatry on the floor of the Senate. I do not believe anyone can read anyone else's mind. However, if I go out onto the street and see that the straws are pointing in a certain direction I can assume the direction from which the wind is coming.

Mr. STENNIS. I agree with the Senator. I commend the Senator for his discussion and in looking for a sound basis to make a decision. We have to look at the way straws are lining up, regretfully, and be prepared. I think the analysis of the Senator is sound.

We have to look 6 years ahead to do even that and make a judgment. The Senator has made a fine presentation. I thank him very much for taking the time to put his thoughts together. I feel his contribution is one of the strong pegs on which we can hang a decision.

Mr. ALLOTT. Mr. President, I thank the Senator, but rather I think it is we who should thank the Senator for his monumental and massive effort in connection with this bill, not only this year but last year, which has brought these issues so clearly to the American people.

I wish to add one other thought. Something the Senator said impressed me. I am not sure that the average American today really understands that if we were to wait until next year to start again, the system would still be 6 years off. It would take 6 years to deploy this system. It is not something we can go to like a Coke vending machine, drop in a nickel, and pull the bottle out of the bottom. There is involved a long leadtime. We have to look at what the Russians have done and are continuing to do now. In my opinion, any cautious and prudent man would look at these factors and be very much concerned about delay in the deployment of an ABM system.

Mr. STENNIS. I thank the Senator. It is a pleasure to work with the Senator in the Committee on Appropriations. We are on more than one subcommittee together and we get the benefit of his fine knowledge and his painstaking and consistent efforts year after year.

Mr. ALLOTT. The Senator is too kind.

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

Mr. ALLOTT. I yield.

Mr. CURTIS. Mr. President, I commend the distinguished Senator for his excellent speech. These are not easy times in which we live. Individual Senators must make decisions that are most difficult. I know of the conscientious efforts of the Senator on the Committee on Appropriations. As he sits on the Committee on Appropriations he has an opportunity to realize the great demands and the many requests for tax dollars. I know his decision to support the ABM is based upon one thing and one thing alone, and that is that he is convinced that it is the wisest course for our country. I commend him for that.

I believe that in these matters we have to trust someone. Those authorities who support this system, and who have through the years, may not have greater knowledge than some of the authorities who disagree, but in my opinion they have arrived at the conclusion that puts America on the safe side of the issue.

I commend the Senator for his fine contribution to this debate.

Mr. ALLOTT. I thank the Senator very much for his remarks and I thank him for his contribution to the discussion. His contributions to the Senate are so well known they hardly need be commented on. However, his remarks prompt me to make two statements.

As a conscientious member of the Committee on Appropriations—and I believe I am conscientious—I am probably as aware as almost anyone of the competition, the fight, and the pressure for the Federal dollar. In the Subcommittee on Independent Offices, on which I have the honor to be the ranking minority member, we see these pressures in requests from such diverse agencies as, for example, NASA, the Veterans' Administration, the National Science Foundation, and HUD. Certainly, we have the complete two ends here: housing representing human needs, and NASA, and the National Science Foundation, representing the other end of the spectrum. This competition for the dollar is extremely intense. I can assure the Senator I would not have arrived at my decision if I had not thought that the need was extremely necessary.

Then, with respect to the Senator's second remark, I would like to say that my colleague from Colorado (Mr. DOMINICK) the other day, as he spoke in favor of Safeguard, referred in his remarks to the duties of the President and his obligations for the safety of the country. I was prompted to remark then, and I say it again here, that it seems to me that the obligations of the President are great, of course, because it is he who is the Chief Executive. However, each of us, I believe, realize that we also have an obligation which is just as deep seated to provide for the protection of this country. I am sure everyone in the Chamber recognizes that he has a deep obligation for the safety of this country; my sense of obligation on this question is that while others may be esoteric in their thinking, and others may get out on cloud 9 they may not bear this awesome responsibility. I feel that I personally bear an awesome responsibility in this field and that I cannot gamble with my country's future. I think we will be doing just that if we do not deploy the ABM.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. 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. YOUNG of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Pursuant to the previous order, the Senator from Ohio (Mr. YOUNG) is recognized for 10 minutes.

AMERICAN TRAGEDY

Mr. YOUNG of Ohio. Mr. President, it will be many years before all is known of the tragic mistakes that caused our

Nation to become involved in a major air and ground war in Southeast Asia. The repercussions of the escalation of that war by President Johnson and its continuation by President Nixon will haunt Americans for generations to come. Hardly an aspect of our national life has remained unaffected by our becoming involved by sending combat troops to fight in a civil war in South Vietnam.

Gradually, some of those who were directly or indirectly involved in the decisionmaking processes during the Johnson administration have begun to make public their observations of the events that led to this tragedy. In the July 29, 1969, edition of Look magazine and in a recent edition of the Saturday Review, Norman Cousins, editor of the Saturday Review, in an article entitled "How the United States Spurned Three Chances for Peace in Vietnam" made startling revelations concerning the failure of the Johnson administration to go along with or accept the opportunities for peace negotiations; or its refusal to do so. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. YOUNG of Ohio. Mr. President, the most shocking fact revealed by Mr. Cousins was his disclosure that Secretary of State Dean Rusk failed to inform President Johnson of the results of U.N. Secretary General U Thant's efforts to bring about negotiations in late 1964 and early in 1965. He narrated how U Thant sent a handwritten note to Ho Chi Minh supporting President Johnson's desire to begin meaningful negotiations as soon as possible, and of Ho Chi Minh's reply indicating willingness to enter into secret talks. For more than 4 months U Thant waited for Washington's reply. Finally, toward the end of January 1965, he told Ambassador Adlai Stevenson that Ho Chi Minh's offer could not be kept open much longer. Ambassador Stevenson then went to Washington and on his return reported to U Thant that the State Department was reluctant to enter into negotiations at that time for fear that such talks would result in a collapse of the Saigon government. Think of that and of the thousands of fine young Americans killed in combat since that time.

In 1966, when President Johnson met personally with U Thant to emphasize the importance of the personal role that he could play in helping to spur negotiations, the U.N. Secretary-General asked the President why the United States had not accepted the opportunity for negotiations he had helped to bring about 2 years earlier. President Johnson said he was puzzled by this response and listened with increasing concern to U Thant's account of the events of late 1964 and January 1965. Cousins reports President Johnson as saying this episode was news to him and that he was hearing about it for the first time. The President turned to Dean Rusk, who was present and asked whether he had knowledge of the matter. According to Norman Cousins:

Rusk replied that Stevenson had not been authorized to reject the negotiations. He did not say, however, whether Stevenson had been authorized to accept them. Nor did he say why the State Department had not acted promptly and affirmatively when Stevenson first reported, in September 1964, Hanoi's willingness to have exploratory talks.

Mr. President, it is terrifying to realize that the Secretary of State withheld from the President information which might have prevented the bombing of north Vietnam, the tragic escalation of the war and all that has resulted since. Secretary of State Rusk's views on the Vietnam war are well known. He was one of the chief warhawks of the Johnson administration if not the most warlike of all the President's advisers. However, the accusation was never made that he did not act in good faith. Now, Norman Cousins raises that question.

Former Secretary of State Rusk should report the facts to the American people and either affirm or deny that he withheld information from the President which might have saved thousands of young American lives as well as the lives of thousands of Vietnamese soldiers and innocent civilians.

Mr. President, our involvement in a civil war in Vietnam by the Johnson administration and its continuation by President Nixon and his warhawk Defense Secretary Laird is a policy of madness. It is, in fact, the most inexcusable, the most tragic military and diplomatic blunder in the history of our Republic. This continuing folly has already resulted in the deaths in combat and also what Pentagon terms "accidents and incidents," which in reality are combat deaths, of more than 50,000 men of our Armed Forces—soldiers, airmen, marines and sailors—and more than 240,000 wounded. It is said that 3 percent of the wounded are either maimed for life or will die of wounds. Also, thousands of our GI's have been afflicted with bubonic plague, hepatitis, malaria fever, and other tropical diseases. Some have died. Some will suffer recurrent effects of these ailments as long as they live.

With our tremendous air power and napalm bombing we are devastating a little nation and killing many thousands of unoffending Vietnamese including women, children, and old men. We are destroying this small Asiatic country, Vietnam, which is of no importance whatever to the defense of the United States. Americans are horrified that in every community in the United States, even the smallest, priceless lives of young Americans have been snuffed out in this unpopular, immoral, undeclared war, now the longest war in the history of our Republic and the bloodiest with the sole exception of World War II.

Very definitely, we should withdraw all of our fighting men from Vietnam. Let us give sole consideration to saving lives of our own youngsters and bring our young men home, at least 200,000 this year and in the same manner we sent them overseas—by ships and planes.

Unfortunately, the Saigon regime of General Thieu and that flamboyant so-called air marshal, Ky, does not want the fighting to stop. Thieu and Ky really represent the views of but 10, or possibly as much as 20 percent of the people of South Vietnam.

Without the support of our Armed Forces, the Saigon militarist regime would be ousted within a matter of days, or even hours. That regime is made up of 10 generals, nine of whom served with the French forces against their own fellow countrymen in the war of liberation that ended in 1954 and were born and reared in North Vietnam. In a midnight coup, they overcame the civilian government of Saigon and took over and have been in power since.

In the fighting, week after week more Americans have been killed and wounded in combat than the total number of the so-called friendly forces of South Vietnam, which are entirely too friendly. They desert at the rate of 30 percent a month. They do the deserting while the Americans do the fighting. Without our support, the Saigon regime would collapse. Then, Vice President Ky and President Thieu would hurriedly depart and rendezvous with their unlisted bank accounts in Hong Kong and Switzerland. Madame Thieu, the first lady of the Saigon militarist regime, recently purchased a villa in Switzerland so there would probably be a peaceful haven there for her and General Thieu to enjoy gracious living.

Our colleague, Senator GEORGE MCGOVERN, chairman of the Senate Select Committee on Nutrition and Human Needs, reported that 15 million Americans, most of them children, suffer from malnutrition. I reiterate the views of Senator MCGOVERN. Why not quit killing Asians and begin feeding Americans? Remember the late John F. Kennedy shortly before his assassination said:

I don't think that unless a greater effort is made by the Government to win popular support that the war can be won out there. In the final analysis, it is their war. They are the ones who have to win it or lose it. We can help them, we can give them equipment, we can send our men out there as advisers, but they have to win it—the people of Vietnam—against the Communists.

EXHIBIT 1

[From Look magazine, July 29, 1969]

HOW THE UNITED STATES SPURNED THREE CHANCES FOR PEACE IN VIETNAM

(By Norman Cousins, editor, Saturday Review)

(EDITOR'S NOTE.—This article is published jointly by Look magazine and the Saturday Review because of the conviction of the editors that the questions it raises should have the widest possible airing. Mr. Cousins based this account upon his notes of episodes in which he took part and conversations with others who were involved.)

On October 7, 1966, President Lyndon B. Johnson emerged from a meeting at the United Nations with Secretary General U Thant. Waiting newsmen were handed a statement saying that the President had expressed his gratitude to U Thant for his efforts toward improving the world's chances of peace.

The full story of that meeting, however, was not covered by the communiqué.

The President's visit had come at a critical time. U Thant, discouraged by his inability to bring about negotiations to end the war in Vietnam, and desiring to return to private life, had made known his intention to retire from the UN within a matter of months.

Accompanied by Secretary of State Dean

Rusk and U.S. Ambassador to the UN Arthur Goldberg, the President called on U Thant in his office on the 38th floor. Ralph J. Bunche, UN Under Secretary for Special Political Affairs, joined the group at U Thant's request. The President emphasized the importance of the personal role U Thant could play in helping to get negotiations started that could in turn help end the war in Vietnam.

U Thant asked the President why the United States had not accepted the opportunity for negotiations he had helped to bring about two years earlier. The President said he was puzzled by this response and asked U Thant to explain.

U Thant described in detail the initiatives he had taken in the fall of 1964 to stop the fighting. He reminded the President of his visit to the White House early in August, 1964. He had come away persuaded that the President's main purpose in Vietnam was to end the war under conditions of continuing stability. U Thant said he had been convinced at that time that the United States had no desire to extend the war or to bring about the destruction of North Vietnam. He had recognized that the President was looking beyond the end of the war to wide-scale reconstruction for the benefit of all the Vietnamese.

U Thant said he had then sent a handwritten letter to President Ho Chi Minh of North Vietnam. The letter supported President Johnson's desire to begin meaningful negotiations as quickly as possible. It said that the only alternative to fast-mounting destruction was peace talks, and that the sooner they came, the better it would be for all concerned. U Thant proposed immediate secret talks as a prelude to more formal negotiations.

Three weeks later, U Thant received his reply from Ho Chi Minh: North Vietnam accepted his proposal and was willing to enter into secret talks.

U Thant notified Adlai Stevenson, then U.S. Ambassador to the UN. Stevenson went immediately to Washington to convey the good news to Rusk and to seek instructions. A week later, U Thant told Stevenson in New York he was eagerly awaiting the reply from Washington to communicate to Hanoi. After all, the original impetus for the meeting had come from the President himself. Stevenson said he was certain Washington would respond before long.

For more than four months, U Thant waited for Washington's reply. Finally, toward the end of January, 1965, he told Stevenson that it was not reasonable to expect that the offer could be kept open much longer. Stevenson went to Washington again, and on his return, reported to U Thant that the State Department was reluctant to enter into negotiations at that time because it feared the talks might result in the collapse of the South Vietnamese Government.

U Thant told Stevenson that the State Department might or might not be correct. After all, six governments had already collapsed in Saigon. But if the best way of ending the war was at the peace table, then it would seem axiomatic that this need should come first. Stevenson could only repeat that he had conveyed the position of his government as he understood it. Several days later, the United States began systematic bombing of North Vietnam. The rationale for the bombing was that it was necessary to increase pressure on Hanoi to persuade it to come to the peace table.

President Johnson listened with visibly increasing concern to U Thant's account of the failure of the United States to take advantage of the kind of initiative he was now, in 1966, strongly urging upon the Secretary General. He said this episode was a new book to him and that he was hearing about it for the first time. The President turned to Dean Rusk and asked whether he had knowledge of the matter. Rusk replied that Stevenson had not been authorized to reject the negotiations. He did not say, however, whether Stevenson had been authorized to accept them. Nor did he say why the State Department had not acted promptly and affirmatively when Stevenson first reported in September, 1964, Hanoi's willingness to have exploratory talks.

Some time later, Rusk asserted in a separate conversation with U Thant that the United States had received word from the Canadian representative on the International Control Commission in Vietnam to the effect that Hanoi had no interest in secret talks with the United States. This statement, however, was not supported by the Canadians.

The terrifying question, of course, that emerges from this episode is whether it is conceivable that the President would not be informed by his own State Department of a development of such obvious significance. The bombing of North Vietnam was one of the most crucial decisions in the history of American foreign policy. That decision, the American people were given to understand, was the direct result of North Vietnamese intransigence in the matter of a nonmilitary settlement. Many observers feel the decision to start the bombing resulted in the expansion and prolongation of the war, costing many thousands of lives. Why was the President not informed of an event that might have averted this terrible consequence? What makes the matter all the more ominous is that this occasion was only one of several in which chances for establishing peace were passed over or mismanaged. I have firsthand knowledge of two of these occasions.

On December 1, 1965, I received a telephone call from Jack Valenti, President Johnson's assistant, asking me to come to the White House. At his office the next day, Valenti said the President hoped I might suggest some ideas for the State of the Union message. I replied that I would be honored to do so.

Valenti then gave me a briefing on the President's ideas on major questions of domestic and foreign policy, with special reference to Vietnam. I was impressed by the detailed recital of our position on Vietnam. Any settlement in Vietnam would have to take into account the future security and stability of the area. The President had ruled out as adding to the risk of world nuclear war the pursuit of military victory through overwhelming force. He believed in the need for a negotiated peace, but he also believed that Hanoi would be extremely reluctant to get into negotiations if it thought the United States would quit out of sheer fatigue or indifference.

Valenti detailed his private conversations with the President to buttress his point that the President's major objective was to get the U.S. out of Vietnam under conditions of stability and honor. I agreed to work on a draft and to submit a text within a fortnight.

On December 13, something happened that enabled me to put to good use the information Jack Valenti had given me. Bohdan Lewandowski, Polish Ambassador to the United Nations, had dinner with me in New York. Lewandowski said his government was eager to be useful in bringing about talks in Vietnam but that some questions had been raised as to whether the United States actually wanted a negotiated peace or intended to press for a military solution.

I drew heavily upon Valenti's briefing (without identifying the source of my information) to provide substantial evidence of U.S. sincerity in seeking a negotiated peace. The Ambassador said he found my recital convincing and then added that he was sorry that the government leaders in Hanoi couldn't have heard it too. I told the Ambassador I would be most happy to go anywhere, including Hanoi, for the purpose of repeating what I had just told him if he felt it would have even the most remote usefulness.

The Ambassador replied that a mission to Hanoi for this purpose might indeed be desirable—all the more so in view of my unofficial status. Ever since the end of the Second World War, both the United States and the Soviet Union had relied on private missions to clear the way for more traditional approaches.

The next day, I spoke to William P. Bundy, Assistant Secretary of State for East Asian and Pacific Affairs, and told him of my conversation with Lewandowski. He encouraged me to take advantage of any other similar openings to put across the idea that the United States was pursuing a policy of limited warfare and was genuinely eager to end the war through a political rather than military settlement.

On December 22, 1965, I received a telephone call from the White House. Valenti and Bill Moyers were on separate extensions. Valenti said the President wanted me to go to the Far East with Vice President Hubert Humphrey to represent President Johnson at the inauguration of President Ferdinand E. Marcos of the Philippines. I would also accompany the Vice President on a special mission to Japan, Korea and Taiwan. Moyers said the White House wanted to encourage me to take private soundings to find out what I could about the readiness of Hanoi to start talks. I agreed to go.

In Tokyo, I saw a member of the House of Councilors of Japan, Kanichi Nishimura, who had recently returned from Cambodia and North Vietnam. He had had an audience with Prince Sihanouk, who had said the only solution for the Vietnam war was a policy of complete neutrality for Cambodia, Laos and South Vietnam, in the spirit of the Geneva agreements.

In Hanoi, the Rev. Mr. Nishimura had seen President Ho Chi Minh and brought up his conversation with Prince Sihanouk in Cambodia. Ho Chi Minh then indicated that he didn't think the Prince went far enough; he believed that North Vietnam should be included in the neutralization. Mr. Nishimura asked whether this meant that the United States would be expected to withdraw all its forces from South Vietnam. Ho Chi Minh didn't seem to think this was necessary right away, so long as the fixed purpose of the United States was to support the neutrality of all Vietnam, North and South.

On January 3, we returned to Washington and reported to the President. The Vice President told of his conversations with Asian leaders. He reported the emphasis he had given to the importance placed by the President on nonmilitary approaches to Asian problems, not only in Vietnam but everywhere. The Vice President said he had stressed the commitment of the United States to upgrading the prospects for a better life for the peoples of Asian nations.

The President said he was especially pleased that the Vice President had emphasized this point. Everyone knows about the Vietnam war, the President said; very few seem to know about the Asian Development Bank and its potential for rebuilding and developing large parts of Asia. Even our allies sometimes fail to appreciate the importance of the Bank; when the President had spoken to Prime Minister Harold Wilson and Chancellor Ludwig Erhard recently, the first point he made was that he expected them to increase their contributions to the Bank.

The President went on to state that one of the difficulties we had to face frankly was that Ho Chi Minh still didn't believe we were sincere when we said we wanted to talk. North Vietnam didn't want to commit itself until it was sure. Everything possible, said the President, should be done to convince them we meant business. I reported on my

meeting with Mr. Nishimura. The President then said that we should continue to do everything we could to get across to North Vietnam the idea that the United States was ready to explore every opening that gave promise of a nonmilitary end to the war.

A week later, I met with Ambassador Lewandowski, who asked whether anything had happened on my trip to change my view that the United States was genuinely interested in getting to the peace table. I said my conviction had actually been strengthened. The Ambassador said this was fortuitous because he had come with good news; he had just received word that Hanoi would be happy to have me meet with a representative of the North Vietnam Government for the purpose of having me, as a private citizen, bear witness to the good faith of the President in seeking negotiations. The proposed date and place for the meeting would be made known to me before too long, he said.

I telephoned Valenti who asked that I come to the White House the next day. He took me to see McGeorge Bundy, Special Assistant to the President for National Security, who had been tagged in some liberal circles as a hawk on Vietnam. It didn't take me very long to recognize that the designation was inaccurate. Bundy was the principal opponent in the White House of the view often pressed upon the President that the United States should use maximum force in Vietnam.

It quickly became apparent in Bundy's questioning that he wanted to arrive at a precise calibration of the events that led up to Hanoi's willingness to see me. Was this the result of my own initiative or of Lewandowski's? Actually, I said, it was the product of an interaction of ideas addressed to a simple question: "How serious was Washington about negotiations?" Bundy said the White House would give me all the information that might be useful on my trip and asked that I notify him as soon as I had specific word from the Poles.

On January 27, I received a telephone call from Eugene Wyzner, Deputy to Ambassador Lewandowski. We met within the hour. Wyzner said that the Ambassador was now in Warsaw and had just cabled him that Hanoi was now ready to have its representative meet with me at my earliest convenience. I could select the place for the meeting from any of the diplomatic stations that North Vietnam maintained anywhere in the world. He indicated, in response to my question, that the Polish Government would be happy to facilitate arrangements if the site selected were Warsaw. I asked whether he considered the message from Hanoi as a sign that North Vietnam was ready to move toward negotiations. He said his own view was that Hanoi would not wish to see me unless there was a strong probability it was also prepared to move to more formal approaches.

When I telephoned Valenti, he said he would call me back shortly. Fifteen minutes later, he asked that I come to Washington immediately and that I pack my bag for a trip to Warsaw.

The next morning, Valenti told me of several other recent probes indicating that Hanoi might be ready to start talking. Unfortunately, he said, as soon as Washington pursued these indications, they tended to dissolve. Therefore, the White House was now very careful to avoid giving Hanoi the impression that it could vibrate the President or reduce his options. It was important that Hanoi should not think it could get the United States to extend indefinitely the bombing halt then in existence just by teasing us with negotiation come-ons.

Obviously, I said, this was a matter for the Government to decide. But I said I thought it might be useful at least to pursue the matter.

At this point, Bundy entered the room. He said he feared that Hanoi's response on the matter of my visit might be too little and too late. There was a strong feeling inside the Government that "the string had run out," he said. Bundy was then called out of the room to see the President.

I told Valenti that it seemed apparent from the conversation that a decision had been made to resume the bombing. I also said that the President had publicly announced that he was looking for some sign, however vague or slight, that Hanoi wanted to get into negotiations. Could we say for sure that we did not now have such a sign? The history of dealing with the Communist nations showed that private approaches not infrequently opened the way to more consequential exchanges. Valenti said that we had to take into account that the President had just been through an episode originating in India that resulted in a prolongation of the bombing halt, only to discover that Hanoi was somewhat less ready to talk than had been indicated. The President should not be exposed to another such false start.

Bundy returned to the room and said he wondered whether there was some way of getting me into and out of Warsaw during the next 48 hours. That sounded very much as though the decision to resume the bombing by Monday had already been made, I said. Bundy said he was unable to give me any definite word on that; but it was a serious error to suppose the bombing halt would be continued indefinitely without respect to other major factors bearing on the course of the war. He recognized, however, that there might be some value in getting through to Hanoi the view that a resumption of bombing, if it did occur, certainly did not mean that essential U.S. policy about limited war had changed, or that we were not still interested in serious negotiations.

I said I wasn't sure I could be very persuasive under those circumstances. How could I get North Vietnam to believe that the purpose of the bombing halt was to probe for peace if the bombing were resumed just after it indicated a desire to undertake preliminary conversations?

Bundy was called out of the room again.

I told Valenti I thought it was tragic that the President should be deprived of what might well be the success of his policy. The President hadn't said the response from Hanoi had to take any particular form. It could be very slight. We now had a response. It was indirect, but how could it be ignored?

Valenti agreed that no opening should be ignored. Then he asked me to follow him, and he took me to the conference room next to the President's office and asked me to wait for a few minutes. When he returned, he said that I should telephone Wyzner immediately and tell him I was leaving that night for Warsaw and would be prepared to meet with the representative from Hanoi some time tomorrow afternoon or early evening.

Later, in the conference room, I had a long meeting with Ambassador Goldberg, who asked for a full recital of the events to date. He agreed that no sign should go unexplored, but that the feeling was now very strong that it was necessary to have something far more definite than a statement of willingness to meet with a private American citizen if the halt were to be extended. If Hanoi were really serious about getting into talks, it would have found some way of getting word to one of the President's representatives on their various missions, he said.

It was possible, I said, that Hanoi was skittish about going through official channels.

Ambassador Goldberg was completely candid and forthright. He said that he did not think my proposed trip to Warsaw would be propitious or fruitful. This confirmed my fear that a hard decision to resume the bombing had already been made. I asked the Ambassador whether he felt anything could be done to forestall resumption. At this late date, he said, he believed that only specific word direct from Hanoi unmistakably indicating a desire to get into talks could change the present course.

I said that I would immediately cancel the arrangements for my meeting in Warsaw.

Two and a half hours later, in New York, I met with Wyzner. I was as diplomatic as possible in telling him of Washington's feeling that a more direct and substantial indication of Hanoi's willingness to enter into or explore negotiations was now in order.

Everyone knew, Wyzner said, that Hanoi felt it had been tricked before and that it feared the U.S. had declared the bombing pause only because we were more concerned about propaganda than about a genuine strategy for peace. He felt Washington had underestimated the significance of the step Hanoi had taken in being willing to see me.

I told Wyzner that the situation now called for a substantive indication by Hanoi of a desire to move on the official level.

Wyzner had received word that Ho Chi Minh had drafted a letter to Prime Minister Lal Bahadur Shastri of India, with copies to concerned heads of state throughout the world. This letter, if read correctly, was directly responsive to the questions I had raised earlier in the day, he said. It was intended also to respond to points made by Ambassador-at-Large Averell Harriman in his visit to Warsaw two weeks earlier. Wyzner asked me to convey the following message to Washington:

Foreign Minister Adam Rapacki [of Poland] wishes to call attention to the letter from Ho Chi Minh appearing this morning [January 29, 1966] in the New York *Times*. He understands there may be a disposition by Washington to interpret the letter as containing nothing essentially new since it repeats a position stated previously. However, the same paragraph asking for acceptance of Hanoi's four points also contains a major phrase, which properly read, provides the key to something essentially new in Hanoi's position. In particular, this paragraph says: 'If the U.S. Government really wants a peaceful settlement, it must accept the four-point stand of the Democratic Republic of Vietnam Government and prove this by actual deeds.' The key words in this sentence are not the reference to the four points, but the reference to 'actual deeds.'

"What is meant by 'actual deeds'? The next paragraph in the letter is vital, for it refers to the need to end the bombing. This means that a resumption of the bombing would destroy the possibility of talks, while a continuation of the suspension of the bombing will lead to talks. Herein lies the key to Ho Chi Minh's letter. This paragraph should be regarded as the implicit and specific indication of Hanoi's intention to begin talks. . . ."

The letter also said: "All openings should be seized at this time for such contacts, including the contact with [Norman Cousins]."

I said I could speak only as a private individual, but I was deeply concerned by the use of the term "must accept" in Ho Chi Minh's letter. After all, the United States was not demanding that Hanoi *accept* in advance our own position. The purpose of negotiations was to arrive at agreements, not to endorse fixed positions.

I telephoned Valenti, who took the message down word for word. He, too, reacted sharply when we came to the words "must accept." If Hanoi holds to this position, he said, it is difficult to see how negotiations can be possible."

Wyzner telephoned to say that he had sent through the message calling off my Warsaw meeting but that a request had just been received asking that the meeting be rescheduled. I conveyed this message to Valenti and was told that the North Vietnamese repre-

sentative should communicate directly with U.S. Ambassador John A. Gronouski.

I suggested to Valenti that I believed I should remove myself from the discussions at this point. I told him I would like to tell the Poles that it was unnecessary for me to be involved in further discussions and that the regular diplomatic channels ought to be used. I don't want to be in a position where any failure of mine to convey precise shadows of meaning might lead to an erroneous impression.

Valenti told me not to remove myself at this point, but to continue on the same basis so long as the Poles or others wished to maintain this contact. After all, my involvement was a natural one, taking into account the trip with the Vice President to the Far East.

Early on Sunday, January 30, Wyzner telephoned. Clarification about the use of the words "must accept" in Ho Chi Minh's letter had now come from North Vietnam. The letter had been translated from the French. In the original, the term *"doit reconnaitre"* had been used. Both *doit* and *reconnaitre* have several meanings. *Doit* could mean *must*. It could also mean *should* or *ought*. *Reconnaitre* could mean *accept*. It could also mean *recognize* or *consider*. Unfortunately, the meaning farthest removed from the original intention appeared in translation. Ho Chi Minh had intended his letter to say that the United States *ought to consider* certain positions as a basis for negotiations. There was no intention to issue an ultimatum. It was expected that Washington would also state a position that it wished the other side to consider.

It was Sunday afternoon. Valenti was out. So was McGeorge Bundy. So was Goldberg. So was Harriman. I left messages for all four. Late in the afternoon, I was able to reach Vice President Humphrey in West Virginia. He said he would telephone the White House to urge reconsideration.

Early that evening, Valenti and Bundy returned the call. They said the new information from Wyzner would be passed along. I was told that Goldberg would call me if there were any reply to give Wyzner.

The call from Ambassador Goldberg came near midnight. He said he didn't think the additional information about the correct meaning in Ho Chi Minh's letter had changed Washington's decision to resume the bombing.

When would the bombing start, I asked.

He said the order has already gone out.

It was shattering news. I told Goldberg I hoped he would communicate personally with the President in an effort to have the bombing order rescinded. Once the bombing started, no one knew how long it would take or mow many lives would be lost before we worked our way back to where we were now.

Goldberg said the decision was made and was only a few hours away from being put into effect.

At seven the next morning, I turned on my radio and heard the news that the bombing had been resumed. Later, the statement was made that we had hoped for some indication from Hanoi of a positive response to the halt in the bombing.

Almost one year to the day later, I learned about another abortive effort to get negotiations started. On November 15, 1966, Ambassador Henry Cabot Lodge had met in Saigon with Janusz Lewandowski, the Polish representative on the International Control Commission, at the home of the Italian Ambassador. Lodge presented ten points covering the American position on Vietnam. The Polish Ambassador reviewed them fully and said he was prepared to put them before Hanoi.

Lewandowski flew to Hanoi and had a series of meetings with the North Vietnamese leaders. He said that the United States had offered to stop the bombing if it had any assurance that the cessation would lead to some reciprocal measure or would open the way to peace talks. He said he was convinced that once Ho Chi Minh agreed to hold exploratory talks, the United States would demonstrated its good faith by stopping the bombing.

Finally, Ho Chi Minh agreed to withdraw his demand for an unconditional halt to the bombings. He would send emissaries to meet secretly with the Americans. Warsaw was acceptable as a site. The United States would not be committed to halt the bombing while arrangements for the meeting were being pursued. North Vietnam was given to understand that, at an appropriate time, the bombing would be discontinued.

On November 29, 1966, Lewandowski gave Lodge the good news that his mission had been successful. Lodge thanked Lewandowski for the Polish Government's intercession. A few days alter, the outskirts of Hanoi were bombed for the first time. Ho Chi Minh informed Poland that the projected talks, of course, were cancelled.

Lewandowski relayed to Ambassador Lodge the distressed feelings of the Polish Government. Lodge begged Lewandowski to believe that the bombing of Hanoi was an error. The authorization for extending the bombing had been given some ten days earlier, but no one had thought to cancel the authorization in the light of the new developments.

The message about the error was communicated to Hanoi. The talks were rescheduled. On December 13 and 14, the city of Hanoi was bombed again.

At first, the United States denied that the bombing had taken place, then attributed it to pilot error. Goldberg was asked by the President to persuade Poland to intercede on our behalf again. It was no use. Hanoi had made up its mind that any interest it might show in peace talks would result in an extension of the destruction.

How could a military decision to bomb Hanoi—if it were in fact a military decision—be allowed to supersede and destroy a decision, made at the highest political level, to bring about negotiations? To what extent do military decisions in the field force the hand of the President? These questions call for discussion and debate.

It is difficult to see how the ordeal of Vietnam can be brought to an end unless the American people themselves are given straight answers by their Government about the war—and unless the Government itself is united in the determination to seek peace through negotiations.

It may be asked why I have waited until now to put down all these notes. I feared that the effect of anything I might write on the subject would weaken even further the chances for peace talks, by reinforcing Hanoi's view that the United States did not have a consistent and unswerving policy for ending the war through a nonmilitary settlement.

But a new Administration is now in office, with new options, new opportunities, new responsibilities. These advantages, however, can fade quickly if U.S. policy and action come off separate spools.

The strength of U.S. foreign policy depends not on force alone but on the genuineness of our purposes, on an outlook unsmudged by cynicism, on our ability to be understood and believed in the world, and on the pursuit of goals that have to do with the making of a better world.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Nebraska (Mr. CURTIS) has the floor for a period of 30 minutes.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield, only for the purpose of having a brief quorum call?

Mr. CURTIS. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Nebraska may yield for the purpose of having a brief quorum call, without losing the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Under the previous order, the Senator from Nebraska has the floor for 30 minutes.

THE SURTAX

Mr. CURTIS. Mr. President, I rise to speak concerning the financial crisis facing our country.

The imposing of taxes is never a pleasant or easy task for Congress to perform. It has been my observation, however, that the American people are very much concerned. The American people love their country. They want the fiscal policy of their country to be sound, and they will reward those who speak and vote for fiscal responsibility. Although the notion I have just expressed might be contrary to what many people might consider to be the fact, I believe there is a very good reason why it is true.

If we permit the deficits to go on, if we continue to spend money beyond the amount of our receipts, it is all the people who will suffer. If there is one program in the entire operation of the Government that is totally bipartisan, it is the collecting of taxes and the spending of the money. If the affairs of our country are so conducted that our budget is brought into balance and the dollar is stabilized and maintains its purchasing power, who benefits? Everyone. All the people benefit, regardless of their political beliefs or persuasions.

On the other hand, if the fiscal policy of our country is not on a sound course, if deficits continue, if foreign nations lack confidence toward the United States, who suffers? Everybody does. Individuals of every political belief and every persuasion suffer when we have runaway inflation.

Mr. President, it was my high privilege to serve for 10 years on the Committee on Ways and Means of the House of Representatives. I have a very high regard for that committee. It carries a tremendous burden. I regard the chairman of that committee, the Honorable WILBUR MILLS, as one of the great men of our time.

On that committee falls the responsibility, for the most part, of initiating tax programs. The members of that committee do not have the opportunity to pass out benefits, usually, but they have the responsibility of receiving recommendations from the Treasury Department, hearing the testimony of individuals and representatives of American

industry, and then deciding what must be done for the good of the economy of our country.

The Ways and Means Committee reported out, and the House of Representatives passed, a tax bill, H.R. 12290. There is involved in this tax bill about $9 billion of revenue. If we do not pass this bill, the deficit will increase by about that much.

The amount of revenue involved in this bill alone equals as much as was spent annually by the entire Government up until the late 1930's; and even after its enactment, if we disregard trust funds, we will still be operating at a deficit. Is it any wonder that there is an uneasiness in the country? Is it any wonder that foreign financial institutions look upon the United States and ask the question, "Does Uncle Sam have the courage and the fortitude to set his financial house in order?"

Mr. President, I believe that Uncle Sam has the courage and the fortitude to do that. I believe that the Senate will do what the House of Representatives has already done: face up to the proposition that our expenses are great, that a costly war is going on, and that we have commitments to our own people, to States, and to localities, involving all manner of programs. Some may think there are too many of them, as I do. But they are here. They were voted in by a majority vote. The question now is, shall we pay the bill?

The great issue before the U.S. Senate today is whether we shall pass this bill involving about $9 billion in revenue, and thus say to our own people, who are feeling the inflation, "We are taking this important step to lessen the deficit, to move toward putting our financial house in order, for the good of all the people."

When the Senate passes this bill and sends it to the President, we will be saying to every nation in the world, "You will not make a mistake if you follow Uncle Sam."

We will be saying to the nations of the world, "It is not true that the United States will spend itself to death as has been predicted by the Communist spokesmen."

Oh, Mr. President, this is not a partisan proposal. This is not a matter that should ever get into political controversy. Whether the United States stands or falls financially will redound to the credit of the people who have the courage to say no when they can on expenditures and have the courage to say, "Here the expenditures are; we will impose sufficient taxes to pay the bill."

If we fail to do that, if the uneasiness continues, if inflation continues to run rampant, and if the cost of living continues to increase, it will not be borne by any one class of people. It will be borne by all of the people of the country. Therefore, I believe that in due course, and before we depart for the summer recess, the Senate should—and the Senate will—pass a bill which extends the surtax and repeals the investment credit.

We cannot, of course, take action that involves $9 billion in revenue without having some rough spots. Perhaps there will be some amendments that will make the transition better and provide more equity. These should be considered, but in the main the important business before the Senate at this time is to rise to its responsibility, as did the House of Representatives, and pass a bill that will provide revenue and save our country from financial disaster.

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

Mr. CURTIS. I am happy to yield.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). The Senator from South Dakota is recognized.

Mr. MUNDT. Mr. President, I have listened with great interest to what the Senator has had to say about the tax bill and the controversy which has revolved around it.

Along with other Members of the Senate, I have great respect for the ability of the Senator from Nebraska in this field of fiscal policy. He is one of the few Senators who has served not only on the Ways and Means Committee of the House, but also on the Finance Committee of the Senate.

So, down through the past three decades, he has had an opportunity shared by very few of the other Members of either the House or the Senate.

As I understand the situation, the controversy which we confront, or the delay which is apparently being instigated, revolves around the timing of the passage of the bill. I have not heard many say they will oppose it. There are some amendments which may need to be added, as the Senator suggested. However, I have heard no one say, "I will turn my back on the obligation."

The discussion in the Senate today has indicated that for reasons best known to itself, the Democratic policy committee has voted, I think the majority leader said unanimously, to delay consideration and action on the package which came from the House.

I ask the Senator from Nebraska if he thinks that time indeed is of the essence. Does it make any real difference whether we act on the House package and finalize it and make the law definite next week, 2 weeks from now, or a month from now, or delay action until October or November?

Does the Senator feel there is a significance attached to our action on the package?

Mr. CURTIS. Mr. President, in response to the distinguished Senator from South Dakota I believe that it is not only important that we act very soon, but it is also important that within the last 2 days the Secretary of the Treasury appeared before the Finance Committee and stated it was important that all of the sensitive situations involving interest rates, inflation, the difficulty of Government borrowing, and our dealings with foreign countries hinge on this measure and that it should not be delayed.

Further, and this is in a sense in defense of the Democratic policy committee, they have really expressed an interest in tax reform. And I believe that the vast majority of Senators want tax reform.

I do disagree with the contention that the best way to bring that about is to delay the bill and add to the crises we are facing in the hope that somehow that will bring about tax reform.

I am thoroughly convinced that we will have two bills. The Ways and Means Committee is committed to it. They have been holding hearings for weeks. I am satisfied that the majority of the Members of the Senate want tax reform.

I have in my hand the Treasury Department's proposals for tax reform. It is a sizable document. The pages are not numbered consecutively. However, the document consists of at least 100 pages typewritten on both sides.

Some of the things they have directed their attention to are limitation of tax preferences, allocation of deductions, relief for poverty level taxpayers, mineral production payments, private foundations, curbing of abuses in debt financing of acquisitions, expansion of taxation of income from unrelated business and from investments of certain organizations—we did something on that in 1950—revision of charitable contribution deductions, corporate securities, multiple corporations, farm proposal, treatment of accelerated depreciation by public utilities, stock dividends, consistency of capital gains and loss rules, restricted stock plans, taxation of income accumulated trusts, and on and on.

These are important matters that deserve attention. Practically every one of them relates to a section of the code that has been the law for 20, 30, or 40 years. Business has adjusted to it. Municipalities have adjusted to it.

It would be unthinkable to make broad changes in these measures without exhaustive hearings and without an opportunity being afforded to all sides to be heard.

The way to bring about tax reform is through the usual channels of thorough committee hearings, collaboration with the Treasury Department, and then making a determined effort to do justice and spread the burden as equitably as possible.

Mr. MUNDT. Mr. President, I am glad that the Senator calls attention to the significance of the action of the Democratic policy committee to delay this very essential passage of the House package.

It is an understandable desire which I think is shared by all Senators, that we should have tax reform legislation in this session of Congress.

The Senator is a member of the Finance Committee and is privileged to a lot of information concerning the various attitudes of members of the committee to a degree not shared by those of us who are not members of the committee.

Can the Senator tell us whether a recalcitrant group of members of the Finance Committee is determined to deny tax reform legislation this year, so that in his opinion it becomes justifiable for the Democratic policy committee, a strictly partisan element in the Senate, to take the unprecedented attitude of making a partisan issue out of an economic problem? Does he feel that this kind of whiplash from the Democratic leader-

ship is needed in order to get tax reform legislation out of the committee?

Mr. CURTIS. No, I do not. I believe that the tax burden is so great upon all individuals and upon all business concerns that all reasonable people want to see justice done and the burden spread as evenly as possible.

I do not disagree with any group that has come out strong for tax reform. I do contend that to make a determined drive to link tax reform with this revenue bill could very well deny passage of the revenue bill for a long, long time, add to the confusion and to the financial crisis, and end up in not very much tax reform. This is because we have to deal with the other body and because the business of tax reform is a hard, tedious job which takes considerable time.

I have heard of tax relief being used as a weapon to get tax reform passed, at a time when taxes are about to be reduced, to incorporate in the bill some reforms that need to be passed which are a little distasteful. That is understandable.

I agree with the policy committee's position that we need tax reform. I disagree with their contention that the way to get it done is to tie it to the revenue bill, or, in other words, hold up the revenue bill until you get it.

Mr. MUNDT. This is so unusual and so unprecedented that I am trying to find out why the Democratic policy committee has done it.

Mr. CURTIS. I think they acted in totally good faith.

Mr. MUNDT. I know the members; they are friends of mine; I like them individually. To me, it is almost unprecedented that they would apply this kind of legislative blackmail to the chairman of the Committee on Finance and the Finance Committee itself, without some good reason. That is why I asked the Senator from Nebraska whether he, being privy to what goes on within the secret confines of the committee, senses that there is a rebellion there against tax reform measures which could justify this unprecedented action by a partisan group.

Mr. CURTIS. No, I think not. There will always be disagreement on tax reform.

Mr. MUNDT. Everyone has different ideas, of course.

Mr. CURTIS. We are affected by the type of economy around us, sometimes a geographical interest, and otherwise. But that has to be.

Mr. MUNDT. I do not think the policy committee said, "You have to bring out a bill that has the kind of tax reform which we specifically desire." It seems to me that, somehow or other, they question the good faith of the Committee on Finance in reporting any kind of tax reform legislation at all. They did not go so far as to say, "Unless you have tax reform legislation which includes a, b, c, and d, which we want, we will not let the Senate vote on the House package." All they said is that there must be a tax reform bill reported by the committee.

Is there good reason to doubt that the committee is going to report some kind of tax reform package?

Mr. CURTIS. I think they will. As I said earlier, the Ways and Means Committee is committed to it; the Treasury Department has spelled out its recommendations; the chairman has announced his intention to hold hearings.

I wish to stress this: It is tax reform that is enacted that counts, not a tax proposal that might pass one body or the other and get no further. I believe that the orderly way to get tax reform, the sure way to get tax reform, is in cooperation with the other body—not that we surrender our rights, but that we cooperate with them.

Mr. MUNDT. Is the Senator saying that he believes there is a better likelihood of getting tax reform legislation finalized in this session of Congress by going along with the pattern already cut by the House, to take its package now, so far as the surtax is concerned, and its associated reform, and then work together, as two branches of Congress, on the other aspects of a tax reform bill? Is the Senator saying that there is greater likelihood of getting it that way than if we try to merge the measures someplace along the line?

Mr. CURTIS. I think that is true. If we hold up this bill, which would raise the revenue, until after the August recess, and then entertain all manner of tax reform amendments to it, I think we would prolong the raising of the revenue and injure our country and fan the fires of inflation. But, in addition, I think we would be less likely to get some important tax reform actually enacted.

Mr. MUNDT. Speaking of tax reform, there is a tax reform I should like to see added to the surtax package, if, as, and when we are permitted to vote upon it on the floor of the Senate.

While I share the general disposition to repeal the 7-percent tax forgiveness, I feel that there is an element in our economy which needs some kind of stimulus, even in this era of prosperity. I think the Senator will recognize this, because he comes from a rural part of America, as does the Senator from South Dakota.

Wherever there are small towns in America today and wherever there are small businessmen in America today, struggling to maintain a viable economy in this era of high interest rates, mergers, conglomerates, and stiffened competition, it seems to me that we should give some consideration in our tax reform legislation to trying to stimulate economic activity in an area which needs stimulation, just as we try to slow down a little the economic activity in other areas where, because it is whirling so rapidly, it helps feed the fires of inflation.

So I have offered and propose to call up an amendment to the surtax bill which proposes to exempt the first $25,000 for every taxpayer from being applied and applicable to the 7-percent tax suspension repeal. It seems to me that when a farmer—who still is the only worker in this economy who is struggling along for less than anything remotely resembling an honest day's pay and who, as a class, is the only element in our country still operating at a parity of less than 75 percent—buys a big tractor and has to pay all the rising costs of inflation in that involvement, granting him suspension of taxation to the extent of 7 percent on the first $25,000 of his purchase still makes good sense. Also, a businessman in a small town, who has to put in expensive equipment, should still be enabled to get the benefit of a 7-percent tax deduction on the first $25,000. That also makes good sense. I do not believe it would materially affect the overall results so far as the impact on inflation is concerned.

Mr. CURTIS. I might say that this bill, which was reported by the Committee on Finance, extends the 10 percent surtax, and the other important revenue-raising matter is that it repeals the 7 percent investment credit.

Mr. MUNDT. Yes, for everybody.

Mr. CURTIS. It would be my guess that amendments dealing with those two things probably could and should be considered on the floor of the Senate. There is the matter of timing, there is the phaseout, there is the question of what to do about small business, and so forth.

What I am suggesting is not that they take the bill as is, without dotting an "i" or crossing a "t," as passed by the House and reported by the Committee on Finance. I do not believe anyone is trying to shut off debate or amendments to that extent, so that the big overall problem of tax reform, dealing with so many amendments, will not be merged in this bill.

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

Mr. CURTIS. I yield.

Mr. MUNDT. The Senator is speaking about tax reform measures extraneous to what the House has done?

Mr. CURTIS. The Senator is correct. What the distinguished Senator mentioned is certainly germaine to this matter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I ask unanimous consent that I may proceed for 10 additional minutes.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, of course, I would beg the Senator to leave it at that because I have been waiting all afternoon and I have appointments with Cabinet people.

Mr. CURTIS. Very well. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes.

Mr. JAVITS. Ten minutes is satisfactory.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1970 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, AND FOR THE CONSTRUCTION OF MISSILE TEST FACILITIES AT KWAJALEIN MISSILE RANGE, AND RESERVE COMPONENT STRENGTH

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of air-

craft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the selected reserve of each Reserve component of the Armed Forces, and for other purposes.

THE SURTAX

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 additional minutes.

Mr. CURTIS. Mr. President, I shall be very brief. I merely wish to say that it seems to me that the most urgent tax legislation before the Senate and before the country is the passage of this bill involving some $9 billion in revenue. If we fail to pass it, our deficit increases by that much. I believe that the wisest political course is that course which is geared to sound fiscal policy. I believe that the best political vote one can cast in the Senate is a vote that is for the good of our country. I think that to neglect this measure to provide needed revenue to meet expenditures would not be for the benefit of the country.

Mr. President, I would leave this further thought. The experience I have had in the tax-writing committees in the Senate and in the House of Representatives leads me to the firm belief that we will end up with more real tax reform enacted into law if we proceed along the lines suggested, and the course that has already been started by the House, of enacting the revenue bill and then giving our attention to tax reform, tackling these hard problems, listening to the witnesses, and doing our utmost to do justice and to spread this heavy burden as equally and as equitably as we can among the various taxpayers of the country.

Mr. MUNDT. Mr. President, will the Senator yield on that point?

Mr. CURTIS. I yield.

Mr. MUNDT. I would simply like to summarize what I have been trying to say on my position. I think the economic situation is far too serious to permit politics to be injected in this question. I think any political party or any segment of a political party assuming the responsibility for delay of consideration of the tax matter, when the stock market is dropping day by day and there are all kinds of dangerous signs flickering in our overall economy, would be unnecessarily gambling with the future of our country. I cannot believe that is going to take place in the Senate.

I note that the Democratic policy committee is going to meet next Tuesday to reconsider this matter, and I hope they will come up with some kind of approach to enable the Senate to do its duty to avoid what could be a financial crisis in this country. I have enough confidence to believe the Democraitc policy committee is not going to want to assume such a direct and heavy responsibility in a dark hour like this.

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

Mr. CURTIS. I yield.

Mr. THURMOND. Mr. President, I commend the able and distinguished Senator from Nebraska for a masterful presentation on this subject. I have had the pleasure of serving with the distinguished Senator from Nebraska since I have been in the Senate. He has impressed me as being one of the best-informed men in this country on financial matters.

His position that we should pass this tax bill at this time without attempting to bring about tax reform certainly seems to be a sound approach. His position that we should later consider tax reforms would appear to be a sound approach also. I feel this is a very important matter. It means a great deal to this country. We have had a balanced budget in this country in only 7 years of the last 39 years. In my opinion, we cannot fail to take the necessary steps to preserve the finance of our country.

Mr. CURTIS. I thank the Senator.

I yield the floor.

TAX LEGISLATION

Mr. JAVITS. Mr. President, I felt it my duty to speak today on the issue of taxation which has been much debated. The issue was debated today by the majority leader, the minority whip, the Senator from Nebraska (Mr. CURTIS), who is a member of the Committee on Finance, and the Senator from South Dakota (Mr. MUNDT), one of our distinguished senior Members, who is also a member of the Committee on Foreign Relations and other committees.

I wish to speak on this matter today because I am deeply concerned whenever a struggle over money threatens to be divided along liberal and conservative lines. Inasmuch as I am generally identified with the liberal point of view in this Chamber, and I am very proud of it, I thought it particularly important that I speak on this issue.

Mr. President, it will be remembered that on a previous occasion when we first passed the surtax, by an entirely fortuitous circumstance the Senator from Delaware (Mr. WILLIAMS) and I both sought the floor at the same time, although we had not concerted our views, in order to urge Congress to act. We believe we brought about action at that time which would not have been brought about.

It is in the same spirit of responsibility—and coming from an area of the country which is the center of business and finance, both national and international; that is, New York—that I speak today.

I believe it is essential that we should pass a law extending the surtax. I believe also that in order to do that it is necessary to consider the House bill as it came over here. That does not mean the House bill is holy and cannot be touched. I do not agree with that, as the Senator from Nebraska (Mr. CURTIS) just said. But if we are going to make changes, it should be within that general context rather than by endeavoring to have it as the vehicle also for a tax reform bill. I shall lend myself to that purpose, at the same time presenting to the Senate the opportunity to make this, for political purposes, a tax reform bill, by including in it an amendment which reads as follows:

It would be entitled "Sense of the Congress Concerning Tax Reform." It would provide:

> It is hereby declared to be the sense of the Congress that passage of this Act commits the Congress to consider and enact meaningful tax reform at its earliest practicable opportunity and in any event before the close of the first session of the 91st Congress.

Mr. President, in using the word "meaningful," I am aware of the fact that there is some dispute in the press—which I cannot understand because I do not think it has any validity—about whether that word includes a reduction of the oil depletion allowance and a general method of treating oil extraction. I am for such reduction. I have voted for it many times. It is contained in my own tax reform bill and I shall favor it again. I consider the world "meaningful" to include precisely that concept, and many others, such as the concept of a minimum income tax, the concept of a realization in tax terms of capital gains upon the death of a person holding securities, and so on. There are many other tax reforms which I favor.

Mr. President, a decision, expressed as that of the Senate Democratic policy committee, was announced recently by our esteemed colleague, Senator MANSFIELD, that would have critical consequences for this Nation, for the administration's battle against inflation, for our international balance-of-payments position and even for international confidence in the dollar.

I refer to Senator MANSFIELD's statement:

> It will not be possible to bring up the surtax extension prior to July 31.

The distinguished majority leader further said:

> There is no chance to consider and dispose of a tax bill containing extension of the surtax with the attendant amendments prior to July 31 or for that matter to August 13—the last day before the summer recess.

His reason for this is the decision not to bring up the surtax extension until a tax reform measure is simultaneously reported out of the Finance Committee and put on the Senate Calendar. This in turn probably means waiting for a tax reform bill to be forwarded to us from the House of Representatives. The consequences of this decision could put off the surtax extension—including such tax reforms as it contains—until the end of this session in December. The chairman of the Finance Committee, Senator LONG, this week has publicly stated:

> To act *responsibly* on tax reform measures would require a wait until at least December or maybe until some time next year.

Mr. President, I regret this decision of the Democratic policy committee and feel that the indicated delay in the extension of the surtax will worsen the inflationary dangers threatening this Nation. Any delay in the extension of the surtax will be seen— by those whose decisions cause inflationary price and interest rate increases—as major evidence that the Congress is not willing to continue to take the steps necessary

to halt the inflationary peril. It will also further strain the faith of Americans in the ability of their national leaders in Washington to restrain the spiraling cost of living.

Tax reform is an urgent problem and the inequities of our tax system must be rectified—and in this legislative session. I am as committed to these reforms as any Senator and have shown it in my votes on bills and amendments and my introduction of bills over all the years I have been here. And, it is my opinion that tax reform is an idea whose time has finally arrived and that it will be legislated in the very near future—it cannot be stopped now. But, if we delay the urgently needed surtax extension, whom are we holding hostage? We would be holding hostage only ourselves and the Nation. The opponents of tax reform will not be intimidated—but encouraged—if the surtax extension cannot be passed except with tax reform accompanying it. The reason is that those on the path of responsibility—including the administration—know they must have the surtax extension for fear of suffering an even worse penalty than no major tax reform—to wit: more inflation. Those who wish to block tax reform have selfish individual interests and do not carry the same sense of responsibility. Hence, it is we, rather than they, who would be at a disadvantage if a protracted delay on tax reform can really hold up the surtax extension. In short, such a "tieing" strategy would have a reverse and self-defeating effect, exactly the contrary to the Democratic policy committee's view as to its effect.

We have the impressive documentation of the Senate Democratic policy committee which was announced by the majority leader, saying that he will only put the extension or renewal of the income tax surcharge bill on the calendar if, at the same time, he has a tax reform bill to put on simultaneously. Obviously, he will not have that until the other body actually enacts a tax reform measure because, obviously, the Senate Finance Committee will not act until the other body has acted.

It seems to me, therefore, that this is a built-in means by which, at the very earliest, as I see it, I deeply believe there is a responsible timetable and we will be unable to extend the surtax until along about the end of November, perhaps even the beginning of December, but certainly not before the middle of November, considering the difficulties that there will be in tax reform and the tremendous controversy on every part of it.

Under these circumstances, the Democratic policy committee, being a representative body like the Republican, and like the Senate itself, I note will meet again. Therefore, I speak now, because I hope very much that the impact of my voice and that of many others, as well as the people of this country, will make itself felt with a body which I know will wish to follow the highest public interest, and will convince it that its decision was unwise in terms of the future of the country, and that it should agree with what the Finance Committee, though by a narrow margin, has in effect already done, which is to report the surtax bill and urge the Senate to deal with it promptly and pass it before we take our recess on August 13.

According to Senator MANSFIELD, the Democratic policy committee based its view in part on the consideration that "the only impact" which surcharge extension has on inflation is the slowdown effected by removing an added 10 percent of revenue from the private sector. In this regard, we are told that the committee felt that temporary extension of the surcharge pending enactment of a combined surtax-tax reform package "has the same effect on the economy as immediate passage" of the surcharge.

The key to the situation as outlined by Senator MANSFIELD is found in his use of the words "the only impact" and "has the same effect." In other words, if the temporary extension of the surtax is equivalent in the eyes of the American people, the American investors and the international community to immediate passage of the surtax, and these people act accordingly, then the Democratic policy committee is right. But if this is not so, and people are left in doubt by the proposed timetable and even question whether the surtax will be extended at all, then it is wrong and bad policy. I believe the latter to be the case and therefore urge that the surtax be promptly extended based upon the House-passed bill.

As supporting proof I point out what has happened in the financial and stock markets, which are depressed and demoralized due to what they consider to be uncertainty as to our determination to halt the inflationary spiral—one major evidence of which is delay in extending the surtax. I point also to the harmful effects upon the economy of the delay of the Johnson administration in recommending enactment of the surtax until almost a year after the economic indicators showed that the cost of the war in Vietnam made a tax increase critical to the health of the economy. Finally, I ask members themselves to ascertain the views of U.S. and world business and financial leaders and economic thinkers and I believe they will find that the overwhelming sentiment favors immediate extension of the surtax as the principal step we must take now to sustain world confidence in our determination to restrain inflation and keep the dollar strong.

I realize fully the frustrations that many of the citizens of this Nation are feeling. These frustrations are reflected in the Congress. The previous administration, after following a guns and butter policy since 1965, then fed the expectation that passage of the surtax would cool the inflationary fires which are so rapidly consuming our incomes. Almost a year has passed since the passage of the surtax, but we still have seen little relief from rising inflationary pressures. I can understand that our burdened taxpayer may have the feeling of being deceived—a feeling that the extra tax he is paying is not having any effect on halting the price spiral affecting the cost of food, meat, gasoline, services, and rent and mortgage interest, just to mention a few. I can understand the "tax revolt" particularly when the income of most Americans is being chipped away from both ends—from continued high taxation on one hand and by burgeoning price spiral on the other.

Inflation has forced the fixed income pensioner to lower his standard of living. It has forced young families in this most productive of nations to forego essential purchases. It has priced the single-family home—one of the vertibrae in the backbone of our democracy—out of the range of many families.

However, I would urge the consumer, who encompasses all of the American people, and this Congress, to give the surtax a fair deal. For, one cannot reverse overnight the problems resulting from the policies of the past. Failure to integrate this Nation's fiscal policies with the restrictive monetary policies presently being followed by the Federal Reserve System will have most undesirable effects. Monetary policy alone cannot succeed in repressing the severe inflationary pressures facing the economy.

This inflation, which is the key problem facing our economy, must be curtailed. It is for this reason that the surtax must be extended now.

So let us get on with this urgent task. And, once this temporary measure has been extended—and I emphasize the surtax is a temporary measure—let us move on at once to tax reform. We all know now that the mood of this Congress will brook no slowdown on tax reform once it has committed itself to the taxpayer with the surtax extension—indeed, that is the very way to speed up tax reform.

Mr. President, with the tremendous help of the Senator from Delaware, the last time we dealt with the surtax, I was successful in having adopted a provision that—

> Not later than December 31, 1968, the President shall submit to the Congress proposals for a comprehensive reform of the Internal Revenue Code of 1954.

Under that provision, which became the law, both the outgoing Johnson administration and the incoming Nixon administration sent their complete tax reform packages to Capitol Hill. I believe, in the same spirit and with the same result, the sense of Congress commitment which I have offered as an amendment, and which I will offer as an amendment to this bill, will get us meaningful tax reform.

The only reason for the difference in the terms that are used—"meaningful" is the word this time; "comprehensive" was the previous word—is that "meaningful" is the word which is now being used. There is no difference in the content or meaning of the words.

I believe the provision will get for us, in time, before August 13, extension of the surtax, and then we can have meaningful, comprehensive—whatever one wishes to call it—tax reform, as to which Congress will work its will before it goes home.

I am therefore, offering this resolution so that it will help speed enactment of the surcharge and provide a concrete commitment to the millions of American taxpayers who look to their representa-

tives in Congress to establish equity and justice in our tax structure and to safeguard the economy of the Nation.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. WILLIAMS of Delaware. Mr. President, I compliment both the Senator from New York and the Senator from Nebraska on the remarks they have made here today pointing out the urgent necessity for prompt consideration of the bill which would extend the surtax.

I cannot conceive of anything that would render a greater disservice to our country than continued delay and continued uncertainty as to whether Congress will or will not extend the surcharge, and if so at what rate, or uncertainty as to whether Congress will or will not repeal the investment credit, and if so, the expected date and what the exemptions will be. I do not think there is any question that the uncertainty will continue to bring about what amounts almost to chaos in our financial community. This uncertainty is hurting the economy and many American citizens.

I am glad the Senator from New York pointed out the fact that last year we had the same tax bill before us. It was then approached from this side of the aisle in a strictly bipartisan effort. I joined the then Senator from Florida, Mr. Smathers, in cosponsoring the Johnson administration bill to which the surtax was attached.

Mr. President, this is not a Democratic proposal. It is not a Republican proposal. It is not a question of liberals or conservatives. The Senator from New York is identified as a liberal and is proud of it. I am identified as a conservative, but on the question of responsibility, on the question of what is best for the country, and on the question of financing this Government we are all one as Americans, no matter which side of the aisle we are on.

I cannot conceive of the leadership on the other side of the aisle acting in any manner other than a responsible one. I am confident we are going to get this measure to a vote before the recess comes. We have no choice. This must be done. I say that as one who for years has been advocating tax reforms.

The Senator from New York pointed out that in last year's tax bill it was his amendment, which I strongly supported at the time, that called on the President to deliver to us by December 31 the administration's recommendations for tax reform. I regret to say that they were not delivered by December 31. Since it has been mentioned, I point out that the past administration refused to send them to Congress. We did not get these recommendations until after the new administration came into office.

Immediately after the new administration took over Secretary Kennedy released those recommendations for major tax reforms to the House Ways and Means Committee and to the Senate Finance Committee. Using those recommendations as a background we are now in the process, for the first time in many years, of bringing meaningful tax reform before the Congress.

I think such a bill will be reported very soon by the House Ways and Mean Committee, but, by all means, these proposals should be kept as two separate packages, with the determination of both the House and the Senate that we will follow the surtax measure later with major tax reforms.

Mr. JAVITS. I thank the Senator.

With the indulgence of the Senator from Wisconsin (Mr. PROXMIRE), I would like to take only 1 minute more to say two things. First, we have been extending the withholding by 30-day periods, but that is not the same thing, in the eyes of the whole banking——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

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

Mr. JAVITS. That is not the same thing, in the eyes of the whole banking and business community of the world, which does not regard the implicit promise—because we are withholding—as being the extension of the surtax. The fact that my statement is a valid assumption is shown by the fact that if we do have a Christmas tree bill on the surtax, what happened to the previous one will happen to this one. It will fall somewhere between the two Houses or it will go back to the committee of the Senate, and we will fail in that effort.

The only thing of interest to those who make the interest rates and those who charge the prices and those who determine the economy in our country and the world will be the extension of the surtax, showing that we mean business; that we know we cannot, in a war, have both guns and butter, which we have done for too long, and which has brought us to the present condition. The surtax is to be deplored, but it is paying for past mistakes. The sooner we pay for those mistakes, the sooner we go forward again in a rise of 4 to 6 percent in production, which for this country is absolutely indispensable if it is to continue in its position of world leadership and strength.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of routine morning business under a 3-minute limitation. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 5 minutes on a matter of morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 1373) to amend the Federal Aviation Act of 1958, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 7491) to clarify the liability of national banks for certain taxes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 7491) to clarify the liability of national banks for certain taxes, was read twice by its title and referred to the Committee on Banking and Currency.

ORDER FOR RECOGNITION OF SENATOR CRANSTON FOR 30 MINUTES

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the distinguished Senator from California (Mr. CRANSTON) be allowed to proceed for 30 minutes at the end of the consideration of routine morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXECUTIVE COMMUNICATION

The VICE PRESIDENT laid before the Senate the following letter, which was referred as indicated:

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the administration and effectiveness of the work experience and training project in Carroll, Chariton, Lafayette, and Saline Counties, Mo., under title V of the Economic Opportunity Act of 1964, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William L. Martin, Jr., of Georgia, to be U.S. marshal for the middle district of Georgia.

By Mr. THURMOND, from the Committee on the Judiciary:

Joseph O. Rogers, Jr., of South Carolina, to be U.S. attorney for the district of South Carolina.

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

Joseph A. Greenwald, of Illinois, to be the representative of the United States of America to the Organization for Economic Cooperation and Development;

Eileen R. Donovan, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Barbados;

Henry A. Byroade, of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines;

J. Raymond Ylitalo, of South Dakota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay; and

Leonard C. Meeker, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Romania.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the House of Representatives, Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ADOPT LEGISLATION TO PROTECT AND PROMOTE THE SHOE INDUSTRY

"*Whereas,* Many shoe factories have closed down in the Commonwealth; and

"*Whereas,* The import of low-cost shoes with low-tariff duties has glutted the shoe market to the detriment of the shoe industry and threatens to destroy one of the Commonwealth's most vital industries; therefore be it

"*Resolved,* That the Massachusetts House of Representatives respectfully urges the Congress of the United States to enact such legislation as may be necessary to protect the shoe industry so vital to the economy of the country and to subsidize said industry in areas where it may be necessary so that the industry will not be wiped out in various parts of the country, particularly in the New England area and the Commonwealth; and be it further

"*Resolved,* That the Secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the presiding officer of each branch of the Congress of the United States and to each member thereof from the Commonwealth.

"House of Representatives, adopted, July 8, 1969.

"WALLACE C. MILLS,
"Clerk.

"A true copy. Attest:

"JOHN F. X. DAVOREN,
"Secretary of the Commonwealth."

A resolution adopted by the City Commission of Miami, Fla., praying for a reconsideration of the sums of money planned to be spent in the anti-ballistics-missile plan, in light of the needs of urban areas; to the Committee on Armed Services.

The petition of Allan Feinblum, of New York, N.Y., praying for the withdrawal of American forces from Vietnam; to the Committee on Armed Services.

A letter, in the nature of a petition, from the Alleboro Area Clowns, of Attleboro, Mass., praying for the enactment of legislation to designate August 1 to 7 as "National Clowns' Week"; to the Committee on the Judiciary.

A letter from the Associacion de Abogadas Cubans en el Exilio, dealing with the visit of a Soviet naval force to Cuba; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 92. A bill for the relief of Mr. and Mrs. Wong Yui (Rept. No. 91–322).

By Mr. BURDICK, from the Committee on the Judiciary, without amendment:

H.R. 3379. An act for the relief of Sfc. Patrick Marratto, U.S. Army (retired) (Rept. No. 91–323); and

H.R. 6585. An act for the relief of Mr. and Mrs. A. F. Elgin (Rept. No. 91–324).

REPORT ENTITLED "REVISION AND CODIFICATION"—REPORT OF A COMMITTEE (S. REPT. No. 91–325)

Mr. ERVIN, from the Committee on the Judiciary, pursuant to S. Res. 244, 90th Congress, second session, as extended, submitted a report entitled "Revision and Codification", which was ordered to be printed.

REPORT ENTITLED "ANTITRUST AND MONOPOLY ACTIVITIES, 1968"—REPORT OF A COMMITTEE—MINORITY VIEWS—(S. REPT. NO. 91–326)

Mr. HART. Mr. President, from the Committee on the Judiciary I submit a report entitled "Antitrust and Monopoly Activities, 1968," pursuant to Senate Resolution 233, 90th Congress, second session, as extended. I ask unanimous consent that the report, together with the minority views of Senators DIRKSEN and HRUSKA, be printed.

The PRESIDING OFFICER. The report will be received; and, without objection, the report and minority views will be printed.

ADDITIONAL FUNDS FOR COMMITTEE ON THE DISTRICT OF COLUMBIA—REPORT OF A COMMITTEE

Mr. MANSFIELD, on behalf of Mr. TYDINGS, from the Committee on the District of Columbia reported the following original resolution (S. Res. 220); which was referred to the Committee on Rules and Administration:

Resolved, That the Committee on the District of Columbia is hereby authorized to expend from the contingent fund of the Senate, during the Ninety-First Congress, $5,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG of North Dakota:

S. 2652. A bill for the relief of Miss Namiko Yoshino; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 2653. A bill for the relief of Miloye M. Sokitch; to the Committee on the Judiciary.

By Mr. EASTLAND (by request):

S. 2654. A bill for the relief of Wylo Pleasant; to the Committee on the Judiciary.

By Mr. MOSS:

S. 2655. A bill to exclude from the mails obscene material sold or offered for sale to minors; to the Committee on Post Office and Civil Service.

(The remarks of Mr. Moss when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. CRANSTON:

S. 2656. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

(The remarks of Mr. CRANSTON when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. WILLIAMS of Delaware (for himself and Mr. DIRKSEN):

S. 2657. A bill to amend the Internal Revenue Code of 1954 to make qualification under State law a prerequisite to registration under the narcotic drug and marihuana laws; to eliminate the provision permitting payment of tax to acquire marihuana by unregistered persons, and for other related purposes; to the Committee on Finance.

(The remarks of Mr WILLIAMS of Delaware when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. YARBOROUGH:

S. 2658. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively; to the Committee on Finance; and

S. 2659. A bill for the relief of Glenn W. Schmidt; to the Committee on the Judiciary.

(The remarks of Mr. YARBOROUGH when he introduced the bill (S. 2658) appear later in the RECORD under the appropriate heading.)

By Mr. YARBOROUGH (for himself, Mr. MONDALE, Mr. CRANSTON, Mr EAGLETON, Mr. HUGHES, Mr. JAVITS, Mr. KENNEDY, Mr. MURPHY, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, and Mr. WILLIAMS of New Jersey):

S. 2660. A bill to extend and otherwise amend certain expiring provisions of the Public Health Service Act for migrant health services; to the Committee on Labor and Public Welfare.

(The remarks of Mr. YARBOROUGH when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. JAVITS:

S. 2661. A bill for the relief of Kathryn Talbot; to the Committee on the Judiciary.

By Mr. NELSON:

S. 2662. A bill to amend the act of August 13, 1946, relating to Federal participation in the cost of protecting the shores of the United States, its territories, and possessions, to include privately owned property; to the Committee on Public Works.

(The remarks of Mr. NELSON when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. McCARTHY:

S. 2663. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Finance.

By Mr. HART:

S. 2664. A bill for the relief of Dr. Teodoro A. Calinog; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 2665. A bill to amend title 38, United States Code, to assure availability of rent supplement payments and food coupons for certain seriously disabled veterans; to the Committee on Banking and Currency; and

S. 2666. A bill to amend title 38, United States Code, to assure availability of rent supplement payments and food coupons for certain seriously disabled veterans; to the Committee on Agriculture and Forestry.

(The remarks of Mr. YARBOROUGH when he introduced the bills appear later in the RECORD under the appropriate heading.)

By Mr. DOMINICK:

S. 2667. A bill to provide additional penalties for the use of firearms in the commission of certain crimes of violence; to the Committee on the Judiciary.

(The remarks of Mr. DOMINICK when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. RANDOLPH, Mr. SCHWEIKER, and Mr. YARBOROUGH):

S. 2668. A bill to amend chapter 34 of title 38, United States Code, to provide additional education and training assistance to veterans, and to provide for a predischarge education program; to the Committee on Labor and Public Welfare.

(The remarks of Mr. CRANSTON when he introduced the bill appear later in the RECORD under the appropriate heading.)

S. 2655—INTRODUCTION OF A BILL EXCLUDING FROM THE MAILS OBSCENE MATERIAL SOLD OR OFFERED FOR SALE TO MINORS

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a bill the enactment of which I believe will go a

long way toward curbing the ever-increasing flow of objectional and obscene printed and audio material, and the sexual devices and advertisements for them, which are now being circulated to young people through the U.S. mails.

In recent months sexual panderers have literally solicited thousands of decent families in Utah and elsewhere right in their own homes in a new high tide of permissive morality.

These families have received, through the mails in a plain envelope, nauseating illustrations of all types of sexual activity and depravity. The purpose of this solicitation has been a come-on to sell other pornographic material which is even more obnoxious.

I have had hundreds of letters from Utah citizens protesting this floodtide of obscenity. Parents have pled with me, both by letter and in person when I have been in Utah, to do something to keep this smut from infecting our youth.

I am moving today to do this. My bill will make it illegal to use the mails of the United States to send to anyone 19 years of age or younger any printed material, photographs, phonograph records, or devices, or advertisements of a sexual nature which are clearly obscene as defined in the bill and are, therefore, inappropriate for the young. The bill will also make it illegal to send through the mails such material unsolicited to an adult with young people under 19 years of age residing in the household.

I am convinced, Mr. President, that enactment of this bill would be a giant step toward destroying the smut industry in this country.

In 1957, the U.S. Supreme Court said, in Roth against United States, that obscenity was not within the area to be protected by speech or press. But the standards that the Supreme Court established in that case made it practically impossible to curb the increasing flow of pornographic materials. Since that time pornography has become a billion dollar business. Recent Associated Press investigations disclosed that about 200 companies in the country produce pornographic books, magazines, and films, and that total sales range upward from $500 million a year. Postal authorities are swamped with complaints. They received 167,000 in 1968 alone, and this amount will undoubtedly increase in 1969.

Recently, however, the Supreme Court has given clear indication that constitutional restrictions on the smut industry are at hand. In Ginsberg against N.Y., the Court held that it was constitutional for the State of New York to restrict the access of young people to very clearly defined classes of printed and other pornographic material. In its opinion, the Court made it very clear that the State has the power and the responsibility to provide a healthy environment for its youth, and that material which would not be obsence under the standard for adults, could constitutionally be restricted by a State as unfit for its youth.

The Ginsberg decision has logically led Members of both Houses of Congress to the conclusion that, by analogy, the Federal legislature would have the same constitutional power and responsibility to establish a higher standard for youth in the area of obscenity. Therefore, as a result of the Ginsberg opinion, Members of Congress of both parties and in both Houses, have introduced legislation patterned after the New York statute prohibiting the interstate dissemination of clearly defined classes of pornographic material. My bill also takes this direction, but with a very significant difference which I believe is important to the people of Utah, and the Nation as a whole.

The post-Ginsberg bills which have been most widely sponsored in the Senate and in the other body as well, attempt to preempt completely for the Federal Government the power to restrict distribution of obscene material to youth. I believe this approach would encroach on the power of the States and is, therefore, unwise. For this reason I have introduced this bill which deals with material sent through the mails only.

I hold that it is completely proper for the Congress of the United States to stop the ever increasing flow of obscene material through the mails, but I prefer to see local government legislate local distribution processes. It is the prerogative of the States, cities, and towns to decide, for example, what standards they want to establish in their areas.

As Salt Lake county attorney, I prosecuted a number of pornography cases, and I assure you, from my experience, that control of the newsstand sales and other local distribution of objectionable material should be left in the hands of the local authorities. Only the local officials truly know the standards of the community; only they know to what degree the people in their cities and towns desire control measures enacted and enforced.

In my view, Mr. President, the Supreme Court, in the Ginsberg case, did not intend to indicate that obscenity control should be monopolized by the Federal Government. What they did in fact say was that the State of New York had the constitutional power to act in this area. I, for one, believe that Congress should limit its jurisdiction over pornography control to the interstate use of the mails. My bill does this.

Mr. President, the Supreme Court has finally given us the constitutional method whereby distribution of pornography can be firmly and effectively controlled for the segment of our society which more than any other must be protected from the smut peddlers: the youth of our Nation.

We in the Congress have the duty affirmatively to respond to the Court's lead.

My bill is the first of its type to be introduced in the Senate in the 91st Congress. I shall do what I can to see that it is given early consideration. It offers a sound and constitutional approach to the control of pornography. Especially will it help us keep obscene materials out of the hands of our youth.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2655) to exclude from the mails obscene material sold or offered for sale to minors, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

S. 2656—INTRODUCTION OF A BILL TO ESTABLISH AN URBAN MASS TRANSPORTATION TRUST FUND

Mr. CRANSTON. Mr. President, I introduce, for appropriate reference, a bill to establish an urban mass transportation trust fund and for other purposes.

This bill is identical with several House bills, the principal author of which is Congressman EDWARD I. KOCH of New York.

The major provisions of the bill include the establishment of an urban mass transportation trust fund, funded in part through the present 7-percent automobile excise tax, the authorization of a $10 billion expenditure from 1970–74 for mass transit, the removal of the 12½-percent limit on the amount which may be spent in any one State so that the needs of each city can be separately studied and met, a change in the formula of dollar participation to apply the same formula which the highway trust fund uses: 90-percent Federal participation, relocation assistance for individuals and businesses displaced by construction under the program, and advance acquisition of lands adjacent to the proposed facility so that the local transit program might reap the profit from escalating land values resulting from transportation development.

Mr. President, this is one of several proposals to meet the growing transportation crisis in our heavily populated areas. Across our Nation and particularly on the Pacific coast, we simply must develop alternatives to our total reliance on the automobile. Ever-spreading freeways have enmeshed our cities and countryside in coils of concrete and exhaust fumes. A majority of the surface space of Los Angeles is devoted to the automobile. Meanwhile, public transportation dwindles yearly into economic oblivion, a vanishing species of abandoned trolley cars and bankrupt bus lines. Bright new proposals are rejected by the already severely overtaxed local property owners. The need is great; our progress is miniscule. We must infuse substantial funds into our faltering mass transit program.

Furthermore, it would be a mistake to see a stepped-up mass transit program as simply a matter of convenience or a question of efficiency.

My basic concern in this area is that our growing overdependence on the internal combustion engine proliferates our alarming environmental pollution, the dangers of which we are finally beginning to understand. To keep the atmosphere of our cities breathable, we must find better ways to move our people through them. When our cities can seriously consider the possible need to ban automobile travel during smog alerts, it is inconceivable that our planning for an alternative transit system should be so undeveloped.

Major legislation is required in the area of mass transit and this bill as well

as other legislation such as Senator HARRISON WILLIAMS' bill, S. 1032, should receive our immediate and thorough consideration.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2656) to establish an urban mass transportation trust fund, and for other purposes, introduced by Mr. CRANSTON, was received, read twice by its title, and referred to the Committee on Banking and Currency.

S. 2657—INTRODUCTION OF A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 WITH RESPECT TO NARCOTIC DRUG AND MARIHUANA LAWS

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Illinois (Mr. DIRKSEN) and myself, I introduce a bill to amend the Internal Revenue Code of 1954 to make qualification under State law a prerequisite to registration under the narcotic drug and marihuana laws; to eliminate the provision permitting payment of tax to acquire marihuana by unregistered persons, and for related purposes.

I ask unanimous consent that the bill be appropriately referred, that the text of the bill be printed in the RECORD, and that the letter of transmittal from the Attorney General be also printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter of transmittal and the bill will be printed in the RECORD.

The bill (S. 2657), to amend the Internal Revenue Code of 1954 to make qualification under State law a prerequisite to registration under the narcotic drug and marihuana laws; to eliminate the provision permitting payment of tax to acquire marihuana by unregistered persons, and for other purposes, introduced by Mr. WILLIAMS of Delaware (for himself and Mr. DIRKSEN), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4722 of the Internal Revenue Code of 1954 is amended by adding the following sentence to the existing section:

"The application of every person shall show that, under the laws of the jurisdiction in which he is operating or proposes to operate, he is legally qualified or lawfully entitled to engage in the activitites for which registration is sought."

SEC. 2. Section 4741 of the Internal Revenue Code of 1954 is amended to read as follows:

"(a) *Rate.*

"There shall be imposed upon all transfers of marihuana which are made pursuant to section 4742 a tax of $1 per ounce of marihuana or fraction thereof.

"(b) *By whom paid.*

"Such tax shall be paid by the transferee at the time of securing each order form and shall be in addition to the price of such form."

SEC. 3. The first sentence of subsection (c) of section 4742 of the Internal Revenue Code of 1954 is amended to read as follows:

"The Secretary or his delegate shall cause suitable forms to be prepared for the purposes mentioned in this section, and shall cause the same to be distributed to each internal revenue district for sale to those persons who shall have registered and paid the special tax as required by sections 4751 to 4753, inclusive, and he shall require that the same be sold only to persons who have registered and paid the special tax as required by said sections."

SEC. 4. Section 4742 of the Internal Revenue Code of 1954 is amended by adding a new subsection (f) to the existing section to read as follows:

"(f) Unlawful use.

"It shall be unlawful for any person to obtain by means of said order forms any marihuana for any purpose other than the use, sale, or distribution thereof by him in the counduct of a lawful business in said drug or in the legitimate practice of his profession."

SEC. 5. Paragraph (1) through (5), inclusive, of section 4751 of the Internal Revenue Code of 1954 are amended to read as follows:

"(1) Importers, manufacturers, and compounders.

"Importers, manufacturers, and compounders, lawfully entitled to import, manufacture, or compound marihuana, $24 a year;

"(2) Producers.

"Producers lawfully entitled to produce marihuana (except those included within the paragraph (5)), $1 a year, or fraction thereof, during which they engage in such activity;

"(3) Dealers.

"Dealers, other than physicians, dentists, veterinary surgeons, or other practitioners, lawfully entitled to sell and deal in marihuana, $3 a year, or fraction thereof, during which they engage in such activity;

"(4) Physicians, dentists, veterinary surgeons, and other practitioners.

"Physicians, dentists, veterinary surgeons and other practitioners, lawfully entitled to distribute, dispense, give away, administer, or prescribe marihuana to patients upon whom they in the course of their professional practice are in attendance, $1 a year, or fraction thereof, during which they engage in any of such activities;

"(5) Persons engaged in research, instruction or analysis.

"Any person not registered as an importer, manufacturer, producer, or compounder who is lawfully entitled to obtain and use marihuana for the purpose of research, instruction, or analysis, or who produces marihuana for any such purpose, $1 a year, or fraction thereof, during which he engages in such activities;"

SEC. 6. Section 4753 of the Internal Revenue Code of 1954 is amended by adding a new subsection (c) to the existing section to read as follows:

"(c) Evidence of qualification.

"The application of every person shall show that, under the laws of the jurisdiction in which he is operating or proposes to operate, he is legally qualified or lawfully entitled to engage in the activities for which registration is sought."

SEC. 7. Paragraph (1) of subsection (a) of section 4755 of the Internal Revenue Code of 1954 is amended to read as follows:

"(1) Liability.

"It shall be unlawful for any person to import, manufacture, produce, compound, sell, deal in, dispense, distribute, prescribe, administer, or give away marihuana. However, nothing contained in this subsection shall apply to persons who have registered and paid the special tax as required by sections 4751 to 4753, inclusive."

SEC. 8. Section 4755 of the Internal Revenue Code of 1954 is amended by adding a new subsection (c) to the existing section to read as follows:

"(c) Possession.

"Except as otherwise provided in this subsection, it shall be unlawful for any person to have marihuana in his possession or under his control: *Provided,* that this subsection shall not apply to a person who has registered and paid the special tax as required by sections 4751 to 4753, inclusive, or to an employee or agent of such registered person acting in the course of his duties; or persons possessing marihuana which has been prescribed in good faith by a practitioner registered under section 4753; or to any Government or State official as provided by section 4744(b): *Provided further,* that it shall not be necessary to negative any of the aforesaid exemptions in any complaint, information, indictment, or other writ or proceeding laid or brought under this subsection, or subsection (a), and the burden of proof of any such exemption shall be on the defendant."

The letter presented by Mr. WILLIAMS of Delaware follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., July 15, 1969.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a bill "To amend the Internal Revenue Code of 1954 to make qualification under State law a prerequisite to registration under the narcotic drug and marihuana laws; to eliminate the provision permitting payment of tax to acquire marihuana by unregistered persons, and for other related purposes". There is also transmitted a comparative type showing the changes which would be made in the existing law by the bill.

The purpose of the proposed changes and additions is to cure the constitutional defects found in the Marihuana Tax Act by the Supreme Court in its decisions of May 19, 1969 in *Leary* v. *United States* and *United States* v. *Covington.* The thrust of these rulings is that 26 U.S.C. 4744(a) is directed primarily towards persons inherently suspect of criminal activities and requires unregistered transferees of marihuana to obtain an order form and thus provide information incriminating themselves under State law, in violation of the constitutional right against self-incrimination.

These amendments are offered to fill the void in the current Federal enforcement scheme created by the aforementioned cases. These changes will restore, in substance, the situation regarding Federal marihuana enforcement which existed prior to those decisions.

The bill would add to the existing registration provisions of the Internal Revenue Code of 1954, dealing with narcotic drugs (section 4722) and marihuana (section 4753), the prerequisite that any person seeking registration must be legally qualified under the laws of the jurisdiction in which he is operating or proposes to operate, to engage in the particular activity for which registration is sought. By requiring as a condition precedent to registration that the person is properly qualified under State law, the statute cannot be said to be framed primarily toward persons inherently suspected of criminal activities, and it would preclude any possible requirement of self-incrimination. The result is that unauthorized persons who intend to carry on illicit activities could not incriminate themselves as they could not register or pay the tax.

Section 2 of the bill would amend subsection (a) of section 4741 of the Internal Revenue Code of 1954 to make all transfers of marihuana required to be taxed by section 4742 subject only to a transfer tax of $1 per ounce. Presently, section 4741 imposes a transfer tax of $100 per ounce on all transfers to non-registered persons. The amendment contemplates that only registered persons may apply for marihuana order forms and pay the transfer tax, and that non-

registered persons could not acquire it pursuant to an order form even if they could afford a heavy tax.

Sections 3 and 4 of the bill amend section 4742 of the Internal Revenue Code of 1954 to prevent unregistered persons from obtaining order forms and to make it unlawful to obtain any marihuana by means of order forms for other than specified proper purposes.

Section 5 of the bill revises paragraphs (1) through (5), inclusive, of section 4751 of the Internal Revenue Code of 1954 dealing with the imposition of tax on marihuana activities. The bill would amend each paragraph to indicate that the person who engages in such marihuana activity must be "lawfully entitled" to do so. Section 5 of the bill also adds paragraph (3) to section 4751 entitled "Dealers." The inclusion of this paragraph allows the deletion of existing paragraph (5) entitled "Persons not otherwise taxed," which will eliminate any doubt that only certain legally qualified persons may register and pay the occupational tax.

Section 6 of the bill amends section 4753 of the Internal Revenue Code of 1954 to require the application for registration to show the qualification or entitlement of the applicant to engage in the activities for which registration is sought.

Section 7 of the bill would amend section 4755 of the Internal Revenue Code of 1954, making it unlawful for any person to engage in various marihuana activities except those persons who are properly registered under section 4751. The purpose of amending section 4755(a)(1) in this manner is to make it clear that this paragraph is intended to reach both persons "in the business" of handling marihuana and illicit traffickers.

Section 8 of the bill would amend section 4755 of the Internal Revenue Code of 1954 by adding a new subsection (c) to effectively reach those illicit traffickers in possession of marihuana who have obtained the marihuana by harvesting it. The proposed new subsection (c) dealing with possession of marihuana is similar to those presently included in 26 U.S.C. 4724 (b) and (c) dealing with transportation and possession of narcotic drugs.

We urge the immediate passage of this bill as an expedient. The Department of Justice has prepared and previously submitted to the Congress a legislative proposal which would bring together in a single Act substantially all of the Federal statutes relating to narcotics, marihuana and dangerous drugs. This bill, which is entitled "The Controlled Dangerous Substances Act of 1969" is more than a mere compendium of statutes. If enacted it will effect significant and far-reaching changes in almost every facet of the Federal approach to the suppression of drug abuse and will, inter alia, close the gap created by the *Leary* and *Covington* cases. We would prefer the passage of "The Controlled Dangerous Substances Act of 1969" rather than the changes recommended herein, but believe that immediate passage of the latter measure is necessary as an interim stop-gap while the more complex and comprehensive proposal is being considered.

The Bureau of the Budget has advised that enactment of this legislation is in accord with the program of the President.

Sincerely,

ATTORNEY GENERAL.

S. 2658—INTRODUCTION OF A BILL ON WORLD WAR VETERANS PENSION

Mr. YARBOROUGH. Mr. President, on July 12, at a convention of the Illinois Department of the Illinois Department of the Veterans of World War I in Peoria, Col. Waldron Leonard of the organization's national headquarters, aptly referred to veterans of this war as not forgotten, only neglected. He said:

> I dispute the statement that we who served in World War I are forgotten veterans."
>
> The numerous bills introduced in Congress each year, with little or no final action, will bear me out. But I do contend that the lack of legislation for the veterans of World War I, compared with that given veterans who served in others wars, certainly proves that the veterans of World War I and his dependents are the neglected veterans.

I ask unanimous consent that the full text of Colonel Leonard's address be printed at the conclusion of my remarks.

It is unquestionably true that unlike veterans of any other war, those who served in World War I alone are considered more on the basis of welfare standards than on the basis of their service in time of war.

The general pension laws for men who served in the Spanish-American War make no mention of the income of the veteran in fixing eligibility. The GI bills we enacted for veterans of World War II or Korea or the cold war or Vietnam make no mention of outside sources of income in fixing eligibility for education or training benefits, for home loans, business loans, or veterans' preference in Federal employment. There are no ceilings on income after which assistance is cut off, no lengthy tables showing a declining benefit as income goes up, terminating entirely if the individual has as much other income as $1,900 if single and $3,200 if he has one dependent. There are no sworn statements of net worth, of spouse's income, of income from social security or railroad retirement, or other savings and investments.

In practice, this is the World War I veterans who are unfairly "stuck" with these trappings of a welfare system.

This situation is exactly contrary to the recommendations made last March 18 by the U.S. Veterans Advisory Commission on the Veterans Benefits System. Virtually every national veterans organization provided a technical consultant to that Commission, with Waldron Leonard representing the Veterans of World War I.

Mr. President, in that report to President Johnson the Advisory Commission stated, and I quote:

> The Commission recommends that pension, as a benefit for war veterans and their survivors, should be maintained as a federal program providing financial aid above and beyond the levels of public assistance and that, within reasonably improved limits, increases in other forms of income should not adversely affect veterans' pension benefits.

The sad fact is that in a great many States, public assistance is more generous and easier to obtain than the pension benefit. Remember that the average age of the World War I veteran is now 74. These men are, with few exceptions, past the age when their income from wages or salaries rises with the general price level. Nearly all now depend upon sources of income established 10, 20, or 30 years ago. For most, this means social security, railroad retirement, or some private pension. As the Advisory Commission pointed out, their incomes are largely static.

For this group of veterans, it is time to provide a general pension that is not tied to the welfare criterion of a means test. I think veterans of World War I are entitled to the same statutory treatment the Nation has provided to those who served in the Spanish-American War.

Therefore, I introduce and send to the desk a bill equating World War I veterans pension eligibility with that of Spanish-American War veterans. My bill is patterned after a similar measure introduced in the other body by Congressman KEN GRAY, of Illinois.

It would permit World War I men to receive a straight pension benefit of $67.73 if he served 70 days or more while World War I was in progress; he would receive $101.59 if he served 90 days or more. He may elect, however, whether to receive this pension or to elect the current pension rates.

In a message to the Chairman of the U.S. Veterans Advisory Commission, President Johnson wrote:

> Our government and our people have no greater obligation than to assure that those who have served their country and the cause of freedom will never be forgotten or neglected.

It is unfortunate that with each new war, we tend to honor and serve only those who take part in it, and push out of our minds the men who made the same sacrifices and performed the same service to their fellow citizens in a war remembered more in history than in our daily lives. Perhaps we do not forget, but we tend to neglect.

I urge that Congress provide for World War I veterans in a manner that will be in keeping both with their own dignity and the dignity of the Nation they served.

I ask unanimous consent that the bill be printed at the conclusion of my and Colonel Leonard's remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement and the bill will be printed in the RECORD.

The bill (S. 2658), to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 512 of title 38, United States Code, is amended to read as follows:

"§ 512. Veterans of the Spanish-American War and World War I

"(a) (1) The Administrator shall pay to each veteran of the Spanish-American War or World War I who meets the service requirements of this subsection a pension at the following monthly rate:

"(A) $101.59; or

"(B) $135.45 if the veteran is in need of regular aid and attendance.

"(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

"(A) for ninety days or more during the Spanish-American War;

"(B) during the Spanish-American War or World War I and was discharged or released from such service for a service-connected disability; or

"(C) for a period of ninety consecutive days or more and such period began or ended during the Spanish-American War or World War I.

"(3) Any veteran eligible for pension under this subsection shall, if he so elects, be paid pension at the rates prescribed by section 521 of this title, and under the conditions (other than the service requirements) applicable to pension paid under that section to veterans of World War II. If pension is paid pursuant to such an election, the election shall be irrevocable.

"(b)(1) The Administrator shall pay to each veteran of the Spanish-American War or World War I who does not meet the service requirements of subsection (a), but who meets the service requirements of this subsection, a pension at the following monthly rate:

"(A) $67.73; or

"(B) $88.04 if the veteran is in need of regular aid and attendance.

"(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

"(A) for seventy days or more during the Spanish-American War or World War I; or

"(B) for a period of seventy consecutive days or more and such period began or ended during the Spanish-American War or World War I."

SEC. 2. (a) The heading and subsection (a) of section 521 of title 38, United States Code, are each amended by striking out "World War I,".

(b) Subsection (g) of such section 521 is amended to read as follows:

"(g) A veteran meets the service requirements of this section if he served in the active military, naval, or air service—

"(1) for ninety days or more during either World War II, the Korean conflict, or the Vietnam era;

"(2) during World War II, the Korean conflict, or the Vietnam era, and was discharged or released from such service for a service-connected disability;

"(3) for a period of ninety consecutive days or more and such period began or ended during World War II, the Korean conflict, or the Vietnam era; or

"(4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war."

SEC. 3. (a) The subheading immediately before the heading of section 531 of title 38, United States Code, is amended to read as follows:

"WARS BEFORE WORLD WAR II"

(b) Sections 536 and 537 of title 38, United States Code, are amended to read as follows:

"§ 536. Widows of veterans of the Spanish-American War and World War I

"(a) The Administrator shall pay to the widow of each veteran of the Spanish-American War or World War I who met the service requirements of section 512(a) of this title a pension at the monthly rate of $65, unless she was the wife of the veteran during his service in the Spanish-American War or World War I, in which case the monthly rate shall be $75.

"(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

"(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

"(1)(A) before January 1, 1938, in the case of a widow of a veteran of the Spanish-American War, or (B) before December 14, 1944, in the case of a widow of a veteran of World War I; or

"(2) for five or more years; or

"(3) for any period of time if a child was born of the marriage.

"(d) Any widow eligible for pension under this section shall, if she so elects, be paid pension at the rates prescribed by section 541 of this title, and under the conditions (other than the requirements relating to the service of her spouse and of section 541(e)) applicable to the payment of pensions to widows of veterans of World War II. If pension is paid pursuant to such an election, the election shall be irrevocable.

"§ 537. Children of veterans of the Spanish-American War and World War I

"Whenever there is no widow entitled to pension under section 536 of this title, the Administrator shall pay to the children of each veteran of the Spanish-American War or World War I who met the service requirements of section 512(a) of this title a pension at the monthly rate of $73.13 for one child, plus $8.13 for each additional child, with the total amount equally divided."

SEC. 4. (a) The subheading immediately before the heading of section 541 of title 38, United States Code, the heading of such section 541 and subsection (a) of such section 541 are each amended by striking out "World War I,".

(b) Subsection (e) of such section 541 is amended to read as follows:

"(e) No pension shall be paid to a widow of a vetrean under this section unless she was married to him—

"(1) before (A) January 1, 1957, in the case of a widow of a World War II veteran, or (B) February 1, 1965, in the case of a widow of a Korean conflict veteran, or (C) before the expiration of ten years following termination of the Vietnam era in the case of a widow of a Vietnam era veteran; or

"(2) for five or more years; or

"(3) for any period of time if a child was born of the marriage."

(c) The heading and subsection (a) of section 542 of such title are each amended by striking out "World War I,".

SEC. 5. The analysis of subchapters II and III of chapter 15 of title 38, United States Code, is amended to read as follows:

"SUBCHAPTER II—VETERANS' PENSIONS

"SERVICE PENSION

"510. Confederate forces veterans.
"511. Indian War veterans.
"512. Veterans of the Spanish-American War and World War I.

"NON-SERVICE-CONNECTED DISABILITY PENSION

"521. Veterans of World War II, the Korean conflict, or the Vietnam era.
"522. Net worth limitation.
"523. Combination of ratings.

"SUBCHAPTER III—PENSIONS TO WIDOWS AND CHILDREN

"WARS BEFORE WORLD WAR II

"531. Widows of Mexican War veterans.
"532. Widows of Civil War veterans.
"533. Children of Civil War veterans.
"534. Widows of Indian War veterans.
"535. Children of Indian War veterans.
"536. Widows of veterans of the Spanish-American War and World War I.
"537. Children of veterans of the Spanish-American War and World War I.

"WORLD WAR II, THE KOREAN CONFLICT, AND THE VIETNAM ERA

"541. Widows of World War II, Korean conflict, or Vietnam era veterans.
"542. Children of World War II, Korean conflict, or Vietnam era veterans.
"543. Net worth limitation."

SEC. 6. (a) The amendments made by this Act shall take effect on the first day of the first calendar month which begins more than 30 days after the date of enactment of this Act.

(b) Nothing in this Act shall affect the eligibility of any person receiving pension under title 38, United States Code, on the effective date of this Act, for pension under all applicable provisions of that title in effect on that date for such period or periods thereafter with respect to which he can qualify under such provisions.

The statement presented by Mr. YARBOROUGH follows:

ADDRESS BY WALDRON E. LEONARD TO THE DEPARTMENT OF ILLINOIS VETERANS OF WORLD WAR I

Commander Carr, Madam President of the Ladies Auxiliary, my Buddies and Sisters:

After my talk with you this morning, you might draw the conclusion that your convention got off to a very slow start, but may I assure you with such an outstanding speaker as Congressman Ken Grey to ring down the final curtain at your annual banquet, those attending this convention will find the time spent most rewarding.

Now I would like to talk with you about the future possibilities of membership and legislation of our organization. From time to time we hear there are so many members dying each year that we can not except to continue our efforts as an organization for more than three or four years. Now ladies and gentlemen, I ask you, have you ever met a veteran of the Spanish American War that was not a member of the United Spanish War Veterans organization? Second, have you ever stopped to realize their organization and their members, on an average, are more than 20 years older than the veteran of World War I.

And third, please remember there are approximately one and a quarter million veterans of World War I eligible for membership in our organization that have not joined with us. So with this, the only chartered organization exclusively representing World War I veterans, may I assure you I am not going to be a pallbearer to bury our efforts as long as we have World War I veterans and their dependents needing our assistance to maintain the present laws in their behalf, and to seek additional legislation for a decent standard of living. Which brings me to the subject of *what* legislation.

Now my Buddies and Sisters let us take a look at the Report of the U.S. Veterans Advisory Commission and their Recommendations regarding World War I veterans and their dependents.

Please remember as I quote from this book, the Members of this Advisory Commission included Past National Commanders of our largest chartered veterans organizations, also several of the outstanding State Directors of Veterans Affairs, and the staff and consultants of the Commission were members who worked for the Veterans Administration.

In an introductory letter to the Administrator of Veterans Affairs, the members of the Commission wrote and I quote in part "This report is the result of many hours of hearings and consideration and is one in which each member of the Commission takes justifiable pride". Now Buddies and Sisters, this statement was submitted after about two years study, visiting and obtaining testimony all over the country at a cost of perhaps a quarter of a million dollars. They personally submitted their Report and Recommendations to the Members of the Veterans Affairs Committee in Congress and both Republican and Democratic members praised their work. For example, one member stated, "I think it historic and a significant milestone in the progress in the administration of our veterans affairs. I think this will be a great contribution and we are deeply grateful to each Member of the Commission". Receptions and cocktail parties were given to honor the members for this outstanding

report, often referred to as the "Bible" for all future legislation. The members were received by the President of the United States. He expressed thanks for a job well done and presented each members with a citation and placed a medal around their neck. A top official of the Veterans Administration was given the highest award from a national veterans organization for his outstanding contribution as a representative of the Administrator of Veterans Affairs.

When suggesting certain veterans legislation the National Commander of Veterans of World War I, USA Inc., recently was quoted as saying, this report superceded the Bradley Report on veterans legislation and would be followed for the next several years.

Now permit me to quote Recommendation No. 17, Page 15, Chapter 11, the caption reads "Alleviation of Financial Needs of Veterans and Survivors Not Connected With Military Service":

"The Commission recommends that pension, as a benefit for war veterans and their survivors, should be maintained as a Federal program providing financial aid above and beyond the levels of public assistance and that, within reasonable improved limits, increases in other forms of income should not adversely affect veterans' pension benefits."

This is followed by a background to the recommendation which spells out as indicated above that "increases in other forms of income shall not adversely affect a veterans or a survivor's pension benefit". I would interpret this to mean, Social Security, Railroad Retirement and other retirements where the veteran has contributed financially. I would interpret this recommendation as saying the veteran is entitled to out patient treatment, hospitalization, free medication, care of teeth, rental subsidy, food stamps and many other fringe benefits, including $279 per month paid a family of four on public assistance in Illinois; or in proportion to the size of the family of the veteran.

On Page 17, Recommendation No. 19 states: "The Commission recommends that pensioners who have reached age 72 and who have been receiving disability or death pension for two years shall not have their pension reduced by reason of fluctuation in annual income or estate." This would eliminate the income questionnaire, as well as reprisals if the veteran receives an inheritance or exceeds his pension income, this also is provided by Social Security benefits.

May I refer you to Page 51, Recommendation 48, which reads as follows: "The Commission recommends that veterans with nonservice-connected disabilities and who have reached the age of 65 not be required to sign an affidavit stating they are unable to pay the cost of hospital care". This is self explanatory and would eliminate as well as the affidavit, the customary interview that pries into the veterans personal history and has no connection with his need for hospitalization.

I would be less than fair with you if I did not point out that this Report of the Commission states: "the payment of pension to veterans for nonservice-connected conditions is soundly based on the principle of economic needs".

If the Members of Congress are going to ignore the recommendations of this Report, "that pension, as a benefit for war veterans and their survivors, should be maintained providing financial aid above and beyond the level of public assistance" then they should ignore the above recommendation regarding pension benefits and support a separate and distinct pension such as the bill introduced by Congressman Gray, H.R. 5195 or one of the similar pension bills that would assure the veteran at least partial financial assistance for his service during World War I.

At the meeting of your National Legislative Committee, February 18–19, 1969; in a question and answer period with the Staff Director of the House Veterans Affairs Committee, I called attention to the benefits granted by our Government to those on welfare and asked why, in view of the President's U.S. Advisory Commission Report, the veteran should not expect these recommendations to be enacted into law. This was his answer and is a direct quote from the minutes of this meeting:

"This is one of the most serious problems facing us. Here's what's happened. The veterans' programs have been straight-laced; it is business-like, and we like it that way, but in the last 5–7 years, we have had free programs coming up all around us. Free medicine, free dental care, etc. Then we take a look at our veterans' programs. This is a problem to us. How do you keep these veterans' programs in philosophy, purpose and intent, abreast of the times."

So I conclude my remarks with this question: Should we pursue the program for a separate and distinct pension for all who served in World War I or should we confine our efforts and concentrate on Recommendation No. 17, in order to provide at least the benefits given those on public assistance for our members in similar circumstances for a decent standard of living, with the full understanding that these benefits will be administered and provided by the Veterans Administration.

Now my friends, I dispute the statement that we who served in World War I are the forgotten veteran. The numerous bills introduced in Congress each year, with little or no final action, will bear me out. But I do contend that the lack of legislation for the veterans of World War I, compared with that given veterans who served in other wars, certainly proves that the veteran of World War I and his dependents are the neglected veterans.

S. 2660—INTRODUCTION OF THE MIGRANT WORKER HEALTH AMENDMENTS OF 1969

Mr. YARBOROUGH. Mr. President, for the Nation as a whole, 900 counties furnish seasonal homes, or work areas—or both—for an estimated 1,000,000 migrant farm workers and their dependents. About one-fifth of the Nation's total migrants live seasonally in 117 counties of Texas, and go out from Texas, their homeland, to work the fields in other States.

For a variety of reasons, migrant farm workers and their families are the group most likely to be bypassed by national health gains. They are poor, live in inadequate housing, are often geographically isolated, belong to various minority groups—chiefly Mexican-American and Negro—and frequently lack knowledge of good health practices and of community health resources.

The "channels" to gain access to health care frighten and confuse them, for they fear the sterile atmosphere of the typical clinic or hospital. Moreover, their constant movement hinders continuity of the scanty services they do receive. Many of their temporary communities look upon them as transients for whom the community feels no responsibility. These communities often lack enough physicians, dentists and nurses to meet the needs of local residents, let alone the needs of people "just passing through."

The result is a heavy burden of illness and disability. Tuberculosis is 17 times more frequent and infestation with worms 35 times more frequent among migrants than among ordinary patients. Mortality from tuberculosis and other infectious diseases is 2½ times the national average. Mortality from accidents is nearly three times the national average. Infant mortality is at the national rate of 20 years ago. As late as 1966, in two Texas border counties—Cameron and Hidalgo—which are home for many thousands of Mexican-American migrants, 20 percent of the births occurred outside of hospitals, compared with 2 percent for the Nation as a whole.

The Migrant Health Act was passed to help meet migrants longstanding health needs. The act authorizes the Public Health Service to grant funds to public or private nonprofit agencies to pay part of the costs of migrant family health service clinics and services to improve migrants' health conditions.

A typical grant-assisted project is operated in a northwestern Ohio county with a seasonal influx of 4,000 members of Texas-based Mexican-American families. The people start coming in April and some stay until November. At the season's peak, twice weekly family health service clinics, held in the evening, provide remedial treatment for men, women and children. The clinics also provide immunizations, family planning, prenatal and postnatal care, and general health counseling. The clinic sessions are held in a remodeled dwelling to which people from surrounding camps have convenient access. Volunteers provide transportation for those who need it.

Each weekday, a nurse is on duty at the clinic headquarters. She refers emergencies to local physicians between clinic sessions. She also makes referrals to local dentists. In addition, she follows up on services given in the evening clinics under standing orders, changing dressings, giving medications, and advising individuals and groups on such problems as diabetic care, prenatal care, and diet.

When the Migrant Health Act was first passed in 1962, organized systems to extend community health services to migrants were extremely rare. Not more than a half-dozen existed in the entire Nation. Now, the Public Health Service informs me that 118 single- and multicounty projects assisted by migrant health grants serve migrants in 317 counties in 36 States and Puerto Rico; 170 hospitals and nearly 1,000 physicians are involved. Of the estimated 300,000 migrants living in project areas for at least brief periods during 1968, 110,000 received medical care and 3,400 were hospitalized. A widely used interarea referral system helped avoid duplications and gaps in services as people moved.

So the work is well begun. However, the potential of the program is far from reached at the present time.

Medical services must be expanded and improved. The present family clinics are swamped with patients at the season's peak. Nearly 600 counties, each with an influx of 100 or more migrants, still lack a system for getting care to the people. What care migrants receive in most of these counties is sporadic, crisis-oriented, and unrelated to care obtained elsewhere.

A similar need exists for expanding dental services. Some project counties have no resident dentist. Little more than emergency extractions are provided for

adults in most existing project areas. Some projects provide no dental care for either adults or children. Hospital services are lacking in about half of the projects and limited in many others.

Many projects have recognized some of these unmet needs but continued grant assistance has had to be scaled down to the funds available, regardless of the merit of proposals for expanded service. A backlog of approved projects to extend services to new areas, and approval requests for project increases, is constantly on hand, with no possibility of providing grant assistance. Nor can the present policy of discouraging new proposals be changed without a substantial increase in the annual authorizations for appropriations.

At the present appropriation level of $8 million, the amount available nationally per migrant is $8. Even when contributions from other than migrant health grant sources are added, the total per migrant is little more than $12. This can be compared with the national average per capita health expenditure of over $200.

Therefore, I am introducing today legislation which would extend the Migrant Health Act for 5 years and increase the appropriation authorizations from $15 million in 1970 to $40 million in 1975. The extension and the increases are absolutely necessary if we are ever to meet such great needs.

Mr. President, I ask unanimous consent that a copy of the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2660), to extend and otherwise amend certain expiring provisions of the Public Health Service Act for migrant health services, introduced by Mr. YARBOROUGH (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 2660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 310 of the Public Health Service Act is amended by striking out "$9,000,000 each for the fiscal year ending June 30, 1968, and the next fiscal year, and $15,000,000 for the fiscal year ending June 30, 1970", and inserting in lieu thereof "not to exceed $15,000,000 for the fiscal year ending June 30, 1970, $20,000,000 for the fiscal year ending June 30, 1971, $25,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for the fiscal year ending June 30, 1973, $35,000,000 for the fiscal year ending June 30, 1974, and $40,000,000 for the fiscal year ending June 30, 1975".

S. 2662—INTRODUCTION OF A BILL RELATING TO FEDERAL PARTICIPATION IN THE COST OF PROTECTING THE SHORES OF THE UNITED STATES, ITS TERRITORIES, AND POSSESSIONS

Mr. NELSON. Mr. President, I am introducing legislation today designed to combat an emergency situation which exists in all States bordering the Great Lakes. Shoreline erosion has become a problem of major proportions; during the past few years, a rising water level in the Great Lakes has resulted in a continual and increasing threat to shoreline homes and property. Not only is erosion destroying miles and miles of beautiful and productive lands, it is contaminating the lake with large amounts of sediment.

The problem along the Kenosha, Wis., shoreline can no longer be ignored. Damage this year in Kenosha alone is already estimated at $200,000. One report notes that damage to Lake Michigan shoreline in 1951 and 1952 was $20 million; this same report estimates that damage this year will be several times that amount due to rising water levels.

One property owner writes that on one particularly windy day the lake claimed 100 feet of land, large trees, bushes, and her garage.

Another reports that damage is so extensive that some residents are abandoning their homes.

A third tells of a storm which swept away 4,500 square feet of footage. He built a retainer wall only to have it destroyed a year later.

A multitude of such stories might be told: homes once 300 feet from the shore now rest within 10 feet of the water, garages have tumbled into the lake, once-useful roads are cracked and perched precariously on the edge of the water. All illustrate the same point.

Individual efforts to halt erosion have failed. Concrete culverts and pilings undercut by rushing water, 10-ton boulders pushed aside, tree trunks deposited on the lake floor all attest to the need for Federal action.

Possibilities for Federal assistance are totally inadequate. The Army Corps of Engineers can provide assistance for damaged privately owned property only when the President declares that a disaster exists. This is aid after the fact, when the damage is already done.

Private property owners purportedly can borrow money from the SBA at 3 percent interest rates. This, however, has not been the case. The Administrator of the SBA writes:

> The matter of consideration of beach and shore erosion goes on almost constantly along both the East and West coasts of Florida and various other ocean coastal and lake areas. To provide disaster funds for protection of such areas and replace the eroded land would be far beyond the capabilities of the Agency. . . . it will not be possible for the Milwaukee Office to give consideration to any disaster loan applications filed there . . . we regret that we are unable to provide the desired assistance.

Concerted Federal assistance is necessary. The Federal Government, acting through the Army Corps of Engineers, must coordinate the placement of abutments and jetties which will have lasting preventive value. Individual efforts may result in twice as much damage to unprotected property and are, at best, temporary relief.

Only a coordinated effort will protect our lakeshores. This bill would allow private property owners to qualify for assistance from the Corps of Engineers in accordance with already established procedures for civil projects relating to shore erosion on public lands. The bill would permit the Federal matching grant formula of 50–50 reimbursement to be met by responsible local interests. In this manner, private citizens, through the process of special municipal assessments, would be able to match Federal aid to solve a problem whose effects are of national importance.

In addition to the assistance provided by this bill, long-range erosion control must include adequate zoning measures which would assure wise development policies in erosion-susceptible areas. Only with such a two-pronged effort can we assure truly lasting control.

This bill has been introduced in the House by Congressman HENRY SCHADEBERG, of Wisconsin, who has the support of Representatives from Ohio, Indiana, Michigan, and California. This is a bipartisan effort and I would hope for the support of as many Senators and Congressmen as possible.

Mr. President, the present situation can only worsen. Unless we authorize preventive measures immediately, the threat of irremediable damage will become reality.

I ask unanimous consent for the text of this bill to be printed in the RECORD at this time.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2662), to amend the Act of August 13, 1946, relating to Federal participation in the cost of protecting the shores of the United States, its territories, and possessions, to include privately owned property, introduced by Mr. NELSON, was received, read twice by its title, referred to the committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 2662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That (a) subsection (b) of the first section of the Act entitled "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property", approved August 13, 1946 (33 U.S.C., sec. 426e(b)), is amended by inserting immediately after "in which the project is located," the following: "or by responsible local interests, or both,".

(b) Subsection (d) of the first section of such Act of August 13, 1946 (33 U.S.C. 426e (d)), is hereby repealed, and subsection (e) of such first section is hereby redesignated as subsection (d).

S. 2665 AND S. 2666—INTRODUCTION OF BILLS TO ASSURE AVAILABILITY OF RENT SUPPLEMENT PAYMENTS AND FOOD COUPONS FOR CERTAIN SERIOUSLY DISABLED VETERANS

Mr. YARBOROUGH. Mr. President, I introduced two bills making veterans with low income automatically eligible for rent supplement and food stamp programs. I offer them as a means of implementing one recommendation of the U.S. Advisory Commission on the Veterans Benefits System.

That Commission urged that veterans' pensions be maintained above and be-

yond the levels of public assistance. It would seem evident that where a veteran's income is so low as to entitle him to relief under the pension system now based upon a means test that he should also be eligible for such Federal assistance programs as are also based on a means test; namely, rent supplements and food stamps.

Pension rates for non-service-connected disability begin with a payment of $110 a month for the single veteran having other income less than $300 a year. If his other income is between $900 and $1,000 a year, he may receive a pension of $88 a month. If a single veteran has as much income as $2,100 a month, he is no longer eligible for any pension. These rates bring his total income to a point barely above poverty income levels.

Many veterans believe—with justification—that public welfare is more generous than the Nation's support of its veterans, especially its veterans of World War I. Yet they are not willing to go on welfare. They should not have to. Those whose financial circumstances are limited should have what anyone could receive through welfare, plus additional compensation to maintain himself and any dependents in dignity.

That is not too much to expect from a wealthy Nation.

Most Americans are convinced we cannot do too much for the servicemen of today who jeopardizes his life and health in a current war about which we read every day in the paper and see depicted on our television screens. They are right in that conviction.

But we must not neglect, either, the veterans of earlier years who put themselves in the same jeopardy. They, too, are entitled to live out their lives in decent economic circumstances.

These bills would assure that any veteran whose income is so small as to make him eligible for the present meager pension will also receive Federal benefits for low-income families and individuals in the form of rent supplements and food stamps.

Mr. President, I ask unanimous consent that these bills be printed at this point in the RECORD.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD.

The bills (S. 2665), to amend title 38, United States Code, to assure availability of rent supplement payments and food coupons for certain seriously disabled veterans, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD; and

S. 2666, a bill to amend title 38, United States Code, to assure availability of rent supplement payments and food coupons for certain seriously disabled veterans, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered printed in the RECORD, as follows:

S. 2665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part II, title 38, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 25.—RENT SUPPLEMENT PAYMENTS AND FOOD COUPONS

"Sec.
"1001. Rent supplement payments.
"§1001. Rent supplement payments

"Any veteran receiving (1) pension based on need of regular aid and attendance under chapter 15 of this title or under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 (73 Stat. 436), or (2) the rate of pension provided by subsection (e) of section 521 of this title or by section 110 of the Veterans' Pension and Readjustment Assistance Act of 1967 (81 Stat. 180), shall be conclusively presumed to be a 'qualified tenant' in determining entitlement to rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s).

"SEC. 2. The analysis of part II of title 38, United States Code, and the analysis of such part at the head of such title are amended by adding at the end of each the following:

"'25. Rent Supplement Payments and Food Coupons ---------- 1001'".

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part II, title 38, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 25.—RENT SUPPLEMENT PAYMENTS AND FOOD COUPONS

"Sec. 1010. Food Coupons

"Any veteran receiving (1) pension based on need of regular aid and attendance under chapter 15 of this title or under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 (73 Stat. 436), or (2) the rate of pension provided by subsection (e) of section 521 of this title or by section 110 of the Veterans' Pension and Readjustment Assistance Act of 1967 (81 Stat. 180), shall be conclusively presumed to constitute an eligible household in determining his entitlement to food coupons authorized by the food stamp program under the Food Stamp Act of 1964, as amended (chapter 15, title 7, United States Code). In any case where such a veteran resides in a political subdivision which does not participate in a State agency plan under that Act, the Secretary of Agriculture shall extend the food stamp program to him under a Federal plan of operation which accomplishes the purposes and functions of a State agency plan consistent with said Act."

SEC. 2. The analysis of part II of title 38, United States Code, and the analysis of such part at the head of such title are amended by adding at the end of each the following:

"25. Rent Supplement Payments and Food Coupons ---------- 1001".

S. 2667—INTRODUCTION OF A BILL TO PROVIDE ADDITIONAL PENALTIES FOR THE USE OF FIREARMS IN THE COMMISSION OF CERTAIN CRIMES OF VIOLENCE

Mr. DOMINICK. Mr. President, I introduce a bill for appropriate reference. It is my understanding the Subcommittee on Juvenile Delinquency will begin hearings shortly on various amendments to the Gun Control Act of 1968, including proposals for a change in the penalty system for use of a firearm in crime.

I think it imperative that the subcommittee have before it my penalty bill which the Senate passed on September 17, 1968, during the general firearms debate.

My bill was designated S. 3681 in the 90th Congress.

When it passed the Senate, the chairman of the Subcommittee on Juvenile Delinquency, Mr. DODD, stated:

I believe this is a good amendment. I think it should be agreed to. I commend the Senator from Colorado for his work and for having offered it. I am sorry I did not cosponsor it.

Two other members of the present Subcommittee on Juvenile Delinquency were cosponsors, Mr. HRUSKA and Mr. TYDINGS.

In addition, there were 13 other cosponsors last year: Mr. ALLOTT, Mr. BIBLE, Mr. BREWSTER, Mr. CANNON, Mr. CURTIS, Mr. FANNIN, Mr. HANSEN, Mr. JORDAN of Idaho, Mr. MAGNUSON, Mr. MCGOVERN, Mr. MURPHY, Mr. MUNDT, and Mr. TOWER.

When the bill went to conference, however, the only portions of it which survived and became law were provisions prohibiting a suspended sentence or probation for a repeat violator.

My bill provided an added penalty up to life in prison for an individual who is armed with any type of firearm while engaged in a Federal crime of violence.

One characteristic which sets it apart from other proposals is that it is based on the same formula, insofar as practicable, as that approved by the Congress and signed into law for the District of Columbia in 1967.

Under the terms of the bill, any person who is convicted of commiting or attempting to commit Federal crimes of violence, as defined in the bill while armed with a firearm may first, in addition to the punishment for the crime, be punished by imprisonment for an indeterminate number of years up to life, as determined by the court; and second, if convicted more than once, be precluded from receiving a suspended or probationary sentence.

There remains in my own mind some question as to the effectiveness of the new District of Columbia law, and whether it is being used. In what I hope is not an isolated case, U.S. District Judge Hart imposed a sentence of 15 years to life, in addition to the penalty for the crime, on a District of Columbia criminal earlier this year because he carried a gun. I ask unanimous consent that newspaper articles about the case be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DOMINICK. However, one of the obvious problems in evaluating the formula now in operation in Washington is that most cases which have reached the trial stage have, until recently, involved offenses which occured prior to enactment of the new law. I would hope that the subcommittee will conduct thorough hearings into what has happened with respect to utilization of the formula in eligible cases this year. This would be of considerable benefit in judging whether it should be made applicable on a national scale.

I recognize there are bills before the

subcommittee to impose mandatory sentences. I am not against that approach, but I believe my bill strikes a middle ground between mandatory sentences and existing Federal law.

Let me keep in mind the concluding lines of the conference report on the 1968 act providing a hybrid form of indeterminate sentence for substantive crimes:

Testimony submitted at the hearing on this legislation disclosed that terms served under indeterminate sentences average longer than do terms under the fixed system.

During Senate debate on my bill last year, I referred to the reservations about mandatory sentencing expressed by both the President's Commission on Law Enforcement and the Administration of Justice, and the President's Commission on Crime in the District of Columbia. I also listed the six instances where Federal law already provided special penalties for use of a firearm. I think the points brought out at that time would be helpful to the subcommittee, and I ask unanimous consent that the debate which appear in the CONGRESSIONAL RECORD, volume 114, part 21, page 27142, be printed at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. DOMINICK. I believe the provisions which became law last year can be strengthened and urge the subcommittee to examine carefully the possibilities of indeterminate sentencing.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2667), to provide additional penalties for the use of firearms in the commission of certain crimes of violence, introduced by Mr. DOMINICK, was received, read twice by its title, and referred to the Committee on the Judiciary.

The material presented by Mr. DOMINICK follows:

EXHIBIT 1

[From the Washington Evening Star, Jan. 31, 1969]

COMES UNDER 1967 LAW: ROBBER GETS 15 YEARS TO LIFE

(By Donald Hirzel)

A federal judge today tapped a section of the D.C. Crime reduction Act of 1967 which permits life sentences for crimes of violence with use of weapons to impose a 15-year-to-life sentence on a man who robbed a liquor store of $622.

U.S. District Court Judge George L. Hart Jr. gave notice that "anyone else convicted by a jury before me on an armed robbery can expect similar treatment."

The law became effective on Dec. 27, 1967, and is believed to have been used only once before in the court.

The reason it has not, according to court officials, is that the court backlog is so great most crimes tried within the last year were committed prior to its enactment.

However, from now on most of the cases being processed will involve offenses which occurred following enactment.

The defendant before Hart today was James McCoy, 25, of the 1600 block of Kenyon St. NW, who had been found guilty of armed robbery, assault with a dangerous weapon and possession of a prohibited weapon—a sawed-off shotgun.

He received 15 years to life for the armed robbery, 40 months to 10 years for the assault and one year for the prohibited weapon. The two lesser charges will be served concurrently with the armed robbery sentence.

McCoy was charged with the $622 holdup of the Congressional Liquor Store, 406 First St. NE, last June 22, with another man.

McCoy was armed with the shotgun and his partner had a pistol. The store owner resisted the robbery and was hit with a whiskey bottle and the pistol butt as the two escaped.

Witnesses noted the tag number of the escape car and on July 11 McCoy was arrested and charged with the robbery.

He was released on bond and on Sept. 9 was arrested on charges of forgery and released on personal bond until his trial on the robbery charge.

McCoy denied any involvement in the holdup.

Defense attorney James Hughes filed an appeal and asked that McCoy be released pending the outcome.

Hart replied that "the nature of the attack indicates that he is a walking keg of dynamite on the street," and refused release.

[From the Washington Post, Feb. 1, 1969]

STIFF NEW PENALTY IMPOSED ON THIEF

(By Thomas W. Lippman)

A District Court judge invoked a little-noticed provision of the 1967 D.C. Crime Act yesterday to impose a prison term of 15 years to life on a convicted liquor store robber.

Judge George L. Hart, Jr., also "served notice," he said, that "anyone else convicted by a jury before me of armed robbery may expect a similar sentence."

The crime bill provided that a judge may impose life imprisonment for any crime of violence in which a dangerous weapon is used. Court officials said they could recall only one previous case in which such action had been taken.

Without the crime act, Judge Hart said, the longest sentence he could have given to James E. McCoy would have been 15 years.

McCoy, 25, of 1636 Kenyon st. nw., was convicted of the robbery of Congressional Liquors, 406 1st st. ne., last July. The jury also found that McCoy used a sawed-off shotgun to threaten the store's owner, Bernard Levine.

"At close range," Judge Hart said, "a sawed-off shotgun is the most dangerous weapon known to man."

Judge Hart also noted that McCoy had been charged with forgery while awaiting trial in the robbery case. The sentence he imposed yesterday, he said, will be consecutive to any sentence given to McCoy in any other case. McCoy will have to serve at least 15 years before becoming eligible for parole.

EXHIBIT 2

AMENDMENT No. 958

Mr. DOMINICK. Mr. President, I call up my amendment No. 958, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be waived, and that the amendment be printed in the RECORD.

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

The amendment, ordered to be printed in the RECORD, is on page 62, after line 10, add the following new title:

"TITLE IV—USE OF FIREARMS IN THE COMMISSION OF CERTAIN CRIMES OF VIOLENCE

"SEC. 401. (a) Part I of title 18, United States Code, is amended by adding immediately after chapter 115 the following new chapter:

" 'CHAPTER 116.—USE OF FIREARMS IN THE COMMISSION OF CERTAIN CRIMES OF VIOLENCE

" 'Sec.

" '2401. Use of firearms in the commission of certain crimes of violence.

" '2402. Definitions.

" '§ 2401. Use of firearms in the commission of certain crimes of violence

" 'Whoever, while engaged in the commission of any offense which is a crime of violence punishable under this title, is armed with any firearm, may in addition to the punishment provided for the crime be punished by imprisonment for an indeterminate number of years up to life, as determined by the court. Upon a subsequent conviction under this section by the same person, notwithstanding any other provision of law, the court shall not suspend the sentence of such person or give him a probationary sentence.

" '§ 2402. Definitions.

" 'As used in this chapter—

" 'Crime of violence' means any of the following crimes or an attempt to commit any of the following crimes: murder; voluntary manslaughter; Presidential assassination, kidnaping, and assault; killing certain officers and employees of the United States; rape; kidnaping; assault with intent to kill, rob, rape, or poison; assault with a dangerous weapon; robbery; burglary; theft; racketeering; extortion; and arson.

" 'Firearm' means any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; the frame or receiver of any such weapon; or any firearm muffler or firearm silencer; or any destructive device.

" 'Destructive device' means any exposive, incendiary, or poison gas bomb, grenade, mine, rocket, missile, or similar device; and includes any type of weapon which will or is designed to or may readily be converted to expel a projectile by the action of any explosive and having any barrel with a bore of one-half inch or more in diameter."

"(b) The analysis of part I of title 18, United States Code, is amended by inserting immediately before the last item the following:

" '116. Use of firearms in the commission of certain crimes of violence... 2401' ".

Mr. TYDINGS. Mr. President, I ask unanimous consent that my name may be listed as a cosponsor of the amendment offered by the Senator from Colorado.

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

Mr. DOMINICK. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. DOMINICK. Mr. President, I welcome the support of the Senator from Maryland. The cosponsors of my amendment are Senators ALLOTT, BIBLE, CANNON, CURTIS, FANNIN, HANSEN, HRUSKA, JORDAN of Idaho, MCGOVERN, MUNDT, MURPHY, TOWER and TYDINGS.

The amendment provides and added penalty up to life in prison for an individual who is armed with any type of firearm while engaged in a Federal crime of violence.

The language of the amendment is identical to S. 3681 which I introduced earlier this year. I offer it today with bipartisan cosponsorship.

Several alternatives have been advanced in the 90th Congress regarding penalties for criminal use of a firearm. However, there is one characteristic which sets my amendment apart and makes it unique. It is based on the same formula, insofar as practicable, as that approved by the Congress and signed by the President just 9 months ago as part of the Omnibus Crime Law for the District of Columbia.

Under the terms of the amendment, any person who is convicted of committing or attempting to commit Federal crimes of violence, as defined in the amendment while

armed with a firearm may first, in addition to the punishment for the crime, be punished by imprisonment for an indeterminate number of years up to life, as determined by the court; and second, if convicted more than once, be precluded from receiving a suspended or probationary sentence.

There was no similar provision in the national crime bill signed into law in June of this year. There is no similar provision in the pending bill.

I believe enactment of such measures in conjunction with effective enforcement and widespread dissemination of the knowledge of their utilization will do more to curtail gun crimes than any of the proposals before the Senate.

We have been dealing in the pending bill with problems in connection with interstate sale of guns. However, my amendment is not designed to get at the gun itself but to get at the man who is using it in Federal crimes of violence; because, after all, it is the fellow who pulls the trigger which really determines what the crime level is going to be, and it is that person we should be deterring.

There are other factors which substantiate the commonsense of the approach taken in this amendment.

No new crime would be created. Penalties have just been increased when one particular element—a gun—is presented in the perpetration of the enumerated crimes. As a result, there would be no additional strain on already overburdened courts.

The provision could go into effect immediately upon passage, without any lag time while enforcement procedures are created.

And, most important, it would give a clear mandate to the Federal courts of this country to deal more severely with criminals who use or carry firearms.

The amendment specifies the offenses which are to be considered crimes of violence, instead of extending to "any felony" as some proposals have done. My reason for this is twofold. First, it is the procedure used in the new District of Columbia crime law, and second, it is apparently the preference of enforcement personnel. A memo prepared by the Legislative Reference Service of the Library of Congress, during the drafting of my amendments contains the following statements:

"THE LIBRARY OF CONGRESS,
"Washington, D.C., June 25, 1968.

"To: Honorable PETER H. DOMINICK,

"From: Education and Public Welfare Division.

"Subject: Special penalties provided under Title 18, U.S. Code, for the use of firearms or other deadly weapons in commission of crimes.

"Under title 18, special penalties are provided for the following:

"The wording employed to describe the weapons covered in each section is as follows:

"Sections 111 and 112: 'deadly or dangerous weapons'.

"Section 113(c): 'dangerous weapon'.

"Section 2113(d): 'dangerous weapon or device'.

"Section 2231: 'deadly or dangerous weapon'.

"Section 3611: 'firearms and ammunition'.

"Section 1752: 'firearms, weapon, explosive, or any lethal or poisonous gas, or any other substance or thing designed to kill, injure, or disable any officer. . . .'

"Section 2277: 'dangerous weapon, instrument, or device, or any dynamite, nitroglycerine, or other explosive article or compound.'

"DICK MENAKER."

Mr. DOMINICK. They are section 111—assault upon U.S. official—section 112—assault upon foreign official—section 113(c)—assault in maritime or territorial jurisdiction—section 2113(d)—robbing bank—and section 2231—resistance to legal search or seizure. Section 3611 is different in that it allows the court to order confiscation of a firearm used by the criminal once he is convicted.

"According to Mr. Marvin Helter, the Justice Department's specialist on federal criminal jurisdiction, it is highly desirable, in drafting a measure such as the one you contemplate, to be specific about the Title 18 offenses to which it is desired that the act would apply."

All of the serious crimes of a violent nature are included as well as racketeering which involves many elements of both violence and lack of violence. Let me read them as listed in the amendment: murder; voluntary manslaughter; presidential assassination, kidnaping, and assault; killing certain officers and employees of the United States; rape; kidnaping; assault with intent to kill, rob, rape, or poison; assault with a dangerous weapon; robbery; burglary; theft; racketeering; extortion; and arson.

"Firearm" is defined with the same definition as in the pending bill and includes any type of firearm.

This, I submit is the better approach, because it selectively applies greater penalties to those crimes in which firearms are most extensively used and in which if firearms were not used, the crimes would be much more difficult to execute. These are the crimes in which the life of the victim is most in danger.

Existing Federal law containing special penalties for use of a firearm in crime is quite limited. There are only six instances in title 18, the title of the United States Code dealing with crimes and criminal procedure. I ask unanimous consent to have printed in the RECORD at this point a table of these sections.

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

Section of title 18	Imprisonment and/or fine	Other
111 (assault upon U.S. official)	Up to 10 years and/or up to $10,000	
112 (assault upon foreign official)	do	
113c (assault in maritime or territorial jurisdiction)	Up to 5 years and/or up to $1,000	
2113d (robbing bank)	Up to 25 years and/or up to $10,000	
2231 (resistance to legal search or seizure)	Up to 10 years and/or up to $10,000	
3611 (commission of felony with firearm)		Immediate confiscation.

OTHER TITLE 18 OFFENSES RELATING TO FIREARMS

	Imprisonment	Fine	Other
1792 (carrying firearm into Federal penal or correctional institution)	Up to 10 years		
2277 (carrying dangerous weapon aboard vessel without permission)	Up to 1 year	Up to $1,000	

To that list should also be added section 2114 regarding postal and other property.

My amendment would not repeal these provisions nor would it diminish their effectiveness. While the terminology varies, in general it may be said that each of these sections covers any dangerous or deadly weapon. On the other hand, my amendment covers only firearms. As such, it is not intended to detract from these existing sections, but it would be available if the prosecutor and the court desired, for the purpose of stronger penalties in those cases where firearms were involved.

Within the debate over stiffer sentences, some have argued for mandatory minimum fixed terms without regard to the circumstances. Another possibly is what has sometimes been called the pure form of the indeterminate sentence—a sentence for a term without a minimum or maximum, with release depending upon rehabilitation. I am not against these, but I have some reservations as to whether either is as effective or as strong as the formula in my amendment. Let me explain why.

Mandatory sentencing was examined by a task force of the President's Commission on Law Enforcement and the Administration of Justice. It said this:

"Because of the need to deter potential offenders and to isolate dangerous persons from the community, it is necessary that long prison sentences be available for those who have committed the most serious offenses or for those who are likely to commit further crimes. Mandatory sentences, however, prevent the courts from basing their sentences on the relative importance of these factors in each case. Judges and prosecutors often regard punishment by long mandatory terms as unreasonably harsh, and they are faced with the dilemma of adhering to the statutory requirement of avoiding it to produce results that seem to be just in individual cases. . . ."

There is persuasive evidence of nonenforcement of these mandatory sentencing provisions by the courts and prosecutors. For example, where certain offenses carry long mandatory prison terms, prosecutors frequently reduce the charge to a lesser offense if the defendant agrees to plead guilty. . . .

By denying adequate sentencing discretion to the courts, the legislatures have unintentionally increased the bargaining power of the prosecutor in plea negotiations. . . .

A dim view of mandatory minimum fixed sentences was also taken by another commission—The President's Commission on Crime in the District of Columbia. After an analysis of sentencing practices in the District, the Commission concluded:

"Until reliable and detailed data are gathered, the Commission cautions against insufficiently informed responses to reports of rising crime, which assume unproved relationships between sentence severity and flexibility of the courts and correctional authorities to deal with convicted offenders. Unfortunately, such responses mask the need for experimentation with new sentencing alternatives and methods in the light of current knowledge in the fields of correction and the behavioral sciences."

Indeterminate sentencing, in its many forms, is another matter. It preserves discretion and flexibility for the courts and correctional authorities to deal with each case as the circumstances may require. In 1958, Congress authorized Federal courts to impose a hybrid form of indeterminate sentence within the limits of the provisions of each substantive offense, 18 U.S.C. 4208. It was only a limited beginning, but it was a recognition of the merits of indeterminate sentencing patterns.

I said before that I wanted to be sure we provide swift punishment for gun crimes. I also said I had reason to believe my amendment would result in a stronger sentencing structure than mandatory fixed minimums. Let me emphasize, therefore, the concluding

lines of the conference report on the 1958 act, when Congress began to enter the field of indeterminate sentencing. The report said:

"Testimony submitted at the hearing on this legislation disclosed that terms served under indeterminable sentences average longer than do terms under the fixed system."

The formula which we approved as the new law for the Nation's Capital, and which is contained in my amendment, is a reasonable compromise. It encompasses elements both indeterminate and mandatory.

My amendment fits nicely into the framework authorized by the 1958 act, 18 United States Code 4208. That act covered offenses punishable by a term exceeding 1 year. Under its terms, the Federal court may, within the limits set by the substantive offense, fix a minimum and maximum term with the minimum not more than one-third of the maximum. Alternatively, it may fix the maximum term to be served within those limits without setting a minimum term and vest the parole board with discretion to release the offender at the proper time.

At the same time, the formula in my amendment has a mandatory aspect. If the prosecutor brings an action against a repeat offender and he is convicted, it is mandatory that the criminal go to prison. The court could not suspend his sentence or give him a probationary sentence.

This new formula strengthens law enforcement, but it maintains the needed flexibility and discretion in the sentencing process. It overcomes the principal objection to mandatory sentencing—the rigidity which does not allow individual cases to be judged solely on the merits. Under the form and substance of congressional policy set forth, it permits Federal judges to sentence more in accord with the relative merits of each offender, in terms of record, type of offense, degree of magnitude of harm to victim, and other related factors.

I recognize the need, as do the American people, for improved enforcement of existing laws. I also recognize the need for obtaining solid convictions of criminals. The changes we recently made in Supreme Court decisions on the admissibility of confessions and other evidence may help. But I also recognize the need for stamping out violence by directing our efforts at those who perpetrate it. My amendment would do that.

The majority of crimes are, of course, State crimes, so the impact of my amendment would be limited in the sense of number of convictions under its terms. But, by limiting its application to Federal crimes—and Federal crimes which are enumerated—we respect and preserve the traditional separation between State and Federal jurisdiction over law enforcement.

By its enactment, Congress can make it clear to every potential criminal in America who contemplates using a gun in crime that he runs the risk of imprisonment for life.

By its enactment, we can stress to State and local legislative bodies the desirability of their enacting similar measures.

We recently took this step for residents of the District of Columbia. Let us now do it for the rest of the Nation.

Mr. President, I have been asked by the Senator from New Hampshire [Mr. COTTON] to request unanimous consent to have his name added as a cosponsor of this amendment.

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

Mr. DOMINICK. I reserve the remainder of my time.

Mr. DODD. Mr President, I believe this is a good amendment. I think it should be agreed to. I commend the Senator from Colorado for his work and for having offered it. I am sorry I did not cosponsor it, but I was not aware of the amendment. I think it is a good amendment and I know of no opposition to it.

Mr. BREWSTER. Mr. President, will the Senator yield to me for 1 minute?

Mr. DODD. I yield to the Senator from Maryland.

Mr. BREWSTER. Mr. President, I have a similar amendment which I had proposed to bring up later in the debate.

I ask unanimous consent to have my name added as a cosponsor of the amendment of the Senator from Colorado.

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

Do Senators yield back the remainder of their time?

Mr. DOMINICK. I yield back the remainder of my time.

Mr. DODD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HRUSKA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 2668—INTRODUCTION OF A BILL TO PROVIDE ADDITIONAL EDUCATION AND TRAINING ASSISTANCE TO VETERANS AND TO PROVIDE FOR A PREDISCHARGE EDUCATION PROGRAM

Mr. CRANSTON. Mr. President, today I introduce, for appropriate reference, a bill to establish four new programs to provide special educational and training assistance to veterans and preveterans, basically those from disadvantaged backgrounds, who may have certain academic deficiencies preventing them from or hindering them in pursuing higher education or vocational training. These programs would all be administered directly by the Veterans' Administration and would be financed by payments made by the VA to or on behalf of the eligible veteran or preveteran. There would be coordination and consultation with the Secretary of Defense, in certain instances, and with the Commissioner of Education. Since these are new programs, it is felt that workable guidelines can best be developed utilizing the expertise of the Office of Education in establishing special programs for these purposes.

I also think it important at the outset to acknowledge and express my gratitude for the direct contribution that has been made to this bill by the Senator from Massachusetts (Mr. KENNEDY), my immediate predecessor as chairman of the Subcommittee on Veterans' Affairs of the Labor and Public Welfare Committee. In his bill, S. 2361, which he introduced on June 12, 1969, with cosponsorship by the distinguished chairman of the Labor and Public Welfare Committee, the Senator from Texas (Mr. YARBOROUGH) and myself, the basic outline of the first two programs which the bill I introduce today would establish were set forth.

This new bill seeks to achieve a number of the ends of S. 2361 through a different method, by establishing direct entitlements to benefits for special educational and training assistance on the part of the veteran and the preveteran rather than through a system of grants to educational intitution which S. 2361 would authorize. I wish to make clear, however, that neither Senator KENNEDY nor I view the approach in the present bill as a substitute for S. 2361, but rather, as will be made clear in the discussion which follows, a coordinate and complementary program.

In his floor statement of June 12, 1969, upon introducing S. 2361—page 15527–15529—Senator KENNEDY poignantly outlined the dimensions of the problem: the great need to encourage and assist toward necessary education and training the hundreds of thousands of those men and women released from service each year who are high school dropouts. Since these veterans have been participating in cold war GI bill benefits at the rate of only one out of 10, it seems quite clear that our programs under present statutory authority are not doing the job that is so vitally necessary. This point is also made very forcefully in a July 4, 1969, article in the Los Angeles Times, entitled, "GI: Why Viet Veterans Ignore Benefits—Lack of Motivation by Dropout Returnees Cited as Main Reason." I ask unanimous consent, Mr. President, that the text of that article be printed in the RECORD at the conclusion of my remarks.

Thus, I wish to congratuate and commend Senator KENNEDY for his outstanding leadership in breaking ground to highlight the need for special educational assistance for veterans from disadvantaged backgrounds, who have academic deficiencies and for proposing constructive and imaginative programs to provide that assistance. I am delighted to have him join me, today, as a cosponsor of the legislation I am introducing.

As I stated earlier, this bill would provide for four new programs.

First, providing educational assistance allowances for college preparatory refresher or academic deficiency courses in other than secondary schools.

In 1967, the Congress established a new program of special training for the educationally disadvantaged, section 1678 of title 38, United States Code. This program was designed to give the high school dropout the chance to acquire higher education or vocational education and training. The provisions, in the Cold War GI Bill Amendments of 1967, provide that the veteran who needs additional high school training or its equivalent will be paid the full educational assistance allowance without having it charged against the period of educational entitlement—up to 36 months—which the veteran has earned. This amendment just has not done the job. Whereas approximately 23 percent of all discharged veterans were high school dropouts, participation of all returning veterans in high school level educational programs is running at only 2.4 percent.

In his June 12 floor statement on S. 2361, Senator Kennedy suggested reasons for this low utilization: essentially that a high school environment is not very attractive to a 22- or 23-year-old veteran, especially one with a family, and that high school adult education

courses have not been geared to the needs of veterans or of an individual veteran.

To help solve this problem, section 1 of the bill would make a very slight, but I think potentially very significant, change in the section which was added to the code in 1967 to provide special training for the educationally disadvantaged veteran. Presently, a veteran with academic deficiencies who needs refresher or deficiency courses to qualify for admission to an appropriate educational institution where he can pursue a program of education for which he would otherwise be eligible must take such special courses at a secondary school. The bill would permit such refresher or deficiency courses to be pursued at any appropriate institution offering such courses, including therefore, a junior college, college, or university offering precollege preparatory assistance. Presently, there are a number of colleges, such as the California community college system and Pennsylvania State University, which offer such special courses. It is hoped that, with the creation of this broader educational assistance allowance entitlement, many more institutions will offer college preparatory assistance.

As I indicated earlier, this method of financing college preparatory work for the academically deficient veteran in other than a secondary school setting would be complementary, rather than an alternative, to the grant approach in S. 2361. Senator KENNEDY and I contemplate that there would be a substantial need for "seed" money to help institutions establish effective preparatory programs and seek out the servicemen and veterans with academic deficiencies. These funds would be provided under S. 2361 by grants to institutions for employment of special counselors and teachers to design, administer, and recruit for the preparatory courses.

I again wish to thank Senator KENNEDY for developing this idea and working with me to find an additional method of implementing it in this bill.

Second, providing for direct payment of expenses of refresher courses, counseling, tutorial or remedial assistance, or other special assistance to veterans already enrolled at educational institutions.

This is also one of the features of S. 2361. It is approached in this bill by providing for payment, on behalf of the individual veteran, directly to the educational institution offering such supplementary courses to student veterans pursuing courses of study at those institutions. Once again, S. 2361 would be complementary in providing "seed" money for such institutions to hire administrative and professional personnel to design and administer such programs for veterans with academic deficiencies.

The amounts which the Veterans' Administration would pay to an educational institution for such supplementary assistance provided to an eligible veteran under this program, as well as the terms and conditions under which such assistance may be provided, would be prescribed in regulations set forth by the Administrator of Veterans' Affairs after consultation with the Commissioner of Education. A consultative and advisory function, without administrative responsibility, is given to the Office of Education.

The supplementary assistance program would be added as part of the section 1678 on special training for the educationally disadvantaged veteran. As with the other programs established under that section, payment of the special assistance training or educational expenses—here directly to the educational institution concerned—would be made without charge to the veteran's period of entitlement under the GI bill.

Third, providing that noncredit deficiency courses may be counted toward full-time status for purposes of receiving a full-time educational assistance allowance.

This third new program under the bill covers another aspect of the provision of special supplementary assistance to eligible veterans.

Under this provision, a veteran would be considered to be pursuing a full-time course at a junior college, college, or university even though he is carrying only half or somewhat more of the normal credit hours considered to be full-time study when, at the same time, he is carrying noncredit courses which he is required to take—because of some educational deficiency—in order to pursue his course of study. In order to be so eligible for a full-time educational assistance allowance, the veteran would be required to be taking the number of noncredit hours which, when added to the number of credit hours, would equal the usual full-time semester-hour requirement, or the equivalent thereof.

Also, this provision would not apply to any noncredit courses which were being paid for directly by the VA under the second program in this bill.

This provision would permit, for example, a veteran attending college under the GI bill who wished to change his major from liberal arts to engineering to take certain basic mathematics courses which he may be lacking and which were prerequisite for entering the engineering course of study and to have those courses counted toward establishing entitlement to a full-time allowance even though he was not granted credit toward an engineering degree for the mathematics courses.

It should also be noted that, if for some reason the second program in this bill is not enacted, this program would go a long way toward providing the necessary funds for special supplementary assistance to the academically deficient veteran, although it would not do so by direct payment to the institution and would not, therefore, necessarily cover all the expenses of obtaining such assistance.

Fourth, establishing predischarge education program—PREP program. In terms of impact on the number of potential participants, this is the major program which would be established by this bill. It aims essentially at providing training and assistance to the preveteran—that is, a person in the Armed Forces prior to discharge from active duty—preparatory to future education or training, or in some instances, directly preparatory to a vocation.

At hearings before the Veterans' Affairs Subcommittee on June 24, 25, and 26, dramatic evidence was presented regarding the underutilization of the entire post-Korean GI bill education and training program. The present rate of participation is only approximately 20 percent, less than half of the rate of participation in the Korean program and substantially less than half of the rate of participation in the World War II program.

I am not able at this point to accept the explanation of the Veterans' Administration that the participation rate is destined to improve over time. I fully agree with Senator YARBOROUGH, who has deplored this low participation rate and has introduced S. 338 to attempt to improve participation and provide equitable assistance by substantially increasing the education and training allowances under the post-Korean GI bill. I have joined Senator YARBOROUGH as a cosponsor of that bill and of an amendment to it which would make these increases across-the-board, including increases in the augmented allowance rates for veterans with dependents. Hopefully, a more realistic and fair allowance rate will improve participation, but I am not convinced that it is the only answer.

Increasing GI bill utilization is the principal purpose of the PREP program which would be established by this bill. This program would seek to reach the veteran before his discharge by involving him, in the last year of his military service, in education or training which would prepare him to pursue education or training under the regular GI bill. Benefits which such a veteran would receive under the PREP program would be without charge against his educational entitlement under the regular GI bill.

Although this preparatory education and training would not by statute be limited to those from disadvantaged backgrounds who have academic deficiencies, it is clear that such persons are the ones most in need of the type of assistance which the PREP program would provide. The high school dropouts, who constitute 23 percent of the approximately 1 million servicemen who will be discharged in fiscal year 1970, are prime prospects for participation in the PREP program. Most of these 230,000 men and women are not generally inclined to seek out and pursue their educational entitlements under the GI bill. It would be the purpose of the PREP program to seek them out and draw them into that program while they are still on active duty and then, hopefully, into further education and training under the regular GI bill.

In addition to these approximately 230,000 high school dropout veterans, there are perhaps 200,000 other veterans who will be discharged in this fiscal year who will have acquired in the service no usable civilian skill or who will have acquired skills which are only partially usable in civilian life, such as low level administrative and clerical skills which are

often of limited immediate transferability into the civilian job market.

The PREP program would have two essential aspects. First, the Administrator of Veterans' Affairs, would be directed to pay directly to an educational institution the expenses of providing the necessary preparatory education and training assistance, but not to exceed $150 per month on behalf of each eligible person. As was the case with the World War II GI bill program, this benefit would cover the full cost of the education and training since it would be paid directly to the educational institution concerned.

No benefits for subsistence would be necessary since the eligible preveteran would already be receiving all other services at the expense of the Department of Defense.

After having served on active duty for at least 1 full year, the preveteran would be eligible to participate in this program during his last 12 months of active-duty service. The discharge date would be established by certification to the Administrator by the Secretary of the Armed Services branch concerned.

The PREP program would be directly administered by the Administrator of Veterans' Affairs in accordance with regulations which he would prescribe jointly with the Secretary of Defense and the Commissioner of Education. Additional educational and training expenses reimbursable to the educational institution would include the cost of determining suitability for enrollment, the cost of job placement and career guidance, and the cost of books and supplies to be provided to the eligible person by the institution.

Such regulations would also specify the standards which the Administrator would apply to approve the educational institution and the course in question. For purposes of such approval, the general requirement of section 1675(a) of title 38, United States Code, that a course in operation for less than 2 years shall not be approved, would be waived. Application of such a requirement would be entirely inappropriate to a program such as PREP which is attempting to attract and provide incentives for educational instiutions to establish new preparatory education and training programs. However, it is important to emphasize that the Administrator would be expected to exercise the same degree of careful scrutiny in the approval of courses that he does now for all GI bill education and training programs, as required by title 38 of the code.

Generally, the Administrator would not be permitted to approve types of courses under the PREP program which would be required to be disapproved under the requirements for approval of courses under present GI bill programs—section 1673 of title 38, United States Code. The one exception to this restriction on the Administrator would be the prohibition against approval of noncredit courses at the college level offered by proprietary profit or proprietary nonprofit educational institutions when such courses are more than 85 percent filled by students receiving GI bill assistance. Obviously, to impose any such restriction with respect to the PREP program would be unrealistic and counterproductive and would serve only to eliminate the valuable contributions proprietary institutions would be able to make to the PREP program.

The second major aspect of the PREP program would be to mandate the Administrator on Veterans' Affairs with responsibility for arranging for and coordinating educational and vocational assistance and job placement assistance to persons eligible for the PREP program. This would include three separate classes of preveterans in their last year of military service: First, those who are potentially eligible to participate in the PREP program itself; second, those PREP program participants who will need career guidance and job placement assistance after they complete that program; and third, those who are not participating in the PREP program, but who are in the last year of their military service and who will likely be eligible for full benefits under the regular GI bill program.

It is not contemplated that the Veterans' Administration would necessarily carry out all of these activities directly. For example, some might be performed by the Department of Defense and some by the educational institutions involved in the PREP program. But it would be the clear responsibility of the Veterans' Administration to insure that the necessary educational and vocational guidance and job placement assistance are provided to the eligible veteran.

The PREP program would operate as an adjunct of the "transition program" presently run by the Defense Department. That program has been more generally known as "Project Transition." It was established in 1967 on the basis of a Presidential directive to the Secretary of Defense, and its purpose is to provide maximum inservice training or educational opportunities to servicemen during their last 6 months of duty in order to prepare them for a productive reentry into civilian life. The program operates on a decentralized basis at 254 bases in the Army, Navy, Air Force, and Marine Corps. The majority of these installations are within the United States. Servicemen are contacted normally 6 months prior to separation by questionnaire in order to determine their interest in participation. The program is completely voluntary.

The program is primarily for those individuals in most needs of vocational skill training or education in order to make a proper readjustment to civilian life. Emphasis is placed on four basic items: counseling, skill training, education, and placement.

Priority in the program is given to those enlisted personnel in any one of these categories: combat disabled, ineligible to reenlist, entered service with no civilian job experience and did not acquire a civilian-related skill during their period of active duty, served almost exclusively in the combat-type military specialties, have low educational achievement, desire upgrading of their military skills which are civilian-related, require refresher training in civilian skills acquired prior to service, retiring and desire to obtain a useful civilian skill.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of the fact sheet on the transition program prepared by the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs, Department of Defense.

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

TRANSITION PROGRAM

I. PURPOSE

The purpose of this program is to provide maximum inservice training or educational opportunities to servicemen during their last six months of duty in order to prepare them for a productive reentry into civilian life.

II. ORGANIZATION

The program operates on a decentralized basis at 254 bases in the Army, Navy, Air Force and Marine Corps. The majority of these installations are within the United States. Servicemen are contacted normally six months prior to separation by questionnaire in order to determine their interest in participation. The program is completely voluntary.

III. TARGET POPULATION

The program is primarily for those individuals in most need of vocational skill training or education in order to make a proper readjustment to civilian life.

Priority in the program is given to those enlisted personnel in any one of these categories:

Are combat disabled.

Are ineligible to reenlist.

Entered Service with no civilian job experience and who did not acquire a civilian-related skill during their period of active duty.

Served almost exclusively in the combat type military specialties.

Have low educational achievement.

Desire upgrading of their military skills which are civilian-related.

Require refresher training in civilian skills acquired prior to service.

Are retiring and desire to obtain a useful civilian skill.

IV. SCOPE

The program emphasizes four basic items: counseling, skill training, education, and placement.

V. COUNSELING

All men with 1–6 months' service time complete a questionnaire containing information about preferences. A counseling session is established to discuss the serviceman's qualifications and outlook, including the preferences stated on the questionnaire, and to display to the serviceman the array of alternatives open to him. Transition training or education may be alternatives. Reenlistment may be another. For some men, returning to their community for immediate job placement after completion of certain types of training available in their home community may be a third alternative. A fourth may be to pursue benefits of the GI Legislation. A fifth may be to seek aid in appraising the skills acquired during their military service in order to prepare them for the most favorable placement in the civilian job market. The advantage of this counseling, well in advance of separation, is the opportunity it affords the serviceman to think carefully about his future. At no other time will there be available to a counselor the wealth of personnel data upon which to help the man make critical decisions.

VI. SKILL TRAINING AND EDUCATION

The Skill Training provided in Transition is from three sources:

Military—existing formal school courses,

on-the-job training programs in military skills which are civilian-related, programmed learning courses which can be individually pursued.

Local-State-Federal—courses established on or off-base through the facilities of local governments, Department of Labor, HEW, and Office of Education, appropriate State agencies, and agencies of the Federal government which have large employment demands.

Courses provided by private industry to meet specific employment requirements. Companies are given the opportunity to train servicemen prior to their release, on or near a military base, in skills for which they have a specific requirement.

The skills for which men are trained reflect the desires of the individual, the requirement of the company, and/or the employment estimate supplied by Federal and State Agencies through the facilities of the Department of Labor and private industry. The aim of the program is to provide the returning serviceman with a marketable skill which will enhance his chances of good employment. Training is in skills which are needed in the areas to which the servicemen are returning.

In addition to skill training needs, some men require further *education*. The project identifies those in need of educational upgrading and assists in placing those who desire it in programs which will upgrade their educational status to the completion of an 8th grade or high school equivalency, as needed, or provide them specific academic subjects needed in a particular occupation, such as mathematics. Educational programs are related to enhancing job opportunities. Certain programs are developed with colleges which lead to careers in the public service.

Some men require *both* education and skill training. In such cases the counseling program assists them in selection of the best path within the service time remaining.

Individuals take the offerings after normal duty hours or during duty hours if the local command can accommodate such released time. Arrangements are made between a company and the base for the time and facilities needed to conduct the formal or O.J.T. programs. O.J.T. type training on or off base, by military or private resources, is encouraged since it provides for greater flexibility and greater "hands on" opportunity. Programmed learning materials are used to facilitate training of individuals or small groups and to extend the number of training opportunities. The latter training program is appropriate where there are insufficient personnel to establish regular courses.

The major thrust in the training area is to involve American industry to the maximum in providing skill training for jobs for which it has a specific requirement. If a serviceman receives such training and a placement opportunity prior to separation, he is in a good position for making a good economic reentry into civilian life.

VII. PLACEMENT

Through the facilities of the Department of Labor, State and local agencies, the local regional and national job opportunities are made known to the counselors at each military installation where Transition training is conducted. In addition, the local, regional or national industrial community augments the employment requirements information provided through Department of Labor sources. The intent of the placement program is to make the job opportunities in the area in which the serviceman intends to reside known to him prior to his release from active duty. Mobility will be encouraged in those cases where a serviceman may be returning to a critical employment area.

VIII. CURRENT COURSES

Representative of the courses which are being conducted:

Computer Technician, Fish and Wildlife Management, Postal Worker, Office Machine Operator (various types), Industrial Electrician, Small Appliance Repairman, Drafting, Welding, TV/Radio Serviceman, Service Station Management, Office Machine Repairman, Auto Mechanic, Warehousemen, ADP Machine Repairmen, and Salesman (various types).

IX. SUMMARY

The Transition Program is designed to bring to the serviceman, prior to his separation, the maximum number of resources available in the private and public sectors. The Department of Defense operates as a catalyst to bring this about. It does not itself duplicate the functions of government services and the training resources of industry but merely serves to make them more readily available prior to discharge.

Course offerings depend upon the resources which become available through the cooperative efforts of public sector: Federal, State, and local governments, schools and colleges and the private sector—business and industry, labor and management and private educational institutions.

The Program:

1. Is reaching many men at a very critical point in their life when they want to build upon their recent military service in the very best way possible.

2. Is increasing the services to the veterans at a very critical time when they have some opportunity to reflect positively on what kind of aid they may desire.

3. Helps to counterbalance immediately some slippage in concern for the returning soldier, sailor, airman, or Marine at a time when attention is riveted upon other pressing problems.

4. Provides to the men while still in uniform a very meaningful expression of the public interest and concern for their immediate future in a manner heretofore not demonstrated to the returning serviceman.

5. Enables servicemen to make rational choices in a favorable decision-making climate while they still have the security of the uniform, including an opportunity to take a hard look at the realities of civilian life, weighing his goals against his own capabilities.

6. Provides an opportunity for those who would otherwise be returning to a critical urban or rural environment to make a choice for mobility and follow a good industry job to a new community.

7. Helps universities and colleges to provide innovative programs to men who may never have sought such training under the GI benefits.

8. Enables American industry to convert to immediate use a very ready, capable, and interesting manpower pool through training according to its own requirements.

9. Enables the Armed Forces to offer a recruiting incentive to all prospective applicants by providing not only a career program with security, but an option for closing the loop back to civilian life with an educational or training advantage for all personnel when they leave the service at the conclusion of their military obligation.

10. Permits the Veterans Administration, Department of Labor, Office of Education, Department of Commerce, Justice Department, as well as local and state governmental jurisdiction to give wider and more immediate support to the servicemen in the fields where they have the responsibility and capability.

11. Lays the basis for a more meaningful use of GI benefits to those individuals who most need to consider the value of these benefits.

12. Enables those who have developed or realize their leadership potential while still in uniform to give more positive expression to this capability by training in public service or other occupations where the leadership quality can be fully utilized.

13. Eliminates the possibility for some men entering the category of disadvantaged by giving them the opportunity to become immediately self-sufficient.

14. Enables many men who would otherwise spend long periods in job search or uncertain training to acquire a skill and enter immediately into the role of a positive economic contributor to American life.

Mr. CRANSTON. This DOD transition program is, I think, an excellent beginning in the area of predischarge education and training. However, in its first fiscal year of operation—this past fiscal year—it reached only about 60,000 of the 940,000 men and women separated from the service during that period. Although it has achieved considerable success in trying to reach those in minority groups—19 percent of those enrolled are black—it does not seem that the program has been reaching enough of the most disadvantaged. Only 26 percent of the participants in the program are high school dropouts, only slightly higher than the militarywide high school dropout percentage. The program would be far more successful if high school dropouts constituted a substantial majority of the participants. Once again, this program may be the victim of the old adage that those who already know how to take advantage of available special benefits are those who really need them the least.

In any event, it is very clear, as I indicated earlier, that many many more than 60,000 discharges require predischarge education and training if they are to make a meaningful transition to civilian life and achieve reasonable career goals. One of the particular deficiencies in the present transition program is that colleges, universities, and other educational institutions participate in only a token way. The vast bulk of the training is carried out by the military services themselves—especially by the U.S. Armed Forces Institute and as an extension of the General Education Development—GED—program—by private industries meeting specific employment requirements, and by certain local, State, and Federal agencies. Although the transition program lists 25 percent of its enrollees as pursuing education, only a very few men are participating in college preparatory work. These are the several dozen men sponsored by Webster College, Mo., who later entered a special veterans' program at that college, and a program at Fort Dix in New Jersey sponsored by the Staten Island Community College.

The problem has been that funds are not available to pay educational institutions the cost of providing the necessary screening, instructional, counseling, guidance, and placement services either on or near the base. The PREP program is designed to fill this gap. The Webster College program has already elicited interest from nearly 200 colleges, and I would hope that this interest would yield a high participation rate by such colleges once the PREP program is enacted.

Mr. President, I am preparing a chart, which I hope can be printed in the RECORD at a later date, which will show the principal military bases in the United States, the number of military personnel assigned there, the transition program contact officer for those bases participat-

ing in that program, the average monthly separations from those transition program participants, and the colleges, universities, or technical schools within 10 to 20 miles of each base. This chart will indicate that there are educational institutions in the immediate vicinity of more than 91 percent of all the bases listed. It will also show, for example, that there are approximately 67,000 servicemen separated annually in the State of California who are stationed there for a substantial period of time prior to discharge. California is the leader in this regard. The State with the second most such separations is Texas, with approximately 57,000.

Thus the logistical and geographical situation seems ripe for the influx of funding to make it possible for these institutions to provide the necessary preparatory education and training assistance to the preveterans in the last year of their service at these bases.

By showing on the list only bases in the United States, I do not wish in any way to imply that the PREP program would not be available to preveterans serving overseas during the last 12 months of their service. I am advised that there are a substantial number of American colleges and universities and other educational institutions which are equipped to provide the necessary educational training and assistance to servicemen overseas, although the logistical arrangements and payments may be somewhat more difficult for the Veterans' Administration to administer.

If the PREP program is to operate at its fullest potential as an adjunct to the transition program, I would strongly recommend to the Secretary of Defense that he reconsider certain DOD guidelines. For example, it may become desirable for that program to be opened up to officers in addition to enlisted personnel. Perhaps of greater necessity would be a modification of the 5-months-early discretionary discharge policy for servicemen who have served in Vietnam. It would seem desirable for a pre-veteran wishing to participate in the PREP program to be able—and to be encouraged—to remain in service for that purpose and to have the flexibility of chosing to remain in service less than the full 5 months left in his tour of duty.

It is my belief, Mr. President, that the four new special education and training assistance programs which this bill would establish would make a substantial contribution to our society's repayment of its obligation to our veterans, especially those from disadvantaged backgrounds. As all of our experience with the three prior GI bills has indicated, the investment we make in education and training for veterans is returned manyfold in terms of the increased earning power and taxpaying capability of these veterans throughout their lives.

Senator KENNEDY put this point very well in his June 12 statement when he stated:

> This Nation has a rare opportunity to assist and benefit from the men who have broken out of disadvantaged backgrounds and matured in the service. If we follow through with full veterans programs, including educational services for veterans, we can insure that returning servicemen will not revert to unproductive lives in ghettos or other areas. Rather, veterans whose horizons and aspirations have been broadened in the service can continue to contribute to our national welfare as constructive, well-educated citizens.
>
> We have an obligation both to the men as individuals and to society as a whole to give them the chance.

I am pleased to be joined in introducing this bill, along with Senator KENNEDY, by the Senator from Texas (Mr. YARBOROUGH), the Senator from West Virginia (Mr. RANDOLPH) who is a former chairman of the Veterans' Affairs Subcommittee and the ranking majority member of the full Labor and Public Welfare Committee, and by the Senator from Pennsylvania (Mr. SCHWEIKER), the ranking minority member of the Veterans' Affairs Subcommittee.

I plan to call hearings on this bill before the Subcommittee on Veterans' Affairs by the end of this month.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point and the Los Angeles Times article which I mentioned earlier.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the fact sheet and the bill will be printed in the RECORD.

The bill (S. 2668), to amend chapter 34 of title 38, United States Code, to provide additional education and training assistance to veterans, and to provide for a predischarge education program, introduced by Mr. CRANSTON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 2668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1678(a) of title 38, United States Code, is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out "secondary school" in clause (2), and inserting in lieu thereof "education or"; and

(3) by adding "or" at the end of clause (2).

(b) Section 1678(c) of title 38, United States Code, is amended to read as follows:

"(c) In the case of any eligible veteran who is enrolled in and pursuing a course of education or training at an educational institution and who, because of a deficiency in his education or training, needs one or more refresher courses, or counseling, tutorial, or remedial assistance, or some other form of special supplementary assistance in order to successfully pursue such program, the Administrator shall pay the educational institution concerned for providing such veteran with the special assistance required. The amounts which may be paid to any educational institution for special assistance provided any veteran under this subsection and the terms and conditions under which such assistance may be provided any veteran shall be prescribed in regulations issued by the Administrator after consultation with the Commissioner of Education."

(c) Section 1678 of such title is further amended by adding at the end thereof a new subsection as follows:

"(d) The educational assistance allowance authorized by subsection (b) of this section and the amount paid to any educational institution under subsection (c) of this section shall be paid without charge to any period of entitlement the veteran may have earned pursuant to section 1661(a) of this title."

SEC. 2. Section 1684(a) of title 38, United States Code, is amended by adding the following immediately below clause (3): "Notwithstanding the provisions of clause (3), a veteran shall be considered to be pursuing a full-time course at a junior college, college or university if he is carrying a total of fourteen or more semester hours, or the equivalent thereof, and if (A) credit is granted toward a standard college degree for not less than half the number of those hours, (B) the veteran is carrying one or more courses which are not paid for pursuant to section 1678(c) of this title and for which no credit is granted toward such a degree but he is required to take such course or courses because of a deficiency in his education, and (C) the number of such hours for which no credit is granted, when added to the number for which credit is granted, equals not less than fourteen semester hours, or the equivalent thereof."

SEC. 3. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof a new subchapter V as follows:

"SUBCHAPTER V—PRE-DISCHARGE EDUCATIONAL PROGRAM

"§ 1691. Purpose

"The purpose of this subchapter is to assist veterans to prepare for their further education or training or for a vocation by providing them with a program of education or training prior to their discharge from active duty with the Armed Forces. The program provided for under this subchapter shall be known as the Pre-Discharge Educational Program (PREP).

"§ 1692. Definition

"For the purposes of this subchapter, the term 'eligible person' means any person serving on active duty with the Armed Forces who (1) has served on active duty not less than one full year, and (2) has twelve months or less active duty service remaining prior to the time he is expected to be discharged or released from active duty, as certified to the Administrator by the Secretary concerned.

"§ 1693. Predischarge educational program

"(a) The Administrator, under such regulations as he shall prescribe jointly with the Secretary of Defense and the Commissioner of Education, shall pay the education and training expenses (including the cost of determining suitability for enrollment, job placement and career guidance, and books and supplies furnished to the eligible person by the institution) for any eligible person who enrolls in and pursues a course of education or training offered by an educational institution if such course of education or training is required for or preparatory to any program of education or training or any vocation such eligible person intends to pursue after his discharge or release from active duty with the Armed Forces.

"(b) The Administrator shall in no event pay more than $150 per month for any course of education or training pursued by any eligible person.

"(c) The cost of any education or training course paid for by the Administrator under this subchapter shall be paid directly to the educational institution furnishing such course.

"(c) In no event shall education or training expenses be provided to any eligible person for any period in excess of twelve months.

"§ 1694. Approved educational courses and institutions

"The Administrator shall pay the expenses of a course of education or training pursued by an eligible person under this subchapter only if such course and the educational institution providing such course have been

approved, without regard to section 1675, by the Administrator in accordance with regulations issued jointly by the Administrator, the Secretary of Defense, and the Commissioner of Education. The Administrator shall not approve the enrollment of an eligible person in any type of course under this subchapter if enrollment therein would be required to be disapproved for an eligible veteran under subsections (a), (b) and (c) of section 1673 of this title.

"§ 1695. Educational and vocational guidance

"The Administrator shall be responsible for arranging for and coordinating educational and vocational guidance and job placement assistance to persons eligible for education and training under this subchapter.

"§ 1696. Effect on educational entitlement and benefits

"(a) The educational or training assistance authorized under this subchapter shall be paid without charge to any period of entitlement an eligible person may earn pursuant to section 1661 (a) of this chapter.

"(b) No person shall be eligible to receive educational benefits under this subchapter for any period for which he is receiving an educational assistance allowance under subchapter IV of this chapter."

(b) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER V—PRE-DISCHARGE EDUCATIONAL PROGRAM

"1691. Purpose.
"1692. Definition.
"1693. Pre-discharge educational program.
"1694. Approved educational courses and institutions.
"1695. Educational and vocational guidance.
"1696. Effect on educational entitlement and benefits."

SEC. 4. Section 1681(a) of title 38, United States Code, is amended by inserting "(except subchapter V)" immediately after "this chapter."

The material presented by Mr. CRANSTON follows:

GI BILL: WHY VIET VETERANS IGNORE BENEFITS—LACK OF MOTIVATION BY DROPOUT RETURNEES CITED AS MAIN REASON

(By Linda Mathews)

The GI Bill, which a generation ago educated millions of American veterans, today is being taken advantage of by only a fraction of the young men returning from the war in Vietnam.

In fact, those veterans who could profit most—the youths from depressed rural areas and big city slums who went off to war without high school diplomas—virtually ignore the benefits that await them.

Despite their poor job prospects, these high school dropouts regularly pass up federal subsidies that would permit them to finish high school and go on to college or vocational school.

Even their better educated peers, who also won the right to government support for undergraduate and graduate study, are not rushing back to the campuses on the scale predicted by government planners.

PRESIDENTIAL COMMITTEE NAMED

The situation perplexes federal officials and recently prompted action from President Nixon.

Disturbed by the first reports that the new GI Bill is woefully undersubscribed, Mr. Nixon last month appointed a Presidential Committee on the Vietnam Veteran, charged with the task of "finding new programs for a new generation of veterans."

The committee—which includes the secretaries of defense, labor and health, education and welfare—has yet to meet.

Veterans' Administration officials, however, have been preparing reports for the committee.

The studies present a sad picture of a nation sending off to war the least skilled members of the younger generation and, despite some genuine government efforts, returning many to civilian life in the same condition.

The statistics show that nearly one-fifth of the 2.7 million Vietnam veterans mustered out so far lack high school diplomas.

ONLY 4 PERCENT RETURN TO SCHOOL

These 500,000 dropouts are those congress had in mind in 1967, when it enacted an unprecedented high school subsidy, which allows a veteran who wants to finish high school to draw full education allowances without losing any of his college or vocational training benefits.

Yet of the group entitled to the "high school sweetener"—as it is called—only 21,000, about 4%, have gone back to the classroom.

The others are presumably working or looking for work, probably in the poorer neighborhoods of major cities, according to VA spokesmen.

The irony of their predicament is that while most antipoverty and job-training programs are being cut to the bone, the GI benefits for which these men are eligible are in no danger. Even in a time of budget-cutting, the GI Bill is considered sacrosanct.

Beyond this group of dropouts with special problems, Vietnam veterans in general have been slow to seek further education.

As of April 1, 1.25 million Vietnam-era veterans had entered college, vocational programs or on-the-job training. This represents 20% of the 6 million who are eligible under the three-year-old GI Bill, which extended benefits to all men discharged after Jan. 31, 1955.

Just how many of the 1.25 million actually are veterans of the Vietnam conflict is uncertain, since some may have served the late 1950s and early 1960s.

In any case, the 20% rate is far below the participation after World War II, when 50% of the veterans went to school, or after the Korean war, when 42% participated.

Even if all 1.25 million were among the 2.7 million discharged since Vietnam became a major military effort, which seems unlikely, that would put the rate of participation at 46%—still considered inadequate by critical members of the Senate Armed Services Committee.

Among these is Sen. Ralph Yarborough (D-Tex.), who calls the situation "a tragedy" in light of growing national emphasis on education. He blames the low rate of participation on the VA and veterans groups, which, he charges, are preoccupied with pensions and disability benefits for the veterans of the world wars.

"The VA is never going to admit this," Yarborough has said, "but they're not doing anything to get these men into school.

"And the reason they're not advertising it is to hold down their budget (for personnel and office costs). They're doing everything they can to keep down the numbers, on orders from the White House and the Bureau of the Budget."

DENIED BY OFFICIALS

VA officials, both here and in Washington, deny Yarborough's charges, insisting, in fact, that they are doing more than ever before to acquaint veterans with the benefits that are available.

Since January, 1967, VA counselors have been on duty at two major Vietnam bases, Cam Ranh Bay and Long Binh, to advise servicemen as they are about to return to the United States. Other VA officials are stationed at armed forces separation centers around the country.

The agency has "outreach" or "search and assist" programs to contact men after they are home, especially those considered educationally disadvantaged. In theory, counselors call on these men by telephone or in person soon after they are discharged—not an easy task when addresses are incomplete or obsolete.

Every man—whatever his education or background—is supposed to receive a letter detailing available programs, with a return postcard enclosed. But a Los Angeles GI, home more than a month, has yet to receive such a communication—and neither have his friends, he says.

Mort Webster, manager of the VA's Southern California regional office, admits the efforts have been hurt by the governmentwide lid on hiring. Locally, there are only five "outreach counselors"—and 4,500 veterans streaming back to Southern California each month.

"We are spread too thin," Webster acknowledges, "and we may have to cut down on doorknocking."

"But, I think, that at least for this area, there are no real problems in finding the men. Most of them are pretty savvy about what's due them, and they call us or come into the office.

"At the moment, as a matter of fact, we're flooded. Half the time, you can't get through on the phone, even though we have 20 lines coming into the office."

The local situation may be somewhat anomalous, Webster says, since a larger percentage of veterans here are enrolled in school than is the case nationwide.

The climate, the agreeable job market and, most importantly, the availability of free education make Southern California particularly hospitable to young veterans.

"The come here knowing they can go to school virtually for free," Webster says, "and they enroll once they get here."

CONFIDENT OF FUTURE

Even nationally, VA administrators express no alarm over the current level of participation. They are confident that, in time, the Vietnam veterans will take advantage of GI Bill schooling at the same level as previous veterans.

Typically, says the agency's benefits director in Washington, a returnee waits a few months to enroll in school, "either taking it easy or working to put aside a little extra money."

Studies which compare the Korean GI Bill with the current one indicate that participation after 18 months has been slightly higher this time, officials claim. At the current rate, they predict that Vietnam usage will exceed the total of the Korean GI Bill in less than half the time.

Yarborough, who campaigned unsuccessfully for a "Cold War GI Bill" in the early 60's, says comparative studies are "pure fakery."

"What is important to remember is that the further a man gets away from the service, the less incentive he will have to go back to school."

It is Yarborough's contention that the VA is unequipped or unwilling to deal with the particular problems of this crop of veterans, a substantial number of whom entered the service with educational handicaps at a time when the general educational level of society was on the rise.

Asked about the disadvantaged veterans, Webster conceded that the greatest difficulty in dealing with them is that "the least educated are the least motivated."

Many found school disagreeable the first time around and are too caught up with personal problems, both emotional and financial, to resume training where they left off, Webster says.

To do something about this, Webster has plans to add a social worker and a counseling psychologist to the staff at a special Veterans Assistance Center in Compton. They are

expected to "clear away personal obstacles" that may interfere with a man's education, he explains.

Another reason a returnee, especially a high school dropout, may be reluctant to go back to school is summed up by one such man, a recently separated marine with the still-raw haircut that sets him apart from others of his generation.

"I am 23 years old," he said, "and I have a wife, a baby and a mother to look out for. Do you really think I am going to go sit in a classroom, even though I would like to finish high school? I need a job."

For this man, like others, the plethora of "outreach centers" and home calls are too little, too late.

The Johnson Administration's major effort to reach such disadvantaged GI's was a program, still in operation, called Project Transition which is aimed at those without high school diplomas and civilian skills.

At several major bases, in cooperation with private industry, the services give selected servicemen with up to six months to serve a skill they could sell in the marketplace. The four-hour a day courses include instruction in computer programming, service station management, postal processing, food retailing and equipment repair.

Some of the companies allied behind the project—all major government contractors promise jobs to those who complete the courses.

Project Transition has unquestionably helped those men it reached but it has never grown to the capacity envisioned by former President Johnson, who once said 15% of all veterans could be trained this way.

The trouble was that Project Transition ran contrary to another new defense policy, which called for discharging men who come back from Vietnam with less than five months to serve. The latter policy was intended to save money and boost morale, and it did while at the same time short circuiting Project Transition.

The men with enough initiative and interest to apply to schools find that, in terms of GI benefits, they actually make out worse than their counterparts of earlier wars—which also discourages returning to the classroom.

A World War II vet, for example, drew full tuition, fees and book costs, plus a $75 a month living allowance. His son, were he coming back from Vietnam today, would get $130 a month to cover everything, despite the skyrocketing costs of education.

ENTRANCE DIFFICULTY

The Vietnam vet may find, too, that it is harder to be admitted to college today than it was after World War II, when institutions hungry for students would take all comers. Even many state universities have selective admissions policies today.

Yarborough and others have pushed annually for more liberal education benefits. Their efforts have been stymied by opponents who argue, rightly or wrongly, that the veteran interested in an education can go to school for practically nothing, if he only finds the right institution.

Other legislators, notably Sen. Edward M. Kennedy (D-Mass.), have proposed a system of federal grants to colleges and vocational schools interested in setting up programs of counseling and tutoring for homecoming veterans.

EXPERIMENTAL PLAN

Such programs would give disadvantaged students remedial training in skills needed to enroll in regular college classes. (An experimental project of this type recently ended its first session at UCLA, with the "graduates" due to enroll in degree programs this fall.)

For the thousands of young men who slip through this network of programs—who were ineligible for Project Transition or happened to be at a base without the program, who were unable or unwilling to go back to school, who were suited only for the lowest-paying jobs—there is not much comfort in reading about proposals for the future.

"I try not to be paranoid about the kind of treatment we get, since I know veterans of every war in history have groused about what was due them," says one veteran, himself bound for school.

"But I can't help feeling that the real problem is money. Doing anything on the scale that is needed would cost too much, so what you have are all these little programs, each helping a few hundred or a few thousand guys."

Mr. KENNEDY. Mr. President, I am happy to cosponsor the bill on veterans' education introduced today by Senator ALAN CRANSTON. The legislation clearly reflects the view, which I share with Senator CRANSTON and many of my other colleagues, that education is of critical value in our society and that we must give high priority to offering the fullest possible educational opportunity to the men and women who have served so well as members of our Nation's Armed Forces.

The PREP program which Senator CRANSTON has proposed would establish a broad-range approach to encourage large numbers of educational institutions to go out to military installations and bases to offer training even before the veteran-to-be is actually discharged. As these young men and women formulate future plans and anticipate leaving the service, it can be extremely constructive to give them a number of educational opportunities.

All too often returning veterans fail to take advantage of the educational benefits which are available. Indeed, I am disturbed by the fact that to date only 21.4 percent of Vietnam veterans have utilized the GI bill, in contrast of 50 percent after World War II, and 42 percent after Korea. PREP would reach these individuals before they even leave the service—giving them further background, exposure, and incentive to pursue a course of education, or if they choose giving them preparation to take a job or further vocational training.

Section 1 of the bill incorporates part of the thrust of S. 2361, the Educational Services for Veterans bill which I introduced earlier this year. S. 2361 provides for grants to postsecondary institutions to develop counseling, tutorial, remedial, and other special services for veterans. The aim is to encourage schools to recognize that returning servicemen with apparently weak academic backgrounds deserve our special attention and also, in many cases, have deceptively strong potential as students because they have developed discipline and maturity in the service. S. 2361 would authorize, among other things, a limited PREP-type program where schools might give courses to servicemen right on the base for a few months before discharge and then take them into special or regular programs when they are released. Especially, the thought was that S. 2361 might support "upward bound" type and other special programs for veterans right on a college or other campus. Senator CRANSTON is to be commended for developing this comprehensive approach to meet a clear need.

Section 1 of the bill introduced today would encourage postsecondary schools to carry out such projects, not by a grant program to the institution but rather by an entitlement paid to or on behalf of the veteran. Section 1, then, would supplement S. 2361 and also offers a limited alternative approach.

I have worked with Senator CRANSTON in developing this section of the bill, and I am pleased to have made this contribution to an important overall piece of legislation.

I would like to add, Mr. President, as the chairman last session of the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare it is extremely satisfying to see the vigorous, committed, imaginative, and thorough job which Senator CRANSTON is doing as present chairman. It is a pleasure to cosponsor the bill which he has introduced today.

ADDITIONAL COSPONSORS OF BILLS

S. 437

Mr. MOSS. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of S. 437, to amend chapter 83, title 5, United States Code, to eliminate the reduction in the annuities of employees or Members who elected reduced annuities in order to provide a survivor annuity if predeceased by the person named as survivor and permit a retired employee or Member to designate a new spouse as survivor if predeceased by the person named as survivor at the time of retirement.

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

S. 2070

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senator from Texas (Mr. YARBOROUGH) and the Senator from New York (Mr. JAVITS) be added as cosponsors of the bill (S. 2070), to amend the Fair Labor Standards Act of 1938, as amended, to extend its protection to additional employees, to raise the minimum wage to $2 an hour, to provide for an 8-hour workday, and for other purposes.

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

S. 2346

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Washington (Mr. JACKSON), I ask unanimous consent that, at the next printing, the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of S. 2346, to amend title 28, United States Code, section 753(e), to eliminate the maximum and minimum limitations upon the annual salary of reporters.

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

S. 2482

Mr. JAVITS. Mr. President, I ask unanimous consent that, at the next

printing, the name of the Senator from Massachusetts (Mr. KENNEDY) be added as a cosponsor of S. 2482 to amend the Public Health Service Act so as to add to such act a new title dealing especially with kidney disease and kidney-related diseases.

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

S. 2487

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Maryland (Mr. TYDINGS) be added as a cosponsor of the bill (S. 2487) to amend the Longshoremen's and Harbor Workers' Compensation Act, and for other purposes.

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

S. 2520

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Missouri (Mr. EAGLETON), I ask unanimous consent that, at its next printing, the names of the Senator from Utah (Mr. BENNETT), and the Senator from Texas (Mr. YARBOROUGH) be added as cosponsors of S. 2520, to amend the Higher Education Act of 1965 to provide a means of preventing civil disturbances from disrupting federally assisted programs and activities at institutions of higher education.

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

S. 2523

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that at the next printing, the name of the Senator from Idaho (Mr. CHURCH) be added as a cosponsor of the bill (S. 2523) to amend, extend, and improve certain public health laws relating to mental health, and for other purposes.

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

S. 2548

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Georgia (Mr. TALMADGE), I ask unanimous consent that, at the next printing, the name of the Senator from Oregon (Mr. PACKWOOD) be added as a cosponsor of S. 2548, to amend the National School Lunch Act and the Child Nutrition Act of 1966 to strengthen and improve the food service programs provided for children under such acts.

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

S. 2608

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from New York (Mr. JAVITS) and the name of the Senator from Indiana (Mr. HARTKE) be added as cosponsors of the bill (S. 2608) to provide for the comprehensive control of narcotic addiction and drug abuse.

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

S. 2622

Mr. MOSS. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senator from Wyoming (Mr. HANSEN) and the Senator from Oregon (Mr. PACKWOOD) be added as cosponsors of S. 2622, to amend the Small Reclamation Projects Act of 1956, as amended.

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

SENATE RESOLUTIONS NOS. 216, 217, 218, AND 219—SUBMISSION OF RESOLUTIONS TO PRINT ADDITIONAL COPIES OF HEARINGS

Mr. McCLELLAN submitted the following resolutions (S. Res. Nos. 216, 217, 218, and 219); which were referred to the Committee on Rules and Administration:

S. RES. 216

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Part 19 of the hearings before its Permanent Subcommittee on Investigations during the ninety-first Congress, first session, entitled "Riots, Civil and Criminal Disorders."

S. RES. 217

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Part 20 of the hearings before its Permanent Subcommittee on Investigations during the ninety-first Congress, first session, entitled "Riots, Civil and Criminal Disorders."

S. RES. 218

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Part 18 of the hearings before its Permanent Subcommittee on Investigations during the ninety-first Congress, first session, entitled "Riots, Civil and Criminal Disorders."

S. RES. 219

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Part 17 of the hearings before its Permanent Subcommittee on Investigations during the ninety-first Congress, first session, entitled "Riots, Civil and Criminal Disorders."

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1970 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, AND FOR THE CONSTRUCTION OF MISSILE TEST FACILITIES AT KWAJALEIN MISSILE RANGE, AND RESERVE COMPONENT STRENGTH—AMENDMENT

AMENDMENT NO. 85

Mr. SCHWEIKER. Mr. President, I am today submitting an amendment to S. 2546, the defense procurement authorization bill, to formally institute an auditing and congressional reporting system on major defense contracts. Joining me as cosponsors of this measure are Mr. CASE, Mr. COOK, Mr. HART, Mr. HATFIELD, Mr. MATHIAS, Mr. MONDALE, Mr. NELSON, Mr. PACKWOOD, Mr. SAXBE, Mr. SCOTT, Mr. STEVENS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio.

As a member of the House Armed Services Committee for over 5 years, and now as a member of the Senate Armed Services Committee, I have been increasingly disturbed by the lack of accurate and up-to-date military procurement information which we have received, and which is so vitally needed if Congress is to properly perform its oversight and legislative role on defense spending.

Defense spending accounts for 41 percent, or about $80 billion, of our national budget, and yet we lack even the most basic accounting and auditing tools so essential in modern-day fiscal management. The serious problem was demonstrated dramatically this year when the estimated $2 billion overrun in the C–5A transport plane contract, the $4 billion overrun in the Minuteman II contract, and the 2,700 percent cost overrun in the Navy's deep submergence rescue vehicle were revealed.

The tragic fact of these excessive cost revelations was that the Congress was informed of them long after the fact, when there was nothing we could do about them. Instead of learning about them in an orderly fashion, when detailed analysis and recommendations could be made in time to correct them, we heard about them under the glare of television lights in publicized hearings, when no amount of talk could return the wasted money.

I think there is no other fiscal operation in this country, either in the Government, or in private business, which is responsible for so large a budget with so little accurate information on which to base its key spending decisions or its judgments on spending priorities, whether they be military or domestic.

My amendment will begin to remedy this situation by putting into statutory form a requirement that the Defense Department make quarterly reports to Congress on all major weapons systems, including, but not limited to, original and current estimates of cost completion dates, and performance standards, evaluations of any discrepancies between these estimates, and status reports or any options pending under the contract terms and the cost of such options.

My proposal goes further, however, than just requiring the submission of the reports. I require the Comptroller General, through the General Accounting Office, to audit this reporting system, and provide an annual report to Congress, including recommendations for improvement in the reporting. In addition, I authorize the Comptroller General to conduct an audit on any individual contract he feels warrants such special attention, and give him authority to demand additional information on such contract from both Government agencies and private contractors in order to make the audit.

The advantage of this system is that Congress would receive accurate and current information in time to take appropriate remedial action. In addition, the GAO auditing, of both the system and any individual contract, will hopefully serve as an incentive to efficiency and a deterrent against carelessness on the part of Government and private parties to these defense contracts.

The wasted money on the few projects which have been investigated recently is staggering. But I fear that it is just the tip of the iceberg which would be revealed if every major defense contract received this scrutiny. If my system is instituted immediately, maybe some of these unknown overruns can be avoided.

With our economy under such a severe expenditure strain, and with questions of tax reform, surtax, and spending priorities so important, it is imperative that we institute statutory reporting and auditing requirements, and not merely rely on informal data supplied by the Pentagon without anyone auditing the system.

Mr. President, I submitted individual views on this amendment, which were joined in by the Senator from Ohio (Mr. YOUNG), with the Armed Services Committee report on this bill. I ask unanimous consent that these views, and the text of my amendment, be printed in the RECORD at this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the text of the amendment and the individual views will be printed in the RECORD as requested.

The amendment (No. 85) submitted by Mr. SCHWEIKER, for himself and other Senators, is as follows:

At the end of the bill, insert the following new title:

TITLE V—QUARTERLY CONTRACT REPORTING AND GAO AUDITS

Sec. 501 (a) The Secretary of Defense, in cooperation with the Comptroller General, shall develop a reporting system for major contracts entered into by the Department of Defense, any department or agency thereof, or any armed service of the United States, for the development or procurement of any weapons system or other need of the United States.

(b) The Secretary of Defense shall cause a review to be made of each major contract as specified in subsection (a) during each period of three calendar months and shall make a finding with respect to each such contract as to—

(1) The estimates at the time the contract was entered into of the contractor and the procuring agency as to the cost of the contract, with separate estimates for (a) research, development, testing, and engineering, and for (b) production;

(2) The contractor's and agency's subsequent estimates of cost for completion of the contract up to the time of the review;

(3) The reasons for any significant rise or decline from prior cost estimates;

(4) The options available for additional procurement, whether the agency intends to exercise such options, and the expected cost of exercising such options;

(5) The estimates of the contractor and the procuring agency, at the time the contract was entered into, of the time for completion of the contract, any subsequent estimates of both as to the time for completion, and the reasons for any significant increases therein;

(6) The estimates of the contractor and procuring agency as to performance capabilities of the subject matter of the contract, and the reasons for any significant actual or estimated shortcomings therein compared to the performance capabilities called for under the original contract or subsequent estimates;

(7) Such other information as the Secretary of Defense shall determine to be pertinent in the evaluation of costs incurred and expected to be incurred and the effectiveness of performance achieved and anticipated under the contract.

(c) The Secretary of Defense after consultation with the Comptroller General and with the Chairmen of the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives shall prescribe criteria for the determination of major contracts under subsection (a).

(d) The Secretary of Defense shall transmit quarterly to the Congress and to the Committees on Armed Services and to the Committees on Appropriations of the Senate and the House of Representatives reports made pursuant to subsection (b), which shall include a full and complete statement of the findings made as a result of each contract review.

(e) The Comptroller General shall, through test checks, and other means, make an independent audit of the reporting system developed by the Secretary of Defense and shall furnish to the Congress and to the Committees on Armed Services and the Committees on Appropriations not less than once each year a report as to the adequacy of the reporting system, and any recommended improvements.

(f) The Comptroller General shall make independent audits of major contracts where in his opinion the costs incurred and to be incurred, the delivery schedules, and the effectiveness of performance achieved and anticipated are such as to warrant such audits and he shall report his findings to the Congress and to the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives.

(g) Procuring agencies and contractors holding contracts selected by the Comptroller General for audit under subsection (f) shall file with the General Accounting Office such data, in such form and detail as may be prescribed by the Comptroller General, as the Comptroller General deems necessary or appropriate to assist him in carrying out his audits. The Comptroller General and any authorized representative of the General Accounting Office is entitled, until three years after final payment under the contract or subcontract as the case may be, by subpoena, inspection, authorization, or otherwise, to audit, obtain such information from, make such inspection and copies of, the books, records, and other writings of the procuring agency, the contractor, and subcontractors, and to take the sworn statement of any contractor or subcontractor or officer or employee of any contractor or subcontactor, as may be necessary or appropriate in the discretion of the Comptroller General, relating to contracts selected for audit.

(h) The United States District Court for any district in which the contractor or subcontractor or his officer or employee is found or resides or in which the contractor or subcontractor transacts business shall have jurisdiction to issue an order requiring such contractor, subcontract, officer or employee to furnish such information, or to permit the inspection and copying of such records, as may be requested by the Comptroller General under this section. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(i) There are hereby authorized to be appropriated such sums as may be required to carry this section into effect.

The views presented by Mr. SCHWEIKER, are as follow:

SUPPLEMENTAL VIEWS OF MESSRS. SCHWEIKER AND YOUNG

In the course of the hearings and debate conducted by the Senate Armed Services Committee concerning the military procurement authorization bill for fiscal year 1970, there has been considerable attention focused on defense contracts, and procurement policies.

Two points have become clear:

(1) Extra millions of dollars have been spent in defense procurement and development contracts because of cost overruns, completion delays, and inadequate enforcement of performance standards.

(2) The Congress has not been aware of the enormity of the cost until long after they have occurred, and often has not been informed about them until nothing could be done to correct the errors.

The estimated $2 billion overrun in the C5A transport plane contract, the $4 billion overrun in the Minuteman II contract, and the amazing 2,700 percent cost overrun in development of the Navy's deep submergence rescue vehicle are indications of the significant problems which have developed.

The Congress must take its share of the responsibility for this breakdown in our procurement system. Along with Budget Bureau reviewers, Department of Defense managers, and private contractors, we have encouraged neither strict contract review nor tight accounting procedures.

It is imperative that Congress now enact legislation to insure that it can adequately and effectively review and control the defense budget. It is not enough to state our intention, obtain promises from all parties that stricter guidelines will be followed, and then hope that reforms can be made. We must, in addition, enact statutes which set forth clearly our intention to give defense procurement and development careful scrutiny and the procedures we will follow to do it.

One of the problems that Congress faces in taking on the enormous job of reviewing defense procurement is that we simply do not have adequate resources. Capable as this Committee and its staff are, we cannot do more than begin to review defense contracts in depth. Even Bureau of the Budget officials have admitted that with 50 personnel assigned to review of the defense budget, they have not been able to control defense procurement excesses. The Pentagon has not had a uniform accounting system. Information and responsibility on major contracts are spread throughout dozens of offices. Better access to contract information is vitally necessary.

However, Congress does have a vital instrument at its disposal, the General Accounting Office. GAO is independent of the executive branch, has professional accountants and auditors, and has the basic resources to do the job.

The Committee earlier this year, obtained on loan two GAO men to help the Committee staff review the major defense contracts, and they have been a valuable addition. We feel, however, that more is needed. The Comptroller General should be authorized to utilize the full resources of the GAO by audits and other means, to help Congress effectively perform oversight and watchdog functions over defense procurement.

We recommend that a fifth title be added to the bill to enumerate specific duties with respect to defense contracts, as follows.

(1) Require that the Secretary of Defense, in cooperation with the Comptroller General, develop a reporting system for major defense development or procurement contracts whereby he would provide quarterly reports to the Congress on the status of these contracts.

(2) Specify that the following information would be included in these reports:

(*a*) Original cost estimates, with separate estimates for (1) research, development, testing, and engineering and (2) production.

(*b*) Similar cost estimates as of the date of each quarterly report.

(*c*) Explanations of any significant rise or decline in cost estimates.

(*d*) Enumeration of any options available for additional procurement, including a statement of whether the agency intends to exercise such option, and their expected costs.

(*e*) Original and current completion date estimates, and reasons for any delays.

(*f*) Original and current estimates of per-

formance capabilities and reasons for any shortcomings.

(g) Any other information determined by the Secretary to be pertinent for evaluation of costs and performance effectiveness.

(3) Require that the Comptroller General make an independent audit of the Secretary's reporting system, and report annually to the Congress on the adequacy of this reporting system, including any recommendations for improvements in it.

(4) Require that the Comptroller General make independent audits of individual defense contracts when he feels it warranted because of concern over discrepancies or increased estimates in the Secretary's quarterly reports. He shall have the authority to procure statements and additional information from both the agencies and the private contractors involved in any individual contract he decides to audit.

Some steps have already been taken in the area of defense contract review. This report has already referred to the important step taken by the Committee Chairman to obtain staff assistance from GAO. In addition, the Chairman has used the staff of the Preparedness Investigation Subcommittee to great advantage, and he has asked the Pentagon to submit quarterly cost reports on 31 major defense contracts, the first several of which have already been received.

Congress must face up to its responsibilities. We must put into statutory language, methods by which we can receive accurate and detailed information on a regular basis so that our review of defense contracts can be in an orderly fashion, and so that mistakes and inefficiencies can be spotted in time to correct them before costs have already skyrocketed.

In short, congressional review, with GAO assistance and audits, should be a matter of law. This will serve the end of providing continual up-to-date status reports to the Congress. It will give the agencies and private contractors involved clear notice of exactly what information will be received by the Congress, and should serve as an incentive to efficiency.

The seriousness of this issue goes far beyond the fact that money is being wasted under current procedures. We are living in a time of serious inflation. The taxpayers have every right to expect that elected and appointed officials of their Government are exercising the utmost care in allocating and spending the vast sums necessary to maintain our country's defense capabilities.

They also have the right to know, within the bounds of national security, the details of how this money is being spent, and what problems are being experienced with respect to the administration of these contracts.

Enactment of this amendment will be a significant step in bringing about these goals.

RICHARD S. SCHWEIKER.
STEPHEN M. YOUNG.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1970 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, AND FOR THE CONSTRUCTION OF MISSILE TEST FACILITIES AT KWAJALEIN MISSILE RANGE, AND RESERVE COMPONENT STRENGTH—AMENDMENTS

AMENDMENT NO. 86

Mr. EAGLETON (for himself and Mr. HATFIELD) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein missile range, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, which were ordered to lie on the table and to be printed.

LAND AND WATER CONSERVATION FUND ACT—AMENDMENT

AMENDMENT NO. 87

Mr. MOSS submitted an amendment intended to be proposed by him to the bill (S. 2315) to restore the golden eagle program to the Land and Water Conservation Fund Act, which was ordered to be printed and referred to the Committee on Interior and Insular Affairs.

CONTINUANCE OF INCOME TAX SURCHARGE AND CERTAIN EXCISE TAXES—AMENDMENTS

AMENDMENT NO. 88

Mr. BIBLE. Mr. President, I submit a small business amendment intended to be proposed by me to the surtax bill, H.R. 12290, designated as the bill "to continue the income tax surcharge and the excise taxes on automobiles and communication services for temporary periods, to terminate the investment credit, to provide a low income allowance for individuals, and for other purposes."

This bill is vitally needed to save the small business community of this country from the triple credit squeeze which I described in my remarks of June 25.

In the private money markets interest rates are at record levels and any liquidity that remains is rapidly drying up.

The Small Business Administration business loan programs were cut back 58½ percent in the years ending June 30, 1969, below the levels authorized by the Congress, and requests for the coming year are at rockbottom.

The repeal of the investment tax credit would thus be the third pressure to fall upon small firms this year.

The tax credit is particularly important, because we know that small business relies on its internally retained earnings for two-thirds or more of its growth capital. The credit mechanism thus allows these firms to keep more of the money which they have already earned. That makes them less dependent on outside sources of capital for which they must compete with the giant national corporations.

The present credit squeeze has meant that increasing burdens are being piled on the back of small and independent businessmen this year; I just do not know how long they can continue to take this kind of a beating.

My proposal to preserve the 7-percent investment tax credit for small firms was originally placed before the Ways and Means Committee on May 20 during its deliberations on the surtax bill. However, neither the committee nor the House acted to include such a provision.

The issue is therefore up to the Finance Committee and the Senate. We believe there is considerable sentiment for this kind of legislation. The Senator from Alabama (Mr. SPARKMAN) and the Senator from South Dakota (Mr. MCGOVERN) have sent amendments parallel to mine to the Finance Committee. I believe that these Senators, and others supporting these small business amendments would be interested in joining in any measure along these lines which the committee would devise, for the purpose of getting this vital job done for the Nation's small business community.

It is my hope that the committee and the Senate will act accordingly.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

AMENDMENT NO. 89

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (H.R. 12290), supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 90

Mr. MONTOYA. Mr. President, I submit an amendment intended to be proposed by me to the surtax bill reported out yesterday by the Senate Finance Committee, H.R. 12290, an amendment to increase the personal exemption from $600 to $1,000.

Mr. President, along with millions of Americans, I was shocked and greatly concerned to learn of the action taken by the Senate Finance Committee yesterday in voting 9 to 8 to report out the surtax proposal to the Senate floor. I was shocked and concerned, Mr. President, because for months now—and especially in recent weeks—the majority of this body have made it explicitly clear that we should not concur in the action taken by the House of Representatives in extending the surtax unless there was meaningful and substantive tax reform legislation coupled with it.

And only this week, Mr. President, the chairman of the Senate Finance Committee, the distinguished gentleman from Louisiana, Senator LONG, took to the floor of the Senate to assure Members of this body on behalf of the Finance Committee, that there would be no action taken by his committee until scheduled hearings were held on tax reform proposals. I would like the RECORD to show that the distinguished chairman of the committee, Senator LONG, did try and he tried valiantly to have the committee live up to their pledge on yesterday. He voted against reporting out the surtax yesterday because Senators had not had the time that was promised them for hearings on tax reform proposals. I commend the chairman for his actions. I regret, however, that because a majority of the committee did not agree with the chairman on holding hearings on tax reform measures before reporting out the surtax measure, that those hearings may now have to be held on the Senate floor.

Mr. President, I have voiced my opposition time and again to an extension of the surtax. My opposition will be, as it has been, particularly vociferous if an attempt is made, as it now has, to extend the surtax without tax reform. How this can be justified is beyond me. We were

told the surtax was needed this past year to hold down inflation and because of rising costs in the Vietnam conflict. The surtax has not held down inflation or even slowed it. Military costs in Vietnam should be cut this year with the first American troops already having been withdrawn.

When the surtax was instituted last year, many raised the question of whether we would be asked to continue it again this year and possibly again next year and on and on. Assurances were given that this was a 1-year request only and would not be extended. Yet here it is before us again for approval.

President Nixon assured Americans last year he was against the surtax. Yet here he is lining up support and fighting vigorously for it.

Mr. President, I recently sent a newsletter to my constituents on the case for tax reform. I ask unanimous consent to have it printed in the RECORD at this point.

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

NEWSLETTER OF SENATOR JOSEPH M. MONTOYA

THE CASE FOR TAX REFORM NOW

The working men and women of America have been carrying the real tax burden of this Nation on their backs for a long time. This unbelievable situation can not long endure, and vigorous action must be forthcoming immediately to give them the break they deserve.

Because I feel so strongly that these injustices must be brought to an end, I am hopeful that the United States Congress will—this year—enact drastic reforms in our Federal Tax laws. Without these reforms, good, decent, hardworking American wage earners will continue to shoulder this unfair share of the taxload, while loopholes will permit the wealthy and privileged to avoid paying their share.

THE SURTAX AND CLOSING LOOPHOLES

I have concuded that the best way to close these unfair loopholes is to insist that meaningful tax reforms be included with any extension of the present surtax. Promises of future reform legislation are not enough. New Mexicans—and all Americans—need action now!

Early this year I introduced a measure, S. 1054, to increase the personal income tax exemption from $600 to $1,000. The last time the personal exemption was revised was in 1948, and the Consumer Price Index has risen by 44.6% since that time. A $1,000 personal exemption would more realistically represent the costs of providing for the needs of each individual and is certainly modest.

I have also introduced another measure, S. 2095, which would eliminate other injustices and inequities of our present tax structure. While we cannot bring about all of these reforms overnight, nevertheless we can correct immediately some of the more obvious and flagrant inequities, and then aim at seeking reform of complex issues that will of necessity take time.

But unless major loopholes are closed at the same time that the surtax is extended, our low- and middle-income workers and wage and salary earners will pay a 10% surtax for 1969, while those who have already been avoiding fair taxes cannot and will not be assessed with a surtax. (The surtax is a tax on a tax and no taxes can be collected if none are paid.)

Let me emphasize my basic objection to a simple extension of the surtax with no real tax reform. Last year, wage earners paid a 7.5% surtax. A simple extension would mean an actual increase for those same wage earners to 10%. I oppose any such increase because I know that it only compounds the problem by adding to the burdensome tax already shouldered by those who can ill afford it, and because any needed additional Federal revenue can be obtained easily by closing loopholes instead of continuing to boost the taxes of working men and women.

PRESENT TAX STRUCTURE UNFAIR

The 1969 Economic Report of the President showed statistically that the combined Federal, state and local tax systems operate in such a way as to redistribute income "away from the poor." At the same time, the figures demonstrated that people with modest and middle incomes are bearing a disproportionately high share of the tax burden, while those with wealth and ability-to-pay are able to structure their income and escape their fair share.

In my view, this situation demands immediate attention by Congerss to:

Close the loopholes of special tax privilege which cost our government money and help only wealthy families and businesses.

Reduce the relative tax burden for low- and moderate-income families.

Remove the truly impoverished families of our country from the tax rolls.

$16 BILLION IN LOOPHOLES THAT MAKE NO SENSE

Our Federal Government loses annually approximately $16 billion in revenue through present legal loopholes that are of no real benefit to working people. Let me list just a few examples:

A married worker earning $8,000 a year paid a $1,000 tax bill. During the same year, 134 people with reported incomes of more than $200,000 didn't pay a penny in taxes.

While the same married worker paid $1,000 in taxes on his $8,000 in wages, another married person who made $8,000 during the year on the stock market alone, paid but $345 in taxes.

A $10,000 per year married wage earner with two children pays taxes at the same effective rate as does a real estate operator with a total income of $7.5 million.

A number of large business organizations pay tax almost entirely at the same rate designed for small businesses by organizing their operations in the form of a chain of small corporate units, and claiming exemptions from the corporate surtax rates.

Almost $2 billion is spent by the Office of Economic Opportunity as part of the "War on Poverty." But despite our national commitment to eliminate poverty, many of these same poverty-level families have Federal taxes withheld from their wages, while the wealthiest pay nothing.

Loopholes such as the ones I have just mentioned not only are unfair, they also make no sense. All too often, they work against national policy. Their only excuse is to help the privileged few.

STATE AND LOCAL TAXES

All New Mexicans are aware of our own galloping state, county and municipal taxes. We have seen how waste and incredible inefficiency have resulted in higher rates, but no increase in services.

Effective July 1, 1969, not only will the State sales tax be increased from 3% (or 3 cents on the dollar) to 4% (or 4 cents), but an additional $10 million in State income taxes will be taken from the hard-earned wages of New Mexico's working men and women. And we can add to this the soaring property taxes and other taxes levied upon the consumer.

Most of our New Mexico taxes result from levies on property and sales to consumers, and have no relation to "ability to pay." In fact, they work in the opposite direction—hitting hardest those with the least ability to pay.

Clearly our state needs to tighten the administration of its programs. And, we also should look at the source of our present revenue.

WHERE I STAND

I am determined that the Nixon Administration will not have its way on the surtax without some firm, concrete, and drastic action in the way of tax reforms, and am delighted that the Congress is taking such a close and hard look at the facts.

Again, I believe that Congress can—and must—close glaring loopholes in our present tax laws. I am determined to wage such a fight when tax legislation is considered by the Senate.

The closing of loopholes can provide some $16 billion in added Federal revenues. Approximately half of this should be used to bring much-needed tax relief to low- and middle-income families. The remainder should be used to better fund essential Federal programs in such areas as education and health.

Not only will this represent long overdue tax justice, but it will be good for the country as a whole.

Mr. MONTOYA. Mr. President, the amendment I submit today is only one of many reforms that should be made in our tax system. Others of my colleagues have either already introduced other amendments or are planning to do so. The amendment which I introduce today to increase the personal exemption from $600 to $1,000 is identical to the provisions of S. 1054 a bill I introduced on February 18, 1969, and which I have introduced before. It is also contained in S. 2095 a bill which I introduced on May 8, 1969, proposing a number of changes in our tax structure.

Mr. President, the low- and middle-income taxpayer of this Nation cannot wait any longer for tax relief. He needs relief now. This past year he witnessed the highest annual increase in his cost of living in 17 years. In general, he is not concerned with capital gains or stock options. Unless he owns a house or has high medical deductions, he is almost certain to take the standard deduction and list but one source of income. Therefore, the chief tax factors affecting him are the level of personal exemption and the tax rate applying to his taxable income.

The personal exemption today is $600 for each taxpayer and each of his dependents. The last time this figure was revised was in 1948. It has not been increased with the rising level of prices. In fact, since 1948 the Consumer Price Index has risen by 44.6 percent—based on average levels of the index in 1948 and 1968. What we consider a reasonable standard of living has also changed in these last two decades. There are more demands by today's society than was true 20 years ago.

Mr. President, the low- and middle-income taxpayers need relief. They have been carrying the burden too long. They have been carrying more than their share of the load. Let us assist them by enacting the proposal I have just introduced.

Mr. President, I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and without objection, the amendment will be printed in the RECORD.

The amendment (No. 90), submitted by Mr. MONTOYA, to H.R. 12290, supra, was received, ordered to be printed, lie on the table, and printed in the RECORD, as follows:

AMENDMENT No. 90

On page 52, line 15, insert the following:

"That (a) the following provisions of the Internal Revenue Code of 1954 are amended by striking out '$600' wherever appearing therein and inserting in lieu thereof '$1,000':

"(1) Section 151 (relating to allowance of deductions for personal exemptions);

"(2) Section 642(b) (relating to allowance of deductions for estates);

"(3) Section 6012(a) (relating to persons required to make returns of income); and

"(4) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

"(b) The following provisions of such Code are amended by striking out '$1,200' wherever appearing therein and inserting in lieu thereof '$2,000':

"(1) Section 6012(a)(1) (relating to persons required to make returns of income); and

"(2) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

"SEC. 2. (a) Section 3 of the Internal Revenue Code of 1954 (relating to optional tax if adjusted gross income is less than $5,000) is amended by adding at the end thereof the following new subsection:

"'(c) TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1968.—In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year beginning after December 31, 1968, on the taxable income of every individual whose adjusted gross income for such year is less than $5,000 and who has elected for such year to pay the tax imposed by this section a tax determined under tables prescribed by the Secretary or his delegate. The tables prescribed under this subsection shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking either the 10-percent standard deduction or the minimum standard deduction.'

"(b) Section 3(b) of such Code is amended by insertingf after 'December 31, 1964' each place it appears ', and before January 1, 1969'.

"(c) Section 4(a) of such Code is amended by striking out 'the tables in section 3' and inserting in lieu thereof 'the tables prescribed under section 3'.

"(d) Paragraphs (2) and (3) of section 4(c) of such Code are amended to read as follows:

"'(2) Except as otherwise provided in this subsection, in the case of a husband or wife filing a separate return the tax imposed by section 3 shall be the lesser of the tax shown in the table prescribed under such section which uses the 10-percent standard deduction or in the table which uses the minimum standard deduction.

"'(3) The table prescribed under section 3 which uses the minmum standard deduction shall not apply in the case of a husband or wife filing a separate return if the tax of the other spouse is determined with regard to the 10-percent standard deduction, except that an individual described in section 141(d)(2) may elect (under regulations prescribed by the Secretary or his delegate) to pay the tax shown in such table in lieu of the tax shown in the table which uses the 10-percent standard deduction. For purposes of this title, an election made under the preceding sentence shall be treated as an election made under section 141(d)(2).'

"(e) Section 4(f)(4) of such Code is amended to read as follows:

"'(4) For nonapplicability of the table prescribed under section 3 which uses the minimum standard deduction in the case of a married individual filing a separate return who does not compute the tax, see section 6014(a).'

"(f) The last sentence of section 6014(a) of such Code is amended to read as follows: 'In the case of a married individual filing a separate return and electing the benefits of this subsection, the table prescribed under section 3 which uses the minimum standard deduction shall not apply.'

"SEC. 3. (a) Section 3402(b)(1) of the Internal Revenue Code of 1954 (relating to percentage method of withholding income tax at source) is amended by striking out the table therein and inserting in lieu thereof the following:

"'*Percentage method withholding table*

"'Payroll period	*Amount of one withholding exemption*
Weekly	$21.20
Biweekly	42.30
Semimonthly	45.80
Monthly	91.70
Quarterly	275.00
Semiannual	550.00
Annual	1,100.00
Daily or miscellaneous (per day of such period)	3.00'

"(b) So much of paragraph (1) of section 3402(c) of such Code (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"'(1)(A) At the election of the employer with respect to any employee, the employer shall (subject to the provisions of paragraph (6)) deduct and withhold upon the wages paid to such employee on or after the 30th day after the date of the enactment of this subparagraph a tax determined in accordance with tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"'(B) At the election of the employer with respect to any employee, the employer shall (subject to the provisions of paragraph (6) deduct and withhold upon the wages paid to such employee before the 30th day after the date of the enactment of this subparagraph a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):'.

"SEC. 4. The amendments made by the first two sections of this Act shall apply to taxable years beginning after December 31, 1968. The amendments made by section 3 of this Act shall apply with respect to remuneration paid on or after the 30th day after the date of the enactment of this Act."

AMENDMENT NO. 91

Mr. MCGOVERN (for himself, Mr. CHURCH, Mr. FULBRIGHT, Mr. GRAVEL, Mr. HART, Mr. MANSFIELD, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. YARBOROUGH, and Mr. YOUNG of Ohio), submitted an amendment intended to be submitted by them, jointly, to the bill (H.R. 12290), supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 92

Mr. MCGOVERN (for himself, Mr. BAYH, Mr. BURDICK, Mr. CHURCH, Mr. METCALF, Mr. MONDALE, Mr. NELSON, and Mr. YOUNG of Ohio), submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 12290), supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 93

Mr. HART. Mr. President, I submit as an amendment to H.R. 12290 the Tax Redistribution Act of 1969, intended to be proposed by me.

I realize that the Senate Finance Committee yesterday reported H.R. 12290, that my amendment will lie on the table and that it will not be referred to committee.

Let me explain why I decided to introduce an extensive tax reform package as an amendment to a reported bill.

Even before the Democratic policy committee, of which I am a member, unanimously endorsed a resolution linking tax reform with extension of the surtax, I stated my opposition to placing a 10-percent addition on top of an already inequitable tax system.

I stated that I might vote for extension of the surtax if it were tied to major tax reforms, but that I much preferred to close enough tax loopholes to make up for any revenues lost by letting the surtax expire.

Earlier in the session I introduced several tax reform measures, including one which would require persons taking advantage of tax loopholes to pay a minimum tax.

This week in a discussion on the Senate floor, the chairman of the Finance Committee indicated he wanted tax reform proposals submitted by today in the form of amendments to H.R. 12290. It was my understanding that if that were done, the amendments would be printed and considered by the committee.

It was with those suggestions in mind that I had the Tax Redistribution Act of 1969 prepared as an amendment to H.R. 12290, not expecting the House bill to be reported yesterday.

When the Finance Committee reported the House bill yesterday, there was not time to redraft the amendment as a separate bill before today's deadline.

Also, it is my understanding the chairman of the Finance Committee stated he was not so interested in having tax bills technically perfect, but was more interested in having specific proposals to consider.

Therefore, with that thought in mind and wishing to meet the guidelines set by the chairman, I decided to introduce the Tax Redistribution Act of 1969 in the form of an amendment. In order to get the bill before the committee, I am prepared to have it redrafted as a separate measure for introduction next week.

Mr. President, the Tax Redistribution Act of 1969 is designed to provide tax relief to the low- and middle-income families while closing loopholes favored by the wealthy.

For example, the tax relief provisions will offer annual maximum savings to four-member families of $165 if income is $10,000; $263 if income is $12,000; and $345 if income is $15,000.

The tax bite on four-member families making $5,000 would be cut 42 percent.

Taxpayers in all brackets would receive some relief, but the greatest portion of the relief would go to persons earning less than $20,000 a year.

The tax-relief proposals in my bill

would save taxpayers an estimated $6.7 billion a year. Tax-reform provisions would generate $17 billion in new Federal revenues.

The $10 billion difference between the loss and gain in Federal revenues could be used to provide funds for domestic programs or to replace revenues which would be raised by the surtax extension.

I will outline briefly the provisions of my bill.

Tax savings would result from:

Lowering the tax rate on the first $1,000 of taxable income from 14 to 9 percent, and on the second $1,000 of taxable income from 15 to 13 percent;

Increasing the minimum standard deduction from $200 to $600;

And increasing the standard deduction from 10 percent, with a limit of $1,000, to 15 percent, with a limit of $2,500.

Low-income families would benefit from the increase in the minimum standard deduction.

These families now get a small break by being allowed to deduct $200, plus $100 for each dependent, if that amount is more than 10 percent of his income.

For example, a family of four with an adjusted gross income of $3,000, can now deduct 10 percent—$300—or $600 using the minimum standard deduction. Under my bill, the family's exemption would be $1,000.

The combined effect of increasing the minimum deduction and reducing tax rates on the first $2,000 of taxable earnings reduces the tax load on families with incomes at or below the poverty level to less than $25 a year.

Turning to tax relief designed primarily for middle-income families, taxpayers who do not itemize deductions now may claim a deduction of 10 percent, up to $1,000.

Under my proposal; for example, a person with an adjusted gross income of $15,000 could claim an unitemized deduction of $2,250, or $1,250 more than allowed under present regulations.

Not only will this provision increase deductions for many persons, but also would greatly simplify filling out and monitoring tax returns.

The Tax Redistribution Act of 1969 would close loopholes by:

First, taxing capital gains of individuals and corporations as regular income.

Second, taxing appreciation on property transferred at death at regular rates.

Third, limiting mineral depletion allowances to cost of property.

Fourth, establishing a Federal guarantee program for municipal and State bonds, with the Federal Government paying grants to the State or local government issuing the bonds equal to one-third of the interest cost. Interest on bonds sold under this program would be taxed. Interest on bonds sold without the subsidy would continue to be tax exempt. The intent of this proposal is to encourage State and local governments to issue bonds which yield taxable interest.

Fifth, repealing the 7-percent investment tax credit—already part of H.R. 12290.

Sixth, eliminating accelerated depreciation on real estate, with the exception of low- and moderate-income housing.

Seventh, limiting deductions granted for farm operations.

Eighth, repealing provisions which permit unlimited charitable contribution deductions.

Ninth, requiring individuals and corporations to allocate certain deductions between taxable and nontaxable income.

The package also includes two bills which I introduced earlier this session:

S. 1773 which establishes a minimum tax on individuals and corporations taking advantage of tax loopholes,

And S. 2156 which amends a ruling of the Internal Revenue Service allowing violators of antitrust laws to deduct penalties as "necessary business expenses."

Also, I have included S. 35, which I cosponsored this session, which will extend tax benefits given heads of households to unremarried widows or widowers and to persons 35 years of age or older, single or separated or divorced for more than 3 years, who maintain their own households.

Mr. President, my purpose in introducing this package is to ensure that the Senate Finance Committee will have a comprehensive tax package on which to work.

There are many ways to accomplish tax relief, including an increase in the $600 exemption given each taxpayer and each dependent. Any of my proposals can be adjusted if it is feasible to reduce Federal revenues by more than $6.7 billion through tax relief measures.

However, by considering a package the Finance Committee and the Senate will be able to assess the overall effect of the various proposals included in that package.

Also, at the completion of my hearings on the effect of government policies on the oil industry I may have additional recommendations relating to the 27.5 percent mineral depletion allowance.

Mr. President, I want to emphasize at this time my support for the position of the majority leader not to call the surtax extension bill to the floor until a tax reform and tax relief bill is also ready for consideration.

I would not demand, of course, that the reforms match the ones I proposed today, but I cannot in good conscience vote to place a 10 percent surcharge on top of a system shot through with inequities. We all know the reports about corporations or individuals who pay far less than their fair share of the tax burden—in some cases, pay no tax at all despite incomes in excess of $200,000. Even with limited mathematical ability, I know that 10 percent of nothing is still nothing.

There are those who say that we who hold up extension of the surtax will be responsible for any new inflationary pressures.

I reject that contention out of hand.

We have had the surtax with us for more than a year, and we still have inflation.

Economists of various persuasions disagree on the effectiveness of the surtax as an anti-inflationary weapon.

If the aim of the surtax is to take money out of circulation by achieving a surplus in the Federal budget, we can accomplish that in fairer ways, such as eliminating tax loopholes.

We can accomplish that goal by reducing unnecessary military spending which puts $80 billion a year into the economy but no goods in the marketplace.

And we can better discipline prices by encouraging competition in the marketplace. The Department of Labor has released figures which show that the prices of products subject to competition have held relatively steady, while a lack of competition has allowed prices of other products to climb.

But even more important, a tax system in any society should be fair. In an open society which claims to be based on equality, in an open society which prides itself on a high degree of citizen cooperation in making its tax system work, it is imperative that the tax system be fair.

It is at least as important to the spirit and morale of this Nation to have a fair tax system as it is to have a surtax in the name of providing a psychological barrier to inflation.

Those who would dilute chances for meaningful tax reform by pressing for immedate passage of the surtax, should bear responsibility for failure to enact meaningful tax reform.

And in the event no meaningful reform is forthcoming, they should bear the responsibility for increasing existing inequities by 10 percent.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

AMENDMENT NO. 94

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (H.R. 12290) supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 95, 96, 97, 98, AND 99

Mr. WILLIAMS of New Jersey submitted amendments intended to be proposed by him to the bill (H.R. 12290) supra, which were ordered to lie on the table and to be printed.

ENROLLED BILL SIGNED

The VICE PRESIDENT announced that on today, July 18, 1969, he signed the enrolled bill (H.R. 7215) to provide for the striking of medals in commemoration of the 50th anniversary of the U.S. Diplomatic Courier Service, which had previously been signed by the Speaker of the House of Representatives.

NOTICE OF HEARINGS ON THE REFORM OF THE FEDERAL TAX LITIGATION SYSTEM—S. 1793 TO S. 1979

Mr. HART. Mr. President, on behalf of my distinguished colleague, the senior Senator from Maryland, the chairman of the Subcommittee on Improvements in Judicial Machinery, I announce the continuation of hearings for the consideration of S. 1973, S. 1974, S. 1975, S. 1976, S. 1977, S. 1978, and S. 1979. These bills are designed to reform the Federal tax litigation system.

The hearings will be held at 10 a.m.

Friday, July 25, 1969, in the District of Columbia Committee hearing room, 6226, New Senate Office Building.

Any person who wishes to testify or submit a statement for inclusion in the RECORD should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, room 6306, New Senate Office Building.

ANNOUNCING RESUMPTION OF HEARINGS OF AMENDMENTS TO VOTING RIGHTS ACT OF 1965

Mr. ERVIN. Mr. President, I wish to announce that the Subcommittee on Constitutional Rights will resume hearings on S. 818, S. 2029, S. 2456, and S. 2507, bills to amend the Voting Rights Act of 1965, in room 1114, New Senate Office Building, at 10:30 a.m. on Wednesday, July 30, to hear Attorney General John N. Mitchell.

ANNOUNCEMENT OF HEALTH SUBCOMMITTEE HEARINGS ON JULY 28, 29, 30, AND 31

Mr. YARBOROUGH. Mr. President, for the information of the Senate and the press, I wish to announce that on July 28, 29, and 30 the Subcommittee on Health of the Committee on Labor and Public Welfare, of which I am the chairman, will hold hearings on the Community Mental Health Centers Amendments of 1969, S. 2523.

On July 31 we will hear the views of witnesses on the Medical Library and Health Communications Assistance Amendments of 1969, S. 2549, and related bills.

It is my firm belief that these hearings will constitute an important step toward the goal of better health care for all Americans.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Robert T. Lawley, of Illinois, to be U.S. attorney for the southern district of Illinois for the term of 4 years, vice Richard E. Eagleton.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, July 25, 1969, any representations or objections they may wish to present concerning the above nomination, with a further statement, whether it is their intention to appear at any hearing which may be scheduled.

JUSTICE DEPARTMENT DESERVES COMMENDATION FOR ANTITRUST ACTION AGAINST POWER COMPANY

Mr. METCALF. Mr. President, I commend the Department of Justice for filing an antitrust action against a power company on the grounds that it refused to sell and transmit power to proposed municipal power systems, and otherwise obstructed and defeated attempts by cities and towns to establish their own power systems.

During recent years a number of investor-owned utilities have stepped up their campaign to choke consumer-owned power systems. The latter systems, most of them small, have sorely needed a friend in court. They now have one—the Department of Justice.

The Department's complaint was filed against Otter Tail Power Co., an unregulated Minnesota utility which has long pursued a "starve and buy" policy against small municipal systems to whom it refused to transmit wholesale power.

Mr. President, I ask unanimous consent to have printed in the RECORD the complaint filed by the Department of Justice, the accompanying July 14 press release, and my most recent exchange of correspondence with the Department of Justice regarding this case and similar cases involving electric utilities.

There being no objection, the complaint, the press release, and the correspondence were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
July 14, 1969.

The Department of Justice filed an antitrust suit today accusing Otter Tail Power Company of monopolizing the sale of electric power to 464 towns in Minnesota, South Dakota, and North Dakota.

Attorney General John N. Mitchell said the civil action, charging the Fergus Falls, Minnesota, company with violation of Section 2 of the Sherman Act, was filed in United States District Court at St. Paul, Minnesota.

Otter Tail distributes electric power in western Minnesota, northeastern South Dakota, and eastern North Dakota. In 1967, it sold 867,621,740 kilowatts of electric energy, deriving revenues in excess of $25 million.

Since 1955, the suit said, Otter Tail has monopolized the sale of electric power in the area it serves by seeking to prevent municipalities from shifting local electric services from Otter Tail to other power systems.

Otter Tail has done this, the complaint alleges, by refusing and threatening to refuse to sell power at wholesale to proposed municipal systems, by refusing to transmit electric power from other wholesale suppliers to proposed municipal systems, and by engaging in other activities designed to obstruct and defeat attempts by municipalities to establish their own electric power systems.

In the three states, each municipality has the option of awarding a distribution franchise for a term of years to an electric utility or of establishing and operating a municipally-owned electric system.

The suit asks that Otter Tail be permanently enjoined from engaging in and continuing the alleged practices in violation of the Sherman Act.

(United States District Court for the District of Minnesota Sixth Division)

UNITED STATES OF AMERICA, PLAINTIFF, V. OTTER TAIL POWER COMPANY, DEFENDANT

COMPLAINT

The United States of America, by its attorneys, acting under the direction of the Attorney General of the United States, brings this action against the defendant named herein and complains and alleges as follows:

I. JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the defendant under Section 4 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 4), commonly known as the Sherman Act, in order to prevent and restrain the continuing violation by the defendant, as hereinafter alleged, of Section 2 of the Sherman Act (15 U.S.C. § 2).

2. The alleged violation of law hereinafter described has been and is being carried out in part within the Sixth Division of the District of Minnesota where the defendant has offices, transacts business and is found.

II. THE DEFENDANT

3. Otter Tail Power Company (hereinafter "Otter Tail") is made a defendant herein. Otter Tail is a corporation organized and existing under the laws of the State of Minnesota with its principal place of business in Fergus Falls, Minnesota. It generates, transmits and sells electric power at retail and wholesale.

III. TRADE AND COMMERCE

4. The electric power industry is comprised generally of three functional levels: production, transmission and distribution. Production encompasses the conversion into electric power of energy obtained from combustion of fossil fuels, from moving water, or more recently, from atomic reaction. Transmission refers to the transportation of electric energy via a network of high voltage lines from points of generation to distribution areas. Distribution involves the delivery and sale of electric current to ultimate consumers. Although most large electric utilities, including Otter Tail, perform all three functions, some companies perform only one or two of such functions. For example, the Bureau of Reclamation of the Department of Interior (hereinafter "the Bureau") and many electric cooperatives restrict their activities to the production and transmission of electric power. Also, many municipal power systems and electric cooperatives engage solely in distribution of electric energy to ultimate consumers.

5. Otter Tail operates an integrated electric power system as western Minnesota, northeastern South Dakota and eastern North Dakota. It maintains generation facilities having a capacity of approximately 280,000 kilowatts. In addition, the company purchases substantial amounts of electric power produced by the Bureau.

6. Otter Tail has 5,900 miles of transmission lines which blanket its tri-state area of operations. These lines cross state boundaries and carry power produced both by Otter Tail and the Bureau. Although various electric cooperatives have transmission lines within the tri-state Otter Tail area, Otter Tail's network of high voltage lines is the dominant factor in the transmission of power in the area. Bureau-generated electric power is transmitted ("wheeled") by Otter Tail to certain Bureau customers pursuant to an agreement between the Bureau and Otter Tail. In addition, Otter Tail has agreements with various electric cooperatives under which each party agrees to wheel electric power over its lines for the other. In 1966, Otter Tail wheeled a total volume of 523,704,610 kilowatt hours of electric power, from which it derived revenues of $508,613.

7. The statutes of the States of Minnesota, South Dakota and North Dakota give to each municipality the option of awarding a distribution franchise for a term of years to an electric utility company or of establishing and operating a municipally-owned electric power distribution system. Selection of the method by which electric power distribution is to be performed is made by the electorates of the respective towns. Changes in the method of distribution are authorized by the respective state statutes.

8. Otter Tail distributes electric power at retail in approximately 464 towns, which constitute the vast majority of towns in its service area. (Electric power distribution in rural areas within Otter Tail's service area is performed principally by electric cooperatives; however, the latter are restricted by

law from distributing electric power within towns.) In 1967 Otter Tail sold 867,621,740 Kilowatts of electric energy in the 464 towns, from which it derived revenues of $25,179,979.

9. In 1966 the municipal electric power system of 18 towns located within the Otter Tail service area purchased all or part of their electric power requirements at wholesale from the Bureau. 122,864,314 kilowatt hours of electric energy were wheeled over Otter Tail transmission lines part of the distance between Bureau generation facilities and the municipal systems.

10. Otter Tail is a member of the Upper Mississippi Valley Power Pool and sells to and buys from its fellow members electric power for resale. The members of the pool are located in several different states, and the power exchanged among them crosses state lines. In 1967 Otter Tail sold 166,107,600 kilowatt hours to pool members, from which it derived revenues of $1,607,616.

IV. OFFENSES CHARGED

11. Beginning in or about 1955 and continuing thereafter up to and including the date of filing of this complaint, defendant Otter Tail has attempted to monopolize and has monopolized the aforesaid trade and commerce in the sale of electric power in or to towns located in the areas of Minnesota, North Dakota and South Dakota which it serves, in violation of Section 2 of the Sherman Act (15 U.S.C. § 2). These offenses are continuing and will continue unless the relief hereinafter prayed for is granted.

12. Pursuant to and in furtherance of the aforesaid attempt to monopolize and monopolization, defendant Otter Tail has sought to prevent municipalities from shifting local electric service from Otter Tail to another electric power system, supplied either by Otter Tail or another supplier of power, by doing among other acts, the following:

1. refusing and threatening to refuse to sell power at wholesale to the proposed alternative local electric power systems;

2. refusing and threatening to refuse to wheel electric power from other wholesale power suppliers to the proposed alternative local electric power system; and

3. engaging in other activities designed to obstruct and defeat the attempt by municipalities to establish alternative local electric power system.

V. EFFECTS

13. The aforesaid offenses have had, among other things, the following effects:

(a) Otter Tail has been able to preserve a monopoly of retail distribution in towns in its service area;

(b) Competition for local electric power distribution franchises has been eliminated;

(c) Yardstick competition in the retail distribution of electric power has been lessened;

(d) Competition in the wholesale sale of electric power has been restrained.

Prayer

Wherefore, the plaintiff prays:

1. That the Court adjudge and decree that defendant Otter Tail has attempted to monopolize and has monopolized interstate trade and commerce in the retail distribution of electric power in violation of Section 2 of the Sherman Act.

2. That defendant Otter Tail and all persons, firms, and corporations acting in its behalf or under its direction or control be permanently enjoined from engaging in, carrying out, or renewing any contracts, agreements, policies, practices, or understandings, or claiming any rights thereunder having the purpose or effect of continuing, reviving, or renewing the aforesaid violation of the Sherman Act or any contract, agreement, policy, practice, or understanding having like or similar purpose or effect.

3. That the plaintiff have such other and further relief as the nature of the case may require and the Court may deem just and proper.

4. That the plaintiff may recover the costs of this action.

JOHN N. MITCHELL,
Attorney General.
RICHARD W. MCLAREN,
Assistant Attorney General.
BADDIA J. RASHID.
KENNETH C. ANDERSON,
Attorney, Department of Justice.

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., May 19, 1969.

Hon. RICHARD W. MCLAREN,
Assistant Attorney General, Antitrust Division, Department of Justice, Washington, D.C.

DEAR MR. MCLAREN: More than two years ago one of your predecessors, Donald F. Turner, advised me that "we have been engaged for some time" in investigation of possible violations of antitrust law, including "possible exclusion of municipal and cooperative electrical systems from pooling and other arrangements among investor-owned power companies."

Last year I met with another of your predecessors, Edwin M. Zimmerman, who assured me that the staff work would be completed last year. I was advised late last year that the staff studies in key cases had been completed.

Small municipalities, such as Elbow Lake, Minnesota, and cooperatives, such as those in California, do not have the resources to hang on, year after year, waiting to hear whether the Department of Justice will or will not respond to their pleas for assistance. Long delays at the decision-making level in Justice can damage their case and render more difficult and costly their own planning for reliable electric service.

In all fairness to these small systems and their customers, I urge you to make appropriate decisions based upon the information in your files.

Very truly yours,

LEE METCALF.

DEPARTMENT OF JUSTICE,
Washington, D.C., June 3, 1969.

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

DEAR SENATOR METCALF: This has reference to your letter of May 19, 1969, referring to several investigations in the electric power industry which have been the subjects of correspondence and meetings between my two immediate predecessors in office and yourself.

When I assumed office, the investigation of alleged antitrust violations by Otter Tail Power Company had been concluded and the staff recommendation was under review. The matter is now before me and I hope to make a decision on it very shortly. The other possible violations about which you have communicated with us have also been receiving attention. It appears that relief for the affected small companies may be achieved in some instances through administrative agency procedures. The Department is actively pursuing several matters in this way. Difficult and novel legal and economic issues are presented by the remaining situations to which you allude. While work on these is continuing, progress is dependent upon manpower availability. In this connection, I assume you are aware of our numerous present commitments in connection with electric industry matters. The Department is currently involved in four administrative or judicial proceedings involving the electric power industry and is also engaged in an interagency study of the problems of small systems. In addition, we are conducting a number of other investigations concerning utility practices.

Sincerely yours,

RICHARD W. MCLAREN,
Assistant Attorney General, Antitrust Division.

AMERICA'S MAINTENANCE OF LEADERSHIP

Mrs. SMITH. Mr. President, I have received a thoughtful, thought-provoking, and perceptive letter from George Douth, the producer of Keep in Touch, 125 East 84th Street, New York, N.Y.

Because I think it merits serious attention, I ask unanimous consent that it be printed in the RECORD.

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

JULY 11, 1969.

Senator MARGARET CHASE SMITH,
New Senate Building,
Washington, D.C.

DEAR SENATOR SMITH: On the road to progress in America, it is good to pause and see just how far we have come in achieving our goals.

America's educational system has been transformed during the last hundred years from a small, highly intellectual institution concerned with a minority of the population, to a large and important branch of public service.

Within our democratic system, there has evolved a universal system of tax-supported public schools offering every child, regardless of station, an equal educational opportunity.

Senator Smith, it gives one a sense of pride in our Congress to review its role in the establishment of our nations excellent educational system.

It was 184 years ago that the Land Ordinance of 1785 set aside a portion of the public lands in the Northwest Territory for the endowment of schools. It was recognized that special help was needed on the Great Lakes frontier if our pioneers were to catch up with the better established, the more developed and settled parts of the country.

Seventy-seven years later, in 1862, Congress passed the Land Grant College Act, giving the new States of the growing Union a substantial subsidy, in the form of special grants of land, to further higher education in agriculture and the mechanical arts. The program continues to the present day, and many a landgrant college draws financial assistance from it.

In 1917 Congress added a new dimension to Federal aid to education with the passage of the Vocational Training Act. This program also continues to the present day.

The third major addition to the Federal aid program was approved by Congress 23 years ago, when the School Lunch Act of 1946 was passed.

The next enactment of Federal financial assistance to our public schools, one with which we have long been familiar, related to impacted areas, that is, to communities affected by a heavy concentration of Federal activity.

Then, in 1958, following Russia's launching of Sputnik, came the passage of the National Defense Education Act, which embraced both colleges and secondary schools. Federal loans to needy college students were included under one title of the act; other titles provided Federal money for equipment and improved supervisory services in the secondary schools in the fields of science, mathematics, history, civics, geography, modern foreign languages, English, and reading.

The year 1963 saw the enactment of the Higher Education Facilities Act, providing Federal grants and loans to colleges for classroom buildings, science laboratories, and libraries. By any standard of measurement, the greatest year for public education in the history of Congress was 1965. In that year, the Elementary Secondary Act was signed into law.

Our democratic way of life has emphasized that teachers are, more than any other class, the guardians of civilization. American edu-

cators have been given a feeling of intellectual independence. This is essential to the proper fulfillment of the teacher's functions, since it is his business to instill what he can of knowledge and reasonableness into the process of forming public opinion.

America has dispelled the widespread belief that nations are made strong by uniformity of opinion and by suppression of liberty. In a sense, Senator Smith, your "Declaration of Conscience" of 1950, which made a profound stir both in and out of Congress, pointed out that nations have been brought to ruin much more often by insistence upon a narrow-minded doctrinal uniformity than by free discussion and the toleration of divergent opinions.

The thing, above all, that a teacher should endeavor to produce in his students, if democracy is to survive, is the kind of tolerance that springs from an endeavor to understand those who are different from ourselves. The educators of these United States, as exemplified by the World's foremost anthropoligist Dr. Margaret Mead, have indeed demonstrated their ability to instill in our students the fact that the people of our country have common ground with people of other countries.

Our educators, the finest in the world, have made a great contribution to our modern educational system which is matched by few nations and excelled by none.

Not since the founding of our Republic—when Thomas Jefferson wrote the Declaration of Independence at 32, Henry Knox built an artillery Corps at 26, Alexander Hamilton joined the independence fight at 19, and Rutledge and Lynch signed the Declaration for South Carolina at 27—has there been a younger generation of Americans brighter, better educated, or more highly motivated than our present day youth.

The legislative achievements of the Congress in the field of education illustrates that the decisions for progress rests principally upon our public officials.

In our great human experiment in large scale democracy, the United States Senate has played an important role in establishing moorings for the present and guidelines for the future of our great nation.

As an advocate of the strongest possible national defense—and of a firm foreign policy to match it, Senator Smith, you have shown courage and wisdom in your efforts to insure the continuance of our democracy.

The Dean of the Republicans in the United States Senate, Vermont's distinguished Senator George D. Aiken, personifies the man of tradition who works toward the changes that will improve and preserve our world.

The President Pro Tempore of the Senate, the distinguished Statesman from Georgia, Richard B. Russell has dedicated and devoted most of his lifetime to the Senate. A man of his word; his dignity is both seen and felt.

The legislators of "the world's most deliberative body" have brought together a wide diversity of background and experience to work out legislative solutions in the broad interest of all.

They are renowned for their expertise in parliamentary procedure and friendly persuasion.

The relationship between government and business is vitally important under our system. The stability of our democratic way of life depends on the policies of American business. Successful business provides the base for all the revenues from which we obtain our local, national and international objectives.

It is in the breadth and diversity of interest and approach that we find the greater strength of our society. American industry has recognized that the function of modern institutions is not to repress individuality, but to provide the theatres of action for it. In our multi-racial society our people are greatly different from one another; the unique personal skills, views, and hopes of each demand functional contact with the skills, views, and hopes of others.

The business leadership of this country has shown a spirit of good will in its responsibilities in meeting the challenges and seizing the opportunities that have given Americans a standard of living unparalled in the history of man.

It is a natural tendency for people to forget victories and concentrate instead on the losses. Perhaps this is as it should be, for there is yet much to be done. But at the same time, we should take heart and find inspiration in the thought that the accomplishments of the American people have been many. And they come, not by coercion, but rather through example, persuasion and good will.

Senator, I greatly appreciate the privilege of having shared with you my thoughts of how America has maintained the leadership in man's quest to seek a newer world.

Respectfully,

GEORGE DOUTH.

HIGH SCHOOL ORIENTATION PROGRAM

Mr. SPONG. Mr. President, in 1968 the Virginia Association of Student Governments initiated a high school orientation program to be conducted during Educational Opportunity Week to inform high school juniors and seniors of the importance of postsecondary education and training. The Virginia Association of Student Governments, consisting of student government leaders from more than 80 percent of Virginia's colleges and universities, presented a series of programs designed to acquaint secondary students with the benefits and problems involved in postsecondary education. In addition to the programs, the association prepared a comprehensive guide to colleges and universities in the State of Virginia and detailed financial assistance which was available. The programs and guides reached an estimated 140,000 high school students in 1968.

Encouraged by last year's success, recent favorable comments on the guide from officials in the U.S. Office of Education and the possibility that the U.S. Association of Student Governments may adopt the program as a model program for associations throughout the United States, the Virginia Association of Student Governments plans to present a similar program this fall during the week of November 17 through 22, 1969.

No one can doubt the importance of education. As technological developments require more highly trained and skilled workmen, as daily life becomes more complicated, as our governmental and international relations become more sophisticated, we cannot be unaware of the need to increase our knowledge and understanding. That increase often comes through postsecondary education endeavors. For this reason, it is most important that we urge and encourage our young people to seek education and training beyond high school.

The program organized and operated by the Virginia Association of Student Governments can effectively contribute to this goal. As the association itself has noted, its members can play a special role:

Because we ourselves are recent high school graduates, we feel uniquely qualified to communicate with high school students regarding the benefit and responsibility of seeking postsecondary education.

At a time when strife and dissension have torn many campuses throughout our Nation, it is especially encouraging that the members of the Virginia Association of Student Governments have undertaken a constructive and useful project.

In order that the Senate and students from other States may know of the accomplishments and prospects of this worthwhile program, I ask unanimous consent that an outline of the 1969 program be printed in the RECORD.

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

VIRGINIA ASSOCIATION OF STUDENT GOVERNMENTS, HIGH SCHOOL ORIENTATION COMMITTEE PROGRAM

(A program originated and presented by college students for the high school students in the state of Virginia, 1969)

INTRODUCTION

The Virginia Higher Education Study Commission reported in 1965 that the level of educational attainment in the Commonwealth was substantially below the national average. Using population and economic indices, the Commission concluded that it would be reasonable to expect that Virginia's performance in education would approximate 2.0 per cent of national performance. Virginia's institutions, however, enrolled a significantly lower percentage of the total number of the post secondary students in the Fall of 1964 than its 2.0 per cent population and economic ratio would have predicted. To have raised the percentage to 2.0 per cent would have necessitated an increase of 25,000 students over the number Virginia's institutions actually enrolled. It is our hope that through this High School Orientation Program we, as responsible student leaders, can make a positive contribution to the efforts presently being made to close this gap.

The High School Orientation Program was prepared by the Virginia Association of Student Governments because we, as college student leaders, are assuming what we believe to be our responsibility to challenge youth to realize the significance and availability of further education or training after one graduates from high school. Because we ourselves are recent high school graduates, we feel uniquely qualified to communicate with high school students regarding the benefit and responsibility of seeking post-secondary education.

RATIONALE

In recent years the State of Virginia has made great strides forward in her commitment to higher education. In addition to the major expansion of established liberal arts oriented Universities and Colleges throughout the Old Dominion, the state has witnessed a rapid growth in the educational opportunities available in vocational-technical and apprenticeship fields. Through these, coupled with the Community College network which offers numerous post-secondary educational opportunities, various types of programs and opportunities for post-secondary training and education are available to the youth of Virginia. Such growth in institutions has unfortunately not been matched with an equal increase in the percentage of Virginia's youth who have taken advantage of such opportunities. Virginia lags behind the national average of eligible students seeking some form of higher education. A

multitude of complex factors contribute to this situation and as students we do not attempt an in-depth analysis of the cause of such a situation nor do we presume any particular expertise in an area which poses a significant challenge to educators across the nation. We do feel, however, that our present status as students affords us a unique vantage point from which to communicate the vital importance of seeking post-secondary training or education compatible with a student's abilities and aspirations.

BACKGROUND INFORMATION

The Virginia Association of Student Governments is a state-wide organization founded by college students in May of 1967 in an attempt to better meet the needs of its member schools student populations through numerous activities and programs. These programs are designed to facilitate the development of mature and responsible student government. Since our founding, with four charter member schools, the Virginia Association of Student Governments has grown to include over 80% of Virginia's institutions of higher learning. Conferences and programs held throughout the years have done much to improve communications and understanding among the student bodies of member schools, their faculties and administrations, and educational leaders throughout the state. Such activities have done much to improve the relationships between and among the many facets of our state-wide educational community.

As the Virginia Association of Student Governments began expanding its activities we felt it necessary to devote considerable attention to the problems we ourselves had not too long ago faced regarding future vocational or educational aspirations. Although numerous established means of assisting the high school student with his post-secondary planning are presently functional, we believe that a further positive contribution of significant impact can and should be made available to Virginia's youth. Last year the Virginia Association of Student Governments, through its High School Orientation Committee Program, conducted such a state-wide service for 140,000 high school juniors and seniors throughout the state. Our program included a welcoming speech by a local college student government president, a speech by a guest speaker, a narrated, split-screen slide presentation followed by a question and answer period. Immediately following the presentation of the program, high school students received copies of *Educational Opportunities in Virginia*, a 130 page booklet of educational information published by the Virginia Association of Student Governments.

We believe that our program and the progress made last year was of significant value to the 140,000 high school students we reached during "Educational Opportunity Week" which the Governor of Virginia proclaimed in conjunction with our program. We do feel however, that significant improvement can and should be made in a number of specific areas of our program since we now have the benefit of last year's experience with the program to guide our activities this year. We strongly believe that the basic thesis behind our program, that of communicating to high school students, as peers, the values and benefits of seeking post-secondary education, is a sound one. It is our hope to continue this program during the coming academic year.

THE PROGRAM

The program itself is divided into several parts:

A. To begin the program, the Student Government Association President of the participating college will deliver a welcome address. His address will explain the purpose of the program. It is essential that the President's speech touch on all the major issues in the total presentation. Points to be introduced by the President include economic and social values of post-secondary education, opportunities in the state for continuing education on a college level, and availability of financial assistance. Also emphasized will be the idea that anyone who successfully finishes high school is able to pursue further development of his talents and abilities. Finally, the President will introduce the guest speaker. This speaker will be one of two individuals: a student enrolled in a community or a vocational school; an individual who did not go to college immediately after high school but has since enrolled in college or vocational school (and why he did so).

B. Following the guest speaker, a short slide presentation will be shown. The slide presentation will consist of 160 slides showing "typical" scenes of college life, both social and academic. Also shown will be various scenes of vocational-technical schools. Additionally there will be slides showing business and apprenticeship programs. In general, all types of post-secondary education will be visually represented. The slides will also picture some alternatives to education. This last however is not to be presented in a black or white, no compromise manner.

C. The next section of the program will be a panel discussion. The suggested composition of this panel is students from state colleges other than the participating college and, where possible, a representative of a vocational-technical school. The purpose of the panel will be to bring out new points on the subject of post-secondary education and to recapitulate the important points that have already been made. In this discussion no single institution will be emphasized, and although emphasis will be placed on the institutions in Virginia, out-of-state institutions will also be considered. It has been suggested that a more effective panel would be one composed of students outside of the student government. In general the purpose of the panel discussion is to cover all facets of post-secondary education. We stress that we do not have answers to every question, that we have not come up with a panacea for all student problems. If we are able to answer a student's question we will. We talk in a straightforward manner with the students on an equal to equal basis. If there is an unpleasant answer, we give it. We would much rather tell the truth than lose the value for our program and ourselves by glossing over a situation. We as students have found in our education that the unvarnished and total truth is preferable, no matter how unpleasant, to a fabrication or an evasion. From past experience with this program we have found that the students feel this way also.

D. Finally, a booklet will be handed out to each student as he leaves. The booklet will contain the following information:

1. Information directing the student to appropriate addresses for admissions information.

2. A discussion of Virginia's community colleges.

3. A brief discussion of each of the colleges in the state with specific distinguishing information about the enrollment of the college, the social life, the types of studies offered, and inclusive data regarding expenses.

4. Statistics on the amount of scholarships and loans that are available and specific addresses where further information may be obtained.

5. Information explaining all facets of Virginia's opportunities for vocational-technical school training and apprenticeship programs.

MILWAUKEE SENTINEL SAYS: FIGHT INFLATION BY CUTTING SPENDING

Mr. PROXMIRE. Mr. President, the Milwaukee Sentinel published an editorial last week that should be required reading for every Member of the Congress.

The Sentinel points out that neither Congress nor the administration is fighting inflation in what is without question by far the best and most effective way.

Last year the Congress passed a surtax as its principle contribution to the inflation fight. That surtax—enacted more than a year ago—has done exactly nothing to stem inflation. Congress was told, and a majority obviously believed, that higher taxes would cut public spending, that lower public spending would mean less demand, and that less demand would slow down the rise in prices.

But what happened? Did the public reduce their spending? It did not. It increased its spending, by simply reducing its rate of savings. The result: more demand, higher prices.

Now we are asked to try the same old discredited patent medicine; that is, to extend the surtax.

Mr. President, it did not work during the past 12 months. It will not work now.

What should we do? The Milwaukee Sentinel has an answer we should try. We should cut Federal spending. And this will work. When the Government reduces spending, resources, which are in short supply, are freed, and the price of those resources tends to moderate.

But what are we doing? The Sentinel has some interesting statistics. It points out that far from following a policy of restraint, the administration's budget actually calls for a bigger increase over fiscal 1969 than the increase in Federal spending by President Johnson in 1969 over 1968.

As the Sentinel points out:

> The Nixon 1970 budget total of 192.9 billion exceeds the current estimate of $185.6 billion for the fiscal year just ended by $7.3 billion, while the increase in spending in fiscal 1969 over the prior year was $6.7 billion. Some restraint.

Mr. President, the budget can and should be cut, and cut big. If we are going to reduce it, the bill now before the Senate containing some $20 billion in military procurement is a logical target. The Nixon administration has already cut military procurement by $1 billion, the Armed Services Committee reduced it by another $2 billion, and we can cut more.

When the full military appropriation comes before the Senate later in the year carrying the huge amount requested for military personnel, that level can be cut by additional billions without endangering our national security.

We can and should also cut at least a billion dollars out of the space program by following the advice of the President's Scientific Advisory Council and confining our space exploration, after the current flight, for the next 3 or 4 years to unmanned space flight. In this way we could cancel most of the more than $1.6 billion requested for the Apollo program.

With a helping hand from the administration, we can, and heaven knows we certainly should, cut back, cancel, or postpone much of our present $10 billion high inflationary public works program.

This kind of cost-cutting by Congress would be the most decisive and effective

signal to the American people that this Congress could give, that it means business on inflation. It would make the surtax unnecessary.

I ask unanimous consent that the Milwaukee Sentinel editorial be printed in the RECORD.

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

CUT SPENDING, TOO

Neither the Democratic congress nor the Republican White House appear bent on fighting the basic cause of inflation by cutting federal expenditures significantly.

The Nixon administration asserts it is pursuing a "policy of restraint" for fiscal 1970. But, as the Council of State Chambers of Commerce points out in an analysis of the 1970 budget situation, the emphasis on restraint is being applied more heavily through taxation than through expenditure control.

NIXON BUDGET TOPS JOHNSON

Despite the talk about restraint, the Nixon 1970 budget actually calls for a greater increase in spending over last year's fiscal spending than was the Johnson budget increase from 1968 to 1969!

The Nixon 1970 budget total of $192.9 billion exceeds the current estimate of $185.6 billion for the fiscal year just ended by $7.3 billion, while the increase in spending in fiscal 1969 over the prior year was $6.7 billion. Some restraint!

It must be the new logic. They are going to reduce spending by spending more. But don't try it on your household budget. It only works if you are a politician with the power to tax and to print money.

And speaking of the power to tax and to print money, what is the Democratic controlled congress doing for its part about fighting inflation by reducing federal spending? So far, not much. Although fiscal year 1970 is underway, the house and senate, operating at their usual turtle pace, have yet to act on the bulk of the appropriation measures.

Both the house and the senate have made provisions for limiting 1970 expenditures. But they are designed to be broken. Judging by past experience and going by appropriation actions taken thus far this year, congress seems bound, while paying lip service to economizing, to end up increasing instead of decreasing expenditures.

CONGRESS LOOKS AT TAX REFORM

Unfortunately for the taxpayers, and all the victims of inflation, congress shows little willingness to cut spending. Instead, attention is focused on tax reform. Without minimizing the importance of eliminating inequities in the federal tax system, it can be said that this is not getting at the root cause of the inflation now threatening national security.

The first step to taming an economy that is running out of control is to reduce federal government spending—drastically. It's too bad the White House and congress aren't giving as much energy and attention to that as they are giving to the surtax and tax reform.

For, if the economy is not controlled in this way, the alternative is likely to be to try to do it by wage and price controls, a cure that generally turns out worse than the disease.

Don't be distracted by the tax reform issue. The main thing to watch is what action is taken on appropriations. That's where the fate of the economy hangs.

POPULATION CRISIS

Mr. PERCY. Mr. President, I have read President Nixon's population message, and recommend it as a statement of impressive scope and thrust. It is surely one of the most incisive comments on this phenomenon which has come to this distinguished body, and I certainly hope my colleagues will give it serious consideration.

I noted with particular interest the President's concern for environmental change which he suggests is in part the result of rapidly growing population. Pure air and water are fundamental to life itself. Parks, recreational facilities, and an attractive countryside are essential to our emotional well-being. Plant and animal and mineral resources are also vital. An increasing population will create greater demand for these resources. As the President explained in his message:

> The ecological system upon which we now depend may seriously deteriorate if our efforts to conserve and enhance the environment do not match the growth of the population.

I could not agree more and was very pleased to see that the President has called on his Environmental Quality Council, under the direction of Dr. Lee DuBridge, to examine the nature of change in environmental conditions with particular respect to population trends.

This is certainly an important aspect of the entire question, and I share the President's concern.

FORT WORTH EXPERIENCE ILLUSTRATES NEED FOR IMPROVEMENT OF FOOD STAMP PROGRAM

Mr. YARBOROUGH. Mr. President, recent problems with the food stamp program in Fort Worth, Tex., are symptomatic of problems with this program throughout the United States. In spite of what the intent of the program may have been when it was created, it often appears to the person seeking food stamps that it is designed not to provide them.

An excellent article published in the Fort Worth Star-Telegram told of the difficulties with the food stamp program in Fort Worth, Tex. It is an unhappy narrative. It speaks of redtape and expense and difficulty for food stamp users. It tells of the resulting failure of this program in Fort Worth. I urge all Senators to read it.

I ask unanimous consent that the well-written article by Kathi Miller, entitled "Food Chit Recipient Mired in Redtape," published in the Fort Worth Star-Telegram of July 4, 1969, be printed in the RECORD.

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

FOOD CHIT RECIPIENT MIRED IN REDTAPE

(By Kathi Miller)

The impoverished person who finally takes his food stamps to the grocery store has already run a gamut of paperwork and red tape.

The process of judging people to be eligible for the program at all, then deciding how many stamps they can—and must—buy is complicated in the extreme.

The final result also is highly unsatisfactory to many food stamp recipients.

Mrs. Ralph W. Estes, chairman of the welfare committee of Neighborhood Action, Inc., Thursday listed several drawbacks to the food stamps program as it is now operated:

Recipients must pay too much for the stamps.

They cannot buy enough stamps to purchase food to eat for a full month.

The program has not kept pace with today's highly inflated food prices.

The stamps are distributed in Tarrant County in only two locations, both downtown, and many people have difficulty getting downtown.

One of the biggest drawbacks to the programs is that stamp recipients must pay a set sum of money—generally a bit more than one-fourth their entire monthly income—in cash each month.

They cannot pay less, and if they miss a month completely they are dropped from the program until they can be recertified as eligible.

Four categories of persons are eligible for the program—low income individuals, low income families, individuals or families who receive public welfare and individuals and families who receive assistance from county welfare.

Income eligibility is based on a scale. One person must have a monthly net income of $110 or less. A family of two persons must have a monthly net income of $150 or less; three persons, $170 or less; four persons, $190 or less, and so on up to 10 persons, $310 or less.

Net income is defined as the amount remaining after certain expenses are deducted:

Mandatory deductions, such as social security, from paychecks or the costs of production if the recipient is self-employed.

Deductions for medical expenses or health and hospitalization insurance.

Deductions for the costs of child care if the parent is employed.

Allowances for housing and utility costs if that cost is more than 30 per cent of the income considered in food stamp eligibility.

Once eligibility has been established, it must be determined how much in food stamps a person can buy. Here the complexity of the system increases.

The number of food stamps a person can purchase each month at face value, and the number of bonus stamps he receives, depends on size of family and amount of income.

Persons with large households and small incomes receive more bonus stamps. Persons with small households and large incomes receive fewer.

The scale is broken down into number of family members, then into exact incomes.

For instance, a person with less than $49.99 monthly income pays $10 a month for $10 worth of stamps, plus an additional $10 in bonus stamps for a total of $20 in stamps.

A lone person with income between $80 and $99.99 buys $18 worth of stamps and receives $6 in bonus stamps for a total of $26.

A family of two persons with less than $59.99 income buys $16, receives $20 in bonus stamps for a total of $36.

A two-person family with income between $120 and $139.99 buys $36, receives $14 in bonus stamps for a total of $50 in stamps.

A family of three persons with less than $59.99 income buys $18, receives $34 in bonuses for a total of $52.

A family of three persons with income between $270 and $299.99 buys $78, receives $18 in bonus stamps for a total of $96.

So, on the scale, a mother with one child and a monthly income of $59.99 receives $14 a month less in food stamps than the mother with one child and an income twice as high, $120 to $139.99.

However, the mother with the higher income is required to pay more than twice

the amount for the stamps than the lower income mother.

Each of the above examples is lifted from a scale in which family categories contain as many as 22 levels of income.

Each example also is on the monthly basis. Persons can choose to buy stamps twice a month if they are paid semimonthly, buying one-half their allotment at a time. However, everyone must buy either monthly or semi-monthly. There are no weekly arrangements.

Also as stated earlier a person cannot buy less than the amount allotted on the scale.

For example in the last example above of the three-person family the buyer must pay $78 a month in cash.

Many families Mrs. Estes pointed out simply don't have $78 in cash at any one time.

"I don't think anybody would disagree that the stamps are too high," she said. "The costs just have to be brought down."

She said it is a case of paying too much for too little, and said the stamps usually do not last a full month.

"I know of cases where the parents just don't eat at all at the end of the month so the children can eat," she said.

"We need to be more realistic about what food costs these days," Mrs. Estes added.

She pointed out that the stamps can be used only for food and cannot be used for such non-edible but essential items as soap.

RESOLUTION ON THE AGING BY NEW YORK STATE COUNCIL

Mr. JAVITS. Mr. President, at present 20 million Americans are 65 or older; by 1985, this total is expected to be 25 million. Forty percent of these older people are classified as poor or near-poor, despite the fact that many of them spent their lives working and earning decent incomes. Most of our senior citizens live on minimal fixed incomes which become increasingly inadequate as living costs rise and medical needs expand.

I believe that it is the responsibility of the Nation to insure that our senior citizens are able to lead lives of comfort, dignity, and purpose. At the same time that we provide programs to improve opportunities for our youth, we must keep in mind the needs and desires of the elderly.

I have recently received from the New York State Council of Regional Associations of Clubs and Centers for Older Persons a resolution which expresses the importance of programs for the elderly. 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 BY NEW YORK STATE COUNCIL OF REGIONAL ASSOCIATIONS OF CLUBS AND CENTERS FOR OLDER PERSONS

Whereas: Publicity, particularly the Wall Street Journal article of June 10, 1969 stated that the emphasis of your administration will give priority to the needs of the young over the needs of the elderly in Federal expenditures. Government should be concerned with the basic human needs of *all* people regardless of age or other classifications. Critical social needs of all groups should be a major consideration of government. One segment of the population should not be curtailed or penalized at the expense of another. In the present economic and social environment in this country, the individual social needs of our elderly adults are extremely critical and in need of careful consideration as well as early government action, and

Whereas: Two-thirds of the elderly population are considered by Federal Standards below the poverty level, and

Whereas: The highest per capita percentage of income for the elderly is actually derived from trust funds into which employees and employer payments have been made over a period of years (more than one-third of a century, in the case of social security) and do not come from general budgetary funds, and

Whereas: This segment of our population were productive, self supporting citizens throughout their lives and presently due to the inflationary spiral, find themselves in need of help over and beyond their present Social Security Income, and

Whereas: During the 1930's when the concept of Social Security was developed and the program initiated, there was a common understanding by members of Congress and the general populous that by 1965, to be effective, the program would require supplemental subsidies from the general fund as a part of the regular annual Federal Budget, this action is long overdue, and

Now therefore be it resolved: That the New York State Council of Regional Associations of Clubs and Centers For Older Persons representing three million persons over 60 years of age in this state do hereby call on you, Mr. President, to express the philosophy and the commitment of the present Administration to the interests and problems of the more than 20 million Americans now age 65 or over and of the population rapidly approaching the retirement age brackets which will greatly increase the proportion of our population in this age group, and

Be it further resolved: That representatives of the member associations of this Council will seek from their organizations and agencies an expression of concern similar to that of this resolution.

RESOLUTIONS COMMITTEE

Cleste Fried, Chairman, Resolutions Committee (Elmont, N.Y.).

Bette Dale, Lockport, N.Y., Helen D'Amanda, Rochester, N.Y., Besshunter Jackson, Brooklyn, N.Y., Adele Nelson, Syracuse, N.Y., Members.

Lucile Kinne (Snyder, N.Y.), President.

Dr. Carol Lucas (Hempstead, N.Y.), Vice President

Lynn LeBlanc (Rochester, N.Y.), Secretary.

Joseph Mossara (Schenectady, N.Y.), Treasurer.

CRISIS IN PUBLIC EDUCATION

Mr. EASTLAND. Mr. President, much has been said recently concerning the public schools and the administration's policy in regard to desegregation. There have been guidelines from the executive branch, and there have been words from Members of Congress. But, as yet, little prominence has been given to the words, thoughts, and ideas of the average citizen, the man on the street, the parents of the children who must enroll in the public schools this fall.

Mr. President, it is this individual who should be heard, who deserves to be heard, for, after all, this is America. I maintain that we should stop and listen to what the average citizen has to say.

I think we will all be shocked and surprised, and a bit dismayed, at what is taking place in our public schools. In my own State, for example, we are truly facing a crisis in public education. The complete disregard by the Federal Government of the circumstances in many communities is leading the public schools of Mississippi down the road to chaos. The educational system of my State as we know it today stands in jeopardy.

All this has been brought about by the Federal Government and its policies, by its refusal to treat each community for what it is, and by its blind insistence on integration at the expense of education.

I think it is time we stopped, and listened, and learned from our citizens.

It is for this reason that I present a news clipping from one of Mississippi's leading newspapers, the Clarion-Ledger of Jackson. I feel that this article accurately describes the situation, and, perhaps more important, it is told in the words of the citizens and parents of the schoolchildren of Mississippi.

I ask unanimous consent that it be printed in the RECORD.

In addition, I have received today a letter from a friend and constituent at Holly Springs, Miss. I do not include the name of the writer of this letter because I do not have his permission to publicize it, but it is an accurate portrayal of the conditions in countless small communities in the South. In addition, I ask unanimous consent that a news clipping from the South Reporter, a weekly newspaper of Holly Springs, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Jackson (Miss.) Clarion-Ledger]

MIXING DECREES BRING CRISIS IN DELTA SCHOOLS—WHITE EXODUS STIRS PRIVATE SCHOOL RUSH

(By Billy Skelton)

These rather alarming statements about public education in the Mississippi Delta were not collected on the street corners or at a fund-raising rally for private schools.

These paragraphs below are quotations from public school leaders and knowledgeable newspapermen familiar with the situation and concerned about it. They are saying about the school outlook:

"It looks pretty fearsome up here."

"The court orders are expected to empty the public schools of white students."

"What they're throwing at us out of the courts now is just not acceptable."

"Unless something is done, it is generally conceded that the public schools, as far as the whites are concerned, won't exist for a while."

"It's obvious that many whites will shift to private schools. There is more talk of private schools than ever before."

"People will move to California or the hills or Jackson or wherever they can get a job."

"There is almost an attitude of desperation."

"In a very short time you are going to have a Negro public school system."

And so the comment goes in the Mississippi Delta, where the school population ratio is 3, 4 and 5 blacks to 1 white in most counties and which ranges up to 8 to 1 in the small towns.

NEW CRISIS

The end of the freedom of choice method of desegregation and the insistence of the courts and the Department of Health, Education and Welfare that the racial identification of the schools be removed and that all vestiges of the dual system be erased has brought about a crisis in nearly all Mississippi schools but especially in the Delta where the Negro population is concentrated.

The dislocation will be much more drastic

than the first desegregation steps several years ago.

Although 59 private schools qualified for state tuition grants in 1968–69 (grants which have subsequently been ended by the courts), the enrollment totalled only about 6,500 pupils, a small fraction of the approximately 600,000 still in the public schools, including about 310,000 whites.

However, enrollment in private schools in th Delta is tripling and quadrupling, and plants are being expanded.

At Pillow academy 4½ miles west of Greenwood in Leflore County, 750 have enrolled where 215 attended last year, and there is a good chance that it could reach a maximum enrollment of 1,100.

A 30-classroom junior-senior high school building has been added to the school plant, located on a 52-acre campus.

TEACHER SHIFT

The new principal of Pillow Academy is Seth Dillon, who was Greenwood High School principal last session. The move is significant for the private schools have filled their faculties with former public school teachers.

Humphreys Academy in Humphreys County is expanding from 9 grades to 12, and in enrollment from 100 to 400 pupils, according to Supt. A. E. McGahey. A 12-classroom building was constructed in Belzoni this year to accommodate the high school, while the elementary school will continue to be operated at Silver City.

Those signed up for next session in Humphreys Academy include 75 pupils from Hollandale in Washington County and others from Yazoo County.

Bayou Academy at Skene in Bolivar County is expanding from 9 grades to 12 and 450 or 500 students are expected where 160 attended last session.

Supt. John Shearer said that 100 applications have already been turned down. However, he added that there is a "strong possibility" that a 3-grade school will be operated in Duncan next session.

A Presbyterian school at Cleveland is expanding from a kindergarten and two grades to four grades this next fall.

Eight classrooms are being added to Indianola Academy where a large increase in enrollment is expected.

INVERNESS SCHOOL EMPTIED

In addition, a new private elementary school has been organized in Sunflower County—Central Delta Academy at Isola, organized by the citizens of Inverness.

The white public school at Inverness is expected to be empty of its 285 white pupils this fall, with the high school students going to Indianola Academy and the elementary school students to nearby Isola.

The new school was financed by a drive in which $80,000 reportedly was raised in 24 hours.

Will Jacobs, Jr., the principal of the Inverness School last year, is the principal of the new private school at Isola.

Citizens in north Sunflower County in the Drew area are investigating the use of the old Tutwiler School, an abandoned public school, in western Tallahatchie County, for use as a private elementary school.

In Quitman County, where an elementary private school was operated last year, citizens are planning to add a high school in the old Walnut school building, a onetime public school.

Tunica Institute, which last year had about 225 pupils or nearly a third of the white pupils in Tunica County is adding a 12th grade to the 11 it had last year.

An expansion of enrollment is expected in seven other private schools in the Delta.

While private citizens in many places are active in private school development, public school administrators are struggling to preserve the public school system.

DOUBLE STRUGGLE

On the one hand they are faced with the difficult task of working out with the courts and HEW a desegregation plan that will be acceptable and at the same time tolerable to the community.

On the other they are faced with another difficult task—assembling a faculty for an uncertain year ahead.

It is most difficult to attract teachers in a condition of turmoil," said one administrator.

The desegregation orders include the faculty, and getting both black and white teachers to cross over to schools previously occupied by the opposite race is not easy.

In one district a $400 bonus was offered for a crossover, and there were few takers.

In Quitman County only two white teachers have signed.

The others declined because they could not get an assignment to a school of their choice.

Administrators also don't know how big a faculty to employ.

There's no way to tell what the community reaction will be until a pupil appears or doesn't appear," said one superintendent. "We are just playing it in the dark."

However, he said when he has a vacancy he is not in too big a hurry to fill it.

There is much talk of migration, but little evidence of it so far. If it develops, it may take three forms: (1) a move from rural areas and small towns where the ratio of Negroes to whites is highest to larger towns of the Delta such as Clarksdale, Greenville, Cleveland or Greenwood where a larger proportion of the population is white; (2) a move to other areas of Mississippi which have a higher percentage of whites; and (3) a move to other states.

ECONOMIC IMPACT

The economic impact of the drastic desegregation proceedings could be "very great," two newsmen said.

Perhaps the biggest unanswered question is how the whites will be able to sustain the financial burden of sending their children to private schools.

Although there is much wealth in the Delta, and capital financing of private schools has not been a problem, the great majority of parents would be financially pressed to pay the approximately $400 a year per child tuition for any period of years.

"They can do it on emotion this year," one Deltan said. "But it would be a tremendous financial burden over a period of years."

However, another said that while it would work a hardship, "where there's a will there's a way."

A third pointed to scholarship funds set up to help children of people of limited resources.

"People feel so strongly they will make sacrifices," he said. "Many wives have gone to work."

A number of "second cars" appear to be headed for the block.

One observer said the move to private schools was a "frantic gesture, the only thing they know to do," but that it was only a "short gap" answer.

TIMING IS FACTOR

The way the desegregation crisis is developing may leave many citizens with even less of a desirable option.

By the time they decide the integration is intolerable, there may be no private school left with an opening and no time to organize one.

One schoolman hazarded the opinion that some white pupils may not go to school at all next year. The state has no compulsory school attendance law.

Asked how much of a racial mix they thought their white citizens would tolerate in the schools, administrators agreed that this would vary by individual and community—after all, one pointed out, even the thought of any led to the organization of many private schools—but most thought 25 to 30 per cent the "trigger point."

They think generally withdrawal of white students would begin at that point and that, if the white percentage dropped markedly after that, the exodus could become "an avalanche," as one described it.

One said flatly he believed pairing of schools, which would throw all white and black pupils together, with the division being by grades, would "empty the public schools of white students."

However, the court orders differ, and the HEW guidelines are in a state of confusion.

Plans to divide students by sex and by means of basic abilities tests (with those rating higher to attend the previously all white schools) have received preliminary approval.

Other plans which have been advanced include pairing, zoning and consolidation.

Freedom of choice is being ruled out as not producing the degree of integration required by the courts and HEW.

However, developments in the Delta indicate that stiff desegregation rulings and guidelines will re-segregate the schools.

It's a tough experience for many communities.

"We're in the most challenging period in American history right now," one superintendent declared. "To get something stable and functional is going to be a whale of a job."

JULY 16, 1969.

Senator JAMES EASTLAND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EASTLAND: Thirteen years ago my husband and I moved our Architectural firm from Jackson, Miss. to Holly Springs, Miss. Our decision to make this move was a "pioneer effort" to help spread the Architectural profession out over our state. One reason we chose this location was because we own much property here, and pay heavy taxes here.

As you know, this is a "black county", and this county seat is a "black town", also. How much longer we can continue to live here we don't know, for our schools are under Federal court order, and we have a 10 year old son to educate. What is done to our schools will, of course, give us our answer, for we will never consent to send our son into a negro neighborhood to school.

As we watch white families moving away, we wonder how much longer we can keep a professional office here. One of the town's three dentists will move away by Aug. 15, 1969, and one of the two dentists left is almost 80 years old. A new Hill-Burton Hospital, being built under my husband's supervision, will open in about two weeks—with no surgeon (applicants come, take a look around the town and schools, and leave). I am a nurse by profession, but I would not accept a position on a hospital staff here; many other nurses here feel the same.

Enclosed is an article from the newspaper published by Ex-Senator George Yarbrough (Miss. Senate), which gives the answer of many Southerners to our Federal Government regarding schools. Our son was sent to Private School here the first semester last year, but was returned to Public School because we felt it would be best for him.

Most respectfully yours,

———— ————.

[From the South Reporter, Holly Springs, Miss., July 10, 1969]

PRIVATE SCHOOLS FORM ACADEMY CONFERENCE

Twelve private schools from the central and northern part of Mississippi met on June 28, 1969, and formed the Academy Athletic Conference. At this meeting the

Conference was divided into the Northern Division and the Southern Division. The Northern Division will be comprised of: Marshall Academy of Holly Springs, Fayette Academy of Sommerville, Tennessee, Tunica Institute of Learning of Tunica, Kirk Academy of Grenada, Bayou Academy of Skene, and Pillow Academy of Greenwood. The Southern Division is comprised of: East Holmes Academy of West, Tchula-Cruger Academy of Cruger, Indianola Academy of Indianola, Humphrey Academy of Silver City, and Council Schools No. 2 and No. 3 of Jackson.

Each school will play the members of their division, plus games with members of the other division. The teams with the best record in the two divisions will play the championship game on November 14th.

Because of the tremendous growth in the private schools of Mississippi, it was felt that an outstanding Athletic Conference could be formed. Most of these participating schools will have over 200 high school students next year.

Other sports that were decided on at this meeting were basketball, baseball, track, tennis, and golf. To close the basketball conference this coming year, a tournament will be played at the Marshall Academy, Holly Springs.

The following officers were elected for the coming school year: president, Glenn A. Cain, Indianola Academy; vice-president, Donald Hopper, Marshall Academy; secretary-treasurer, Peter Jernberg, Indianola Academy. North Division Director will be Tommy Crenshaw, Pillow Academy, and South Division Director will be Frank Trammel, Humphrey Academy.

STUDENT DISSENT

Mr. PERCY. Mr. President, on July 1, Mr. Edward Callan, acting president of the Association of Student Governments, testified before the Subcommittee on Permanent Investigations on the causes of student dissent.

Mr. Callan and his organization represent the majority of the students on our college campuses. These are not the young radicals whose violence expresses their views, but the concerned young people who have constructive suggestions for change on the campus and in society.

These are the students who are dissatisfied with some of the policies of their school administrators and their government and who want an opportunity to work peacefully to change them. They want to have their voice heard in the operation of their schools and their country, to be active participants in affecting change. These young people are saying, "Listen to us. We have been saying things that are important for you to hear." But they are frustrated because they are not being heard.

Mr. President, I believe we must listen to these responsible students. They do have something to tell their faculty, their school administrators, and us. I ask unanimous consent that Mr. Callan's testimony be printed in the RECORD.

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

STATEMENT OF EDWARD "NED" CALLAN

Good morning. My name is Ned Callan. I am a student on leave from Colorado State College, where I was Student Body President. I am presently serving as Acting President of the Association of Student Governments, headquartered in Washington, D.C.

I want to thank the committee for affording the Association of Student Governments the opportunity to speak before you today on behalf of the great majority of college and university students that you and the public never hear about; the ones that are constantly working within the framework of society for much needed change, the ones that are more times than not, overlooked or ignored.

The Association of Student Governments is a national, non-profit non-political, educational organization which is striving to return reason as the hallmark of the university, which seems to have been replaced by coercion in many instances. We represent over 300 colleges and universities across the nation, through the memberships of their respective student governments, the duly elected representatives of the student community.

ASG recognizes the need to offer students an alternative to groups that would employ extra-legal means to accomplish desired, and very often worthwhile, modifications to the campus community, thus we offer and promote better student government.

We are working to strengthen these governments through our various programs and services, to more effective, more responsive, and most of all, more relevant actions in these crucial times. We represent the attitudes of the constructive activists of the nation's student population; the serious minded students, desirous of an education, sharing little ground with Students for a Democratic Society.

Today our society witnesses a body of students, highly intense and serious about the problems and issues that face our society, and convinced that our present system cannot adequately cope with them.

James Russell Lowell, the poet and critic, once said, "It is not the insurrections of ignorance that are dangerous, but the revolts of intelligence." Some brilliant minds have chosen to follow and lead radical organizations such as the Students for a Democratic Society, and in this is a greater danger than the threats to destroy our society and eliminate economic capitalism. It is unfortunate that minds such as these, creative, concerned, socially aware, will be lost to society, a loss that we can ill afford. It would be an even greater tragedy if more students felt compelled to follow a path similar to that taken by the youth in Nazi Germany; and yet this is a tragedy we face.

The questions remain: why have these students chosen to follow the paths they do, and more importantly. What can we do to bring them back? We must take into consideration how various influences within society directly affect not only the mood of students, but the spirit of the nation itself.

Today's youth abound with an extreme degree of impatience. We view an economy which is approaching an amazingly high level, and yet are witness to malnutrition and poor housing. Despite numerous laws, there is still discrimination, particularly in employment and participation in the workings of American life. We are involved in an educational system which tells us it is our duty as citizens and human beings to prepare ourselves for positions of leadership, but which frequently allows little or no participation in its decision making. Young people, while sometimes bewildered, are struggling to find palatable solutions to these and other far-reaching contradictions; problems which most concerned citizens agree are contrary to the basic concepts upon which this country was founded.

The average American student still has faith, pride and patience with the presently established channels, but these are wearing thin. No longer will pats on the head be accepted by those who do not protest or riot or burn, for they are tired of the action and attention paid those who scoff due process. Placating those who demonstrate against, rather than for, must cease.

If higher education and the higher orders of our society are unwilling to respond to the constructive activism of those who represent the student community, but will only respond to the shouting and demanding of those who misrepresent this community, how can our other institutions be expected to react differently? If the machinery within the system is going to be unresponsive to the legitimate grievances articulated by the student community, then no concerned student organization, no matter where it is on the political spectrum, can urge students to invoke that machinery. If those in control of higher education, and the rest of the nation's institutions don't start proving that the principles of our society are sound, that society is able to and will solve the problems within it, that it wants and needs the responsible participation of its young in all of this, many students will feel compelled, through dissatisfaction, discouragement, and distrust, to turn to the ranks of the radical left. I must warn that administrators and the public must start listening and attending to the responsible voices, for if not, many more of the seven and a half million college students will turn to groups like the Students for a Democratic Society.

But how has society reacted to all this? Society has been conditioned to relying on television, radio, the newspapers and magazines. Unfortunately, front pages are often its only basis for expertise and understanding, and today we read about the myriad of student riots, student's belligerent attitudes, their anarchistic dreams. Today's news has forged in the minds of millions of Americans an image depicting most college students as irresponsible, unclean and immoral. This image was skillfully produced and directed by the publicity-conscious radicals, knowledgeable of the reactions from the public to such a picture; the small percentage has made itself seem like 100%.

It has been said that the call for law and order has simply been a call for peace and quiet, and this approach does not reach the heart of the real problems. SDS is not the cause of America's ills, but a manifestation of problems in our society. It has far overstepped the bounds of reason and order, but still must be taken as a warning of what is and will be happening unless solutions are sought and provided.

To emphasize this point I will point to some facts:

(1) There are over 7,500,000 registered college students in the country.

(2) SDS, by its own claims, has only 30,000–40,000 members, or less than ½ of 1% of our total student population; of those perhaps only 7,000 are "hard-core."

(3) There are 2300 institutions involved in higher education.

(4) Violent disorders have taken place on just over 200 of these, less than 10%.

In a just completed survey by ASG, of representatives from 200 schools across the country, student leaders in all but a few cases, failed to consider SDS or other radical groups as the major problems of their campuses. More important were the effects these groups were having on the future of the institutions.

The problems of our society and the misunderstanding of our college students have given impetus to the growth of SDS. Many students in SDS are intensely interested in the problems of our society and the world; are brilliant and highly motivated. They have a very deep concern for all the people who don't enjoy the full benefits of our economy. Their creative minds have developed many proposed solutions, most of which aim at the destruction of our society, but also many that could be implemented into our present system of democracy.

It is clear that most within SDS have given

up working within the framework of our economic and government systems; because of this, their discussions are confined to socialist and communist theories of control and government. Their dissatisfaction has led to embracing these theories as the only possible answers to the world's wrongs.

Their tactics often include sloganeering, attempting to arouse people with emotional phraseology. We hear, "Power to the People," "Power to the Worker," "Long live the People's War," and "Fight Racism." Yet the blacks and labor, for whom they fight and ideologize, are but a tiny minority in their number. For that matter, much of their leadership is not collegiate, in age or enrollment. This points to an effective tool of SDS: to capitalize on legitimate and popular grievances and issues, for general sympathy and acceptance. Talk still dominates SDS, and it would be a disaster if the actions of which it is capable are not "beaten to the draw" with action from society to solve the problems around which they band together and foster support.

The strategy of the New Left is to play upon the ills of society and build discontent among the people. They hope that the level of discontent will be such that a revolution will come about. Some advocate violence. They often deny the rights they demand, and destroy the freedoms they are seeking to defend. Our system has always sustained itself by meeting the problems of society headon, providing adequate measures to solve or eliminate them. This cannot be done with rhetoric, but only with action. Not by demonstrating the greatness of the past, but by meeting the present needs of America.

Students today are challenging the institutions they feel are aligned with the evils of our society. In that colleges and universities are microcosms of our society, students mirror the times. These institutions have become the targets of protest, simply because they occupy the lives of students. Students do not easily identify with other institutions such as business, industry, and government, so naturally they turn their dissatisfaction on the institution they can most readily influence. They seek to affect the directions the colleges and universities are taking.

The institutions of higher education must respond to our call for communication and participation. Since this is the area of which the Association of Student Governments is a representative, we address ourselves to a few specifics for action on campuses.

Of utmost priority on every campus, whether experiencing student unrest, anticipating trouble, or expecting no violence, is the immediate implementation of discussions with student government leaders, faculty, and administrators. These talks should be held weekly or even more often, in a responsible manner and properly publicized through the campus news media. The topics of discussions and actions should be:

Definition of the legal relationship of the student to the university. Too often all parties are unaware of this relationship. Exact definition of the legal relationship will acquaint the students, administrators and faculty with the basic legal rights and responsibilities of the students. This should be done through the implementation of a code of conduct.

A clearly defined organizational chart of duties for administrators. Many administrators often do not know what their specific areas of authority and accountability are. As a result, students do not know what position in the administration can answer their specific questions. With the duties clearly defined and made public, students will find the established procedures more open and operable.

The position and placement of students on joint faculty-administration committees. Discussion should try to uncover what committees students should have a legal right and interest to serve on, what their participation should be, and what percentage of the committee positions should be granted students.

More administration-student communication. Administrators should make every effort to make known the decisions affecting the education and well-being of their student body, the rationale behind them, and the events that led up to the decisions.

If these topics are discussed and acted upon, the majority of students will see definite, positive and constructive steps being taken to improve and maintain the institution. If those responsible for the direction of the university begin demonstrating a sincere concern for the students, most students will then recognize that administrators are working in their behalf.

Curriculums must be updated and more applicable to the times. Educators who think that higher education should be limited to the strict cultivation of the mind, are the ones who make colleges irrelevant to the real world. If higher education is to be of consequence, students must have opportunities to practice putting thought into action. The test is not an ability to verbalize, but to live.

Campus-community relations must be improved, and I suggest the first job of any campus building program is to tear down the walls between itself and the community.

We cannot improve the institution merely by criticizing, discrediting and condemning the rioters. We can only improve the institutions by filling the void that the riots and disruptions have already proven exists.

On campus after campus, SDS has exploited student concern over justifiable issues in order to create the illusion of grassroots support; this is for the benefit of the news media, and at the expense of an already confused campus situation.

Moderates and the rest who have nourished SDS with their silence, are guilty of lending their approval to SDS tactics. Their sympathy has been felt and shrewdly manipulated by SDS leadership. The silence must be broken; not with confrontation, but by taking a position against SDS goals and methods, thereby removing the great source of moral support.

The ruse is apparent, students have played the Trojan Horse for SDS long enough. We are beginning to realize the facts, and we are going to clean house. It is about time our higher institutions did the same. The emphasis by critics of the activities of the Students for a Democratic Society has been misplaced. The SDS is a political movement, not an education organization. To suggest crippling higher education in order to attack the SDS is no more valid than prescribing brain surgery for a broken arm. This, in fact, is what SDS is seeking: the system destroying itself, institution against institution, with SDS left erect in the rubble.

There has been a failure of college discipline to present a clear choice between overkill and surrender. It is tragic that even now when we should have realized the need to explore the middle ground, we don't see the alternatives coming forth, even for those who claim to represent responsible leadership. If the intolerance of the left is merely going to be replaced by a more-iron tyranny on the right, then the gap will widen and the triumph of either will bring a plague on all our houses. You cannot open minds by cracking skulls.

A critical point has been reached, and it is the duty of every college student to say what he does and does not stand for. The Association of Student Governments stands for universities where all questions are open to inquiry, deliberation and debate. We will not stand for a university where these questions are decided by violence and the arbitrary use of authority.

McGEE SENATE INTERNSHIP CONTEST

Mr. McGEE. Mr. President, each year it is my pleasure to conduct for high school students in my State of Wyoming the McGee Senate Internship contest, which brings back to Washington one boy and one girl for a week of observing democracy in action—here in the Senate and in Washington. The contest is designed to stir up interest among high school students in national and international questions.

As a part of the contest each student was required to complete an essay on "Our President: How Should We Choose Him?" Frankly, it was a study of our electoral college system. This year, as I am each year, I was impressed with the depth of understanding and the dedication to our democratic principles displayed by these young people in their essays. This topic is one of vital interest today, and the essays reflect sound reasoning which should be of interest to us all.

Of course, it would be impossible for everyone to read all these essays, but I think some of the most outstanding ones selected by an impartial panel of three judges should receive wider circulation, and I ask unanimous consent that two of these essays, written by Steven W. Sackman of Cheyenne, Wyo., and Linda Stahle, of Basin, Wyo., which received honorable mention in the McGee Senate Internship contest, be printed in the RECORD.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

OUR PRESIDENT: HOW SHOULD WE CHOOSE HIM?

(By Steven W. Sackman)

The single, most-discussed facet of the United States Constitution in 1969 has nothing to do with civil rights or the Supreme Court. It concerns, instead, the 59-word paragraph in Article II that establishes the Electoral College as the mechanism for choosing a United States President. What if no one—not Richard M. Nixon, Hubert H. Humphrey, or George C. Wallace—had won a majority of the electoral votes in the November 5, 1968 presidential election? In that event, who would have become the President of the United States? How would the choice have been made? These questions underlie the conclusion of the Brookings Institute Study which stated: "The Electoral College and its Presidential Electors are useless if they perform their duties, and dangerous if they do not." Some authorities are advancing admonitions suggesting that the failure of any candidate to win a clear majority in the Electoral College in the election of 1972, might plunge the United States into a "grave constitutional crisis." Dealing with these serious implications, we must establish the following program which will provide for: the direct election of the President by the people; eliminate "winner takes-all policies"; and solidify a modern, just, system of selection of the President of the United States.

First, the Electoral College (system of presidential electors) will be eliminated. Second, because the nominating conventions of the two major parties are largely political carnivals consisting of extravagant oratory, wild cheering, marching delegates, and the vanity of non-serious honorary nominees who allow themselves to be praised from the rostrum for 35 minutes, the nominating conventions should be eliminated. Senator Frank Church (Democrat of Idaho), described this

superannuated cluster of delegates and "barkers" as belonging to the "horse and buggy era." With these two eliminations, it is now possible to proceed to the mechanics of a new presidential electoral system.

Original selection of presidential candidates will be by the two major political parties (Democratic and Republican). The responsibility of eliminating the originally selected candidates to two (one Democrat and one Republican) will be referred to a direct vote of the citizens of the United States in a direct national presidential preferential primary. The two remaining candidates, Democrat and Republic would immediately have their names placed on the national presidential election ballots of the 50 states, and be entitled to select a Vice Presidential running mate. In the case of independent candidates running for the office of the President, the following criteria will apply: Independent candidates would not be subject to primary elections, but instead; if the said independent candidate can gain the majority of the signatures of the constituents of 26 states before the completion of the primary election; the said candidate's name would be placed on the national presidential election ballot of all the 50 states; and be entitled to select a vice presidential running mate. Finally, the plurality winner in the national presidential election (by popular vote of the people), running perhaps against two or more candidates, would be elected President of the United States.

The advantages accruing from adoption of this system of selection are as follows: First, because of the elimination of the Electoral College, the President will not be elected by electoral votes—wherein the entire electoral vote of a state has formerly been credited to the candidate who receives a mere plurality of the popular vote in a state. In the past, candidates winning a plurality in popular votes, have lost elections in the Electoral College. Second, because the President and Vice President will be elected by a direct vote of the American people, the political bargaining that so often characterizes convention nomination, will be alleviated. Finally, the fact that there will be but one ballot for the candidates for President will eliminate the inequity of having independent candidates whose names have appeared (formerly) on the ballots of only 22 states. All of these advantages will serve to inaugurate an up to date, just, system of election of the President of the United States.

OUR PRESIDENT: HOW SHOULD WE CHOOSE HIM?

(By Linda Stahle)

The system by which we elect the President of the United States has created one of the most important issues now facing our country. Few features of the Constitution have caused more difficulties in the past or remain a greater menace to the future. The Electoral College system is a time bomb which could explode in any national election. Some Americans are hesitant to change the system for fear of tampering with the Constitution. However, the Constitution is *not* inflexible; it has been amended in the past in order to correct other defects. Why, then, should our electoral system remain out-dated and inadequate?

For more than 150 years our Electoral College system of choosing a President has been recognized as faulty, in need of repair. Over the years, many amendments have been introduced in Congress for the purpose of changing our Presidential election system. Of all these proposals, I feel that the Proportional Method, which was first introduced by Senator Henry Cabot Lodge in 1950, and more recently by Senator Sam J. Ervin, Jr., would be the most adequate improvement over our present system.

This method would abolish electors. Everyone would vote directly for a President and each vote would be counted as it was cast. The electoral vote of each state would then be divided according to the popular vote.

This system would accomplish many reforms and still avoid the defects inherent in other proposals. First, it would abolish the electoral college, which has proven useless since the rise of political parties. It was assumed originally that the electors, in their great wisdom, would exercise individual judgment in voting for the various candidates. But as communications improved and Americans became more educated and better informed, they insisted on a more direct voice in choosing their highest official, and with the quick emergence of political parties, the electors became transmuted into mere agents of the party. The electors, however, are not legally bound by the Constitution to cast their vote for the candidate to whom they are pledged, and in a close election the apostasy of only a few electors could thwart the popular will.

Further uncertainty has been induced by what is sometimes called "blind voting." This is practiced in some of the Southern states, where the chief interest in a Presidential election is the race issue. These states do not allow the names of the Presidential candidates to appear on the ballot; hence the electors are not pledged to any nominee.

Second, the Proportional Method would also abolish the unit-rule system of counting electoral votes. The winner-take-all rule aggravates sectionalism. In the "solid" states, many minority-party voters do not go to the polls because they know their votes would be wasted. The unit-rule system also gives great advantage to candidates from pivotal states which have big electoral votes. The attention of the nominees in the planning of their campaigns is greatly concentrated in those large states from which they expect to receive the greatest return.

It happens that in the five states with the most electoral votes—New York, California, Pennsylvania, Illinois, and Ohio—the voting population is closly divided between the two major parties. The prospect, therefore, of tipping the balance and capturing a large number of electoral votes by a small change in popular vote encourages the organization of economic, religious and racial blocs within these critical states and gives great power to local political bosses.

In the past there has been some opposition to the Proportional Plan, based on the argument that urban interests are justified in having great power because State Legislatures and the National House of Representatives were far overbalanced in favor of rural interests due to malapportionment. Today, however, "one man, one vote" is clearly the law of the land, and population is the only constitutionally permissible criterion a state may use in drawing districts for its own Legislature or for the seats of its Congressional delegation.

Defenders of the Electoral College argue that the College helps the two-party system by inhibiting growth of splinter parties, but there is evidence that our present system actually gives these parties exaggerated bargaining power. The United States came near to a Constitutional crisis in 1968, when a third party could have prevented any candidate from receiving the required 270 vote majority, thus forcing the election into the House of Representatives. In such a case, the Electoral College could be used as a weapon to overrule the will of the majority and force a candidate to bargain with the minority.

Another ever-present danger lies in the possibility of a President's being elected by receiving a majority of the electoral votes but at the same time receiving less than a majority of the popular vote. This occurred in 1888 when Harrison won the presidency with a majority of electoral votes; yet Grover Cleveland had a plurality of almost 100,000 votes over Harrison. Electoral vote and popular vote are often wildly disproportionate. It is possible for a candidate to carry just 12 states by a small majority and win the Presidency, with less than 25 per cent of the nation's popular vote.

The Proportional Plan also provides that, if no candidate receives 40 per cent of the total electoral votes, the election would be decided by the Senate and the House in Joint Session, with each Senator and Representative having one vote. This provision eliminates the present undemocratic and unfair method by which each State delegation—no matter how large or small the State might be—would have one vote in an election thrown into the House. The power of third parties would also be considerably reduced under these terms.

Several other proposals have received serious consideration in the past. One of the most appealing is the direct election approach. The Proportional Plan, however, has the advantage of preserving the identity of the states. The traditional system of separation of powers between state and national governments has been constantly diminishing as state governments have become less independent. I feel that divided geographical power is vital to democracy, and the Proportional Plan would help to preserve the Federal system.

The District Plan, which provides that electors be chosen as are members of Congress—two per state, with additional members according to the number of districts—has several defects also. Gerrymandering could be used to thwart the will of the majority, and the votes of those not voting for the winner in a particular district would still not be registered.

The Administration Proposal has suggested the abolishment of the electoral college and changing the method of selection when no candidate receives a majority of the electoral votes, but leaving the unit-rule system intact. Since any change in the process of election would necessitate a constitutional amendment, it seems hardly worth the effort of going through that complex process to accomplish as little as this Proposal would do.

Perhaps there is no perfect method for electing a President, but the Proportional Method would correct most of the inequities inherent in our present system and still maintain the fundamental ideas of shared power between the State and National governments.

It is evident that our electoral system is in acute need of reform, and this change must come soon while the dangers faced in last year's election are still fresh in the memory of the American people. Otherwise we are likely to slide back into a condition of apathy until some future presidential contest again threatens to capsize the election system—and by then it may be too late!

RESTORING THE COMPETITIVE POSITION OF AMERICAN WHEAT

Mr. PEARSON. Mr. President, the Secretary of Agriculture's announcement of steps to assure the favorable competitive position for American wheat in the world market is most welcome. The export price structure in existence since last summer, in accordance with the International Grain Agreement, has placed American wheat, particularly Hard Red Winter, at a great disadvantage. This has resulted in a sharp reduction in export sales. As a consequence surpluses have accumulated, and domestic prices have tumbled.

It is encouraging to hear that the Department of Agriculture has moved aggressively to protect the interests of the American wheatgrower. Too often in the past our Government has sat back and done nothing while other countries have

violated international trade agreements to the detriment of the American farmer.

I am hopeful that this adjustment in gulf and east coast prices will restore American export volume to its earlier levels. This will help to reduce the buildup of stocks here at home and will have a positive effect on domestic prices.

THE WIMODAUSIS CLUB OF STERLING, TEX., ENDORSES 100,000-ACRE BIG THICKET NATIONAL PARK

Mr. YARBOROUGH. Mr. President, the Wimodausis Club of Sterling, Tex., has recently passed a resolution urging the creation of a Big Thicket National Park which would contain at least 100,000 acres of the most unique areas of the Big Thicket in southeast Texas.

The Big Thicket is a land of champions. It is the home of the world champion eastern red cedar, black hickory, holly, plane tree, red bay, yaupon, sparkleberry, common sweetleaf, silverbell, and probably many others. In 1967 the world's tallest cypress tree was found in the bottomland along the Trinity River. I have been told that a still larger cypress towers back in a remote swamp, but no one has gone back to measure it: salt water overflow from oil wells killed it years ago.

The Big Thicket is disappearing at a rate of 50 acres per day. We must act now if we are to rescue the Big Thicket from its desperate flight toward destruction. We owe our children and our children's children a greater legacy than the graying snag of a once world champion cypress tree standing in a once remote swamp. Once the Big Thicket is gone, it will be gone forever.

Mr. President, I ask unanimous consent that the resolution passed by the Wimodausis Club of Sterling, Tex., be printed in the RECORD.

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

Whereas, the Big Thicket of Texas is a meeting place for eastern, western and northern ecological elements; and

Whereas, this is the last stand in Texas of the nearly extinct Ivory-billed Woodpecker; and

Whereas, this beautiful and unique area is rapidly being destroyed by bulldozer and chain saw; therefore

Be it resolved that the Wimodausis Club of Sterling City, Texas, urges the preservation of at least 100,000 acres containing the most unique areas of the Big Thicket, these areas to be connected by environmental corridors; and

Be it further resolved that the Interior and Insular Affairs Committee of the Senate of the United States be requested to set immediate hearings on S 4 which would create a Big Thicket National Area.

Mrs. DAVID GLASS,
Club President.

THE GROWING MENACE OF DRUG ABUSE

Mr. DOLE. I wish to commend President Nixon for his recognition of the necessity for immediate action to cope with the growing menace of drug abuse. The President's message suggests a balanced approach to this problem and one that will attack, not only the symptoms, as seen in the growing number of juvenile arrests for illegal possession of dangerous drugs, but also the causes, of which there is very little substantive evidence.

The widespread use and possession of dangerous drugs is a relatively recent phenomenon. As a result, our laws are inadequate and outmoded. Federal and State statutes must be revised to provide a more realistic and flexible approach to control the production and sale of illicit drugs.

The most heartening recommendation of the President is to increase emphasis on education and research. As he stated in his message:

Proper evaluation and solution of the drug problem in this country has been severely handicapped by a dearth of scientific information on the subject.

Without sound information on the potential danger to the health of the drug user, our young people will not be convinced of its ill effects.

As the President indicates, new proposals can be drafted and further studies conducted, but the problem cannot be solved without the active support of local communities and parents.

THE PESTICIDE PERIL—XXVIII

Mr. NELSON. Mr. President, James J. Kilpatrick's column in yesterday's Washington Evening Star credits the pioneering efforts of Rachel Carson as leading to the current concern about the threat of the continued use of DDT to the environment and potentially human health.

It was Rachel Carson's book, "Silent Spring," which first brought home the pesticide warning to people throughout the country. However, at the time Miss Carson received only savage denunciations for her fearless and bold attack on established methods of insect control. Her point was that "the earth's ecology is so arranged that a natural balance obtains. The balance is not absolutely fixed: Man can rid his environment of housefles, mosquitoes, and rats without great peril. But when man's tinkering goes too far, the balance shifts, and the insects" which might have been eaten by a natural predator "soon begin to multiply."

It has taken 7 years for her message to begin to penetrate the consciousness of our society. Hopefully, the recent action by the U.S. Department of Agriculture in suspending the departmental use of DDT and eight other persistent pesticides will be a prelude for future, more meaningful action by that agency.

I ask unanimous consent that Mr. Kilpatrick's 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 (D.C.) Evening Star, July 17, 1969]

RACHEL CARSON VINDICATED IN PESTICIDE FIGHT

(By James J. Kilpatrick)

A quiet announcement from the U.S. Department of Agriculture last week was almost lost in the national excitement over Apollo 11. While everyone was thinking of exploration of the moon, the department at last moved toward preservation of our earth: It suspended the use of DDT and related pesticides in all federally sponsored programs.

The suspension is for 30 days only, while additional "expert advice" is sought, but the probabilities are strong that the suspension is for good. Over the past year, and especially as a consequence of the massive hearings in Madison, Wis., overwhelming evidence has accumulated against DDT and its chemical cousins—dieldrin, endrin, aldrin, chlordane, toxathene, lindrane, and heptachlor. All these are now banned.

The department's action provides one more belated vindication for the late Rachel Carson. Her 1962 book, "Silent Spring," presented the first dramatic challenge to the widespread use of DDT. The ominous points she made seven years ago were essentially the same points developed at Madison: Man can go just so far in playing at being God; beyond a certain point, man invites disaster.

Miss Carson ran into savage denunciations for her temerity in taking on the agri-chemical industry. She was derided as a little old lady bird watcher. She was charged with being indifferent to the world's need for food. Her scientific credentials were scorned. In the view of agricultural spokesmen, DDT was not an enemy, but a savior of mankind.

She was a fighter. For the remaining two years of her life, she lashed back at her critics. She spoke widely around the country. Liberals and conservatives alike found common cause in Miss Carson's crusade; and little by little, the evidence began to mount: Dying fish showed massive concentrations of DDT. Whole colonies of robins disappeared. Birds of prey appeared especially vulnerable.

The trouble with DDT, as fellow biologists urged, is not that DDT is ineffective. On the contrary, it is too damnably effective. Its toxic effects linger for ten years after application, but these effects cannot be localized. The pesticide gets into ground water, travels with rain and snow, and contaminates wide-ranging fish and birds. In the course of time, the deadly stuff does unintended work.

Ironically, it was not an agricultural application that at last brought action from Agriculture. Acting Secretary J. Phil Campbell issued his suspension order when a storm broke in Congress over the spraying of National Airport with dieldrin. Quite suddenly the controversy was close at hand. Why dieldrin? Well, said the Federal Aviation Agency defensively, one good spraying would last for years. And what harm would be done to marine life in the Potomac and to bird life in the area? The FAA passed the buck to Agriculture. And that was that.

Some profound lessons ought to be drawn from the whole story of DDT. Perhaps the first of them is that you can beat City Hall. Miss Carson was one woman, convinced of the right. Her example inspired others. The critics of DDT never had the financial resources to take on the manufacturers and the government. Biologist Charles F. Wurster, Jr., and lawyer Victor J. Yannacone, who led the fight at Madison, had to travel from New York on a threadbare budget. They served without compensation. But they won.

A second lesson is the great lesson Miss Carson tried to teach. She wasn't concerned with robins simply as song birds on a lawn. Her point was the earth's ecology is so arranged that a natural balance obtains. The balance is not absolutely fixed: Man can rid his environment of houseflies, mosquitoes and rats without great peril. But when man's tinkering goes too far, the balance shifts, and the insects the robins might have eaten soon begin to multiply.

Now, if we only had a Rachel Carson to take on the problem of smog, or a Rachel Carson to tackle stream pollution, or a Rachel Carson to quiet the noise of urban life . . . just possibly, reckless man might not foul up the other planets as he's fouled up his own.

POPULATION CRISIS

Mr. DOMINICK. Mr. President, the growth of the world's population has reached staggering proportions, as President Nixon has so clearly explained in his recent message. It took many millenia to reach a population of 1 billion people on this planet. But if our present rate continues, by the year 2000 we will have 7 billion people and will be adding them at the rate of a billion every 5 years.

As we look with awe and admiration at the astronauts soaring to the moon, we must reckon also with a world whose population may be soaring to unmanageable proportions. The President has exercised wise leadership in giving population and family planning programs high priority among our foreign aid activities. More importantly, he has asked us all to recognize the necessary leadership that the United Nations must be helped to exert in this vital area of human life. John D. Rockefeller III recently presided over a panel of the United Nations Association of the United States, a panel which recommended a series of key actions by the U.N. to manage the world's population increase, especially in less developed countries.

The President's message also pays close attention to the special kind of population problem that we have within the United States. It is true that our numbers will grow to 300 million by the year 2000. And yet, as the President observes—

> The great majority of the next hundred million Americans will be born to families which looked forward to their birth and are prepared to love them and care for them as they grow up.

Ours, then, is not a problem of unwanted population growth; it is a problem of learning to plan ways of accommodating that growth.

In 1966, I spoke at some length about the awesome decisions which we and the entire free world will face if we do not find a means to bring some measure of balance to the growing disparities between surging population growth and food production capabilities. Let me refer to my remarks:

> Food production is daily losing the race against population explosion in Latin America, Asia and Africa. Only the United States, Canada, Australia and New Zealand remain as major food surplus nations in the world. The Soviet Union and Eastern Europe are barely meeting their own needs. The rate of population growth in the rest of the world threatens to surpass even our ability to fill the growing world food deficit—even at the bare subsistence level.
>
> It is most paradoxical that the greatest increase in population is occurring and will continue to occur in those areas of the world which are now producing less and less of their food needs. It has been estimated that, if the present ratio between population increase and food production continues throughout the world, in the next dozen years the world will face a food deficit of as much as 240 million metric tons annually. Under these conditions, the same source has estimated that 48 million human beings will be left to starve and the specter of disease stalking quietly through whole populations debilitated by malnutrition will become a terrible reality. Who has the wisdom to make that decision: "Who shall live and who shall be left to starve?"

At that time I recommended a four-point program, and I believe it is appropriate to mention that program in connection with President Nixon's message:

> First, in order to meet this crisis which has already begun to appear in India, we must unleash our farmers; unharness the full productive capacity which American agriculture has demonstrated it is capable of doing in order that we may begin at least partially to meet growing food shortages around the world. Secondly, we should work toward the establishment of Regional Agricultural Development Banks structured along the lines of the World Bank with the resources of such banks available to participating nations. The capital of the Regional Development Banks should be provided by the nations of the free world, such as Canada, Australia, New Zealand, West Germany, France and the other nations of Western Europe—not just the United States. The function of the Bank shall be to make loans to developing nations for the purchase of equipment and machinery for agricultural development, and for the processing and distributing Agricultural production. Third, we need to expand our programs of extending education to developing nations, teaching them to read and write and to comprehend and use the technology of agricultural development. In addition, such educational programs should include such assistance as shall be needed to bring population growth within reasonable limits of an estimated 1.5 percent per year to match the average growth rate of agricultural productivity. And finally, we should enact programs to assure the participation of the private enterprise capital in the development of these nations. In our dealings with other nations, we should strive to assist them to attain the needed social and technological reforms and encourage their leaders to demonstrate the will and determination to obtain maximum progress toward meeting the approaching crisis through accelerating their agricultural production.

President Nixon has proposed a Commission on Population Growth and the American Future, at the same time as he has directed the Federal agencies to take a series of immediate steps to plan for our anticipated rise in numbers. Congress should respond to the President's leadership by speedily creating the proposed Commission and by endorsing and supporting the many other measures that the President describes.

ABM NO BAR TO NEGOTIATIONS

Mr. STENNIS. Mr. President, the following message was received yesterday in identical telegrams to Senator JOHN STENNIS, chairman, and Senator HENRY M. JACKSON, of the Armed Services Committee:

> JULY 17, 1969.
>
> In our varied experiences of negotiating with the Soviet Union nothing suggests that a Congressional decision to authorize President Nixon's Safeguard ABM proposal will in any way hinder the start of strategic arms limitation talks with Moscow or impede the negotiations once they are under way.
>
> DEAN ACHESON.
> CHARLES BOHLEN.
> ARTHUR DEAN.
> FREDERICK EATON.
> FOY KOHLER.
> ROBERT MURPHY.
> HERMAN PHLEGER.

LEON HERMAN MEMORIAL

Mr. JAVITS. Mr. President, I pay tribute today to Leon Herman, who died suddenly on May 31 of this year. In his long years of service to this country, he distinguished himself as both a scholar and an American dedicated to the understanding of other peoples.

In 1961, Mr. Herman traveled with me to the Soviet Union and was a major factor in writing the subsequent study of the Joint Economic Committee on Soviet economic power. His understanding of the technical side of Soviet economic policies and the language, culture, and institutions of that country were invaluable to me in the course of the trip. Recently, he conducted a similar study on mainland China which was invaluable to the committee.

The studies which resulted from the Soviet trip and the other studies of the Joint Economic Committee bore the unmistakable imprint of Leon Herman's thought. Eschewing the rhetoric of the cold war, he put into clear perspective the economic realities of the Soviet Union. He understood, long before many, the advantages of East-West trade. His last work, a supplement to Senator MAGNUSON'S East-West trade Relations Act of 1969 reveals the precision of thought and the high intellectual standards which were his trademark.

Yet Mr. Herman's contributions were not solely scholarly. He was profoundly devoted to the betterment of mankind and to achieving of peaceful relations among nations. The Members of this body and other Government officials benefited greatly from his knowledge as the senior specialist in Soviet economics in the Legislative Reference Service of the Library of Congress. In our untiring efforts to preserve the slender thread of peace, his contributions were inestimable. As an adjunct professor at the American University School of International Service and a frequent lecturer, he imparted his knowledge to a generation in whose hands our future lies.

The loss of Leon Herman is untimely and sad. I share with his wife, children, and numerous friends some part of the warm recollection and benefit of his life.

FOUL WATER, FOUL AIR

Mr. PROXMIRE. Mr. President, at a time when man is hurtling toward the moon, we tend to sweep aside some of our more mundane problems here in earth while we revel in the glamorous achievements of science. But by the middle of next week, the Apollo 11 astronauts will have returned from their epic journey, and we will have to face up to our earthly needs. One of the most pressing of these needs is the battle against pollution.

Mr. President, the Federal Water Pollution Control Administration has estimated that to meet the Nation's needs, $24 to $26 billion should be spent on water pollution control over the next 5 years. Admittedly, this is a gigantic sum; it would include all municipal and industrial water treatment works, plus sewage construction. But when one reflects upon it, $24 to $26 billion is the same sum that has been spent on the program to put a man on the moon.

Certainly this Nation should be willing to invest the same amount of money

and energy to improve the environment here on earth—where all of us will have to live for the foreseeable future—that we have put into our effort to reach a barren and lifeless satellite. Surely we are capable of this same single-minded commitment for the effort to control pollution.

Mr. President, last week the Milwaukee Journal ran an editorial entitled "Foul Water, Foul Air" which pointed out that after Vietnam, crime, and inflation, the problem of pollution is the fourth major concern in this country. This should demonstrate amply that the Nation is willing to make the type of commitment that is needed to lick this very serious threat to our environment. I ask unanimous consent that the Milwaukee Journal editorial of July 10 be printed in the RECORD.

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

FOUL WATER, FOUL AIR

A recent Gallup poll, taken at the request of the National Wildlife federation, indicated that three out of four persons were willing to pay more taxes to improve their surroundings. Readers of This Week magazine have ranked reduction of pollution fourth, and conservation of natural resources sixth, in goals for a better America. (Top three were ending the Vietnam war, combatting crime and controlling inflation). Ten years ago, in a similar poll, conservation ran 10th and pollution abatement wasn't in the running.

Despite the rising national concern, congress has not bestirred itself to provide funds for a serious start on the problem.

Grand plans were laid, in the national water quality act, to clean up lakes and streams. Yet less than one-fourth of authorized funds has been appropriated. The Nixon budget does not promise to step up the pace.

One-third of Wisconsin's communities still do not provide secondary treatment of sewage wastes. Milwaukee's beaches teeter on the edge of pollution each summer, are closed periodically when the sewage plant bypasses too much raw human waste. Separation of storm and sanitary sewers would cost untold millions in a community already reeling under property taxes.

Some industry is responding to public indignation over pollution, and to governmental orders, with research and waste treatment. A steel plant on the Ohio river, for instance, which cost $5.5 million to build, had to spend $2.25 million to handle its pollution and water supply problems. All-out efforts, at industry expense, would increase prices of consumer goods.

The air is growing grimy as fast as waters are growing filthy. Smokestacks, auto exhausts and chemical plants now are spewing out an estimated 142 million tons of noxious fumes a year. Even Milwaukee county, a pioneer in air pollution control, is only holding its own in "particulate deposition"—an engineer's way of expressing the tons of fallout. Los Angeles' smog recently stretched 110 miles to the affluent resort community of Palm Springs. A plume of dust from Chicago's steel mills has been traced to Madison, Wis., 160 miles away.

No nation has been blessed with greater natural resources than this one. No nation squandered them more shamelessly. The people at last seem ready to turn with resolve, energy and money to the task of cleaning up what we have befouled. It is time our leaders in government respond.

CAPTIVE NATIONS WEEK—10TH ANNIVERSARY

Mr. HRUSKA. Mr. President, this is Captive Nations Week. Ten years ago, President Dwight D. Eisenhower issued a proclamation so designating the third week in July, following the authorization and request of Congress.

We mark this decennial anniversary with renewed commitment.

The observation of Captive Nations Week reminds the world that the United States cannot forget the Communist subjugation of once free peoples. Our own history, our struggle for independence, teaches the meaning of freedom. From this knowledge comes the obligation not to abandon those who have lost their freedom.

Many of our fellow citizens trace their roots to those lands now conquered. In those lands, freedom once flourished. It does no longer.

The courage and dreams of the millions under Communist rule cannot be doubted. But the response of the Communist masters to the sparks of freedom has been brutally repressive. The Poles of Poznan, the Hungarians, and the Czechoslovakians resisted totalitarianism and paid for their temerity.

This is a part of the Russian past, and to quote George Santayana:

Those who cannot remember the past are condemned to repeat it.

We all hope and pray for meaningful negotiations with this country. But as we proceed in this direction, we should keep the nature of our adversary in mind.

Communist Russia can be known by its friends—from Vietcong terrorists to Arab guerrillas. It can be known by its foreign policy—from the invasion of Czechoslovakia to Middle East intrigue. It can be known by its domestic policy—from anti-Semitism to the Ginsburg trial.

Seeing Communist rule for what it is, we should not be surprised that efforts toward conciliation are blunted by the Communist view that capitalism and communism are "opposed systems" and absolutely irreconcilable. We cannot expect much from countries that regard our political and economic system their principal enemy.

Captive Nations Week serves a valuable purpose. It makes us think of these things. But to think about them only once a year is not enough. Many who have suffered the most still refuse to bow to the cruel despotism of communism. Such indomitable spirits demand our concern and sympathy every day of the year.

In making us think about the effects of Communist imperialism, Captive Nations Week accomplishes more. It reminds us not only of the character of this evil, but also that there is much to be done to combat it.

A basic goal is the right of self-determination for the peoples in captive nations, and it should never be abandoned. Captive Nations Week serves to assure these peoples that they are not forgotten. Such assurances will be no more than empty phrases, however, unless we insist on a quid pro quo in dealing with the oppressors.

Self-determination and political freedom are what is sought. As a nation cannot survive unless all its peoples are free, so neither can the world find peace while freedom is denied to many.

We, all of us in this country, hope for the day when the cold war will end. We cannot let our hopes color our view of the world as it really is. As much as we may wish it were not so, the Communist policy to dominate the world has not been modified. Public Law 86–90, the original resolution adopted by Congress in July of 1959, designating Captive Nations Week, is as applicable today as then. That resolution tells the story and should be read and reread by all Americans. For this purpose, I will ask at the conclusion of my remarks that it be printed in the RECORD.

It is an honor to join in the observation of Captive Nations Week. The history it calls to mind should make us vigilant. In rededicating ourselves to the cause of liberty for all, we strengthen the chance for peace.

Mr. President, I ask unanimous consent that Public Law 86–90 be printed in the RECORD.

There being no objection, Public Law 86–90 was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 86–90

(Adopted by the 86th Congress of the United States of America in July 1959)

PROVIDING FOR THE DESIGNATION OF THE THIRD WEEK OF JULY AS CAPTIVE NATIONS WEEK

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a Proclamation designating the third week of July, 1959, as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

CENTENNIAL OF WOMEN'S SUFFRAGE

Mr. McGEE. Mr. President, on Saturday, July 5, at South Pass City, Wyo., the centennial of women's suffrage was celebrated. Today, women's suffrage is taken for granted in the United States, and through much of the world. South Pass City, where it all started, is a ghost town, recently turned over to the Wyoming Recreation Commission, which now will administer it as a historic site in the history of our State.

In preparation for the July 5 event, Mrs. Edness Kimball Wilkins, State senator from Natrona County and a woman steeped in the history of Wyoming, wrote an article for the Casper Star-Tribune which recounts some of the events surrounding the institution of women's suffrage in the Territorial Legislature of Wyoming. I ask unanimous consent that Mrs. Wilkins' article be printed in the RECORD.

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

FAMOUS GHOST TOWN TO HOST WOMEN SUFFRAGE CENTENNIAL CELEBRATION

(By Edness Kimball Wilkins)

When the first territorial legislature of Wyoming in 1869 passed the famous law that first gave equal suffrage to women the toast in the saloons in Cheyenne was "Here's to the lovely ladies, once our superiors, now our equals." Otherwise there were no demonstrations or celebrations, probably because there were few women in Wyoming at that time. Only a handful were among the 8,012 citizens counted in the official census of the new territory.

Among the men in Wyoming territory two stood out as especially loud in their protests against the unprecedented privilege for women, Ben Sheeks and Dr. R. S. Barr.

Sheeks had fought the bill after it was introduced in the legislature, and offered dozens of boisterous amendments in a futile effort to kill it. Two years later, when the second legislature was in session, he was successful. Only two of the original legislators returned to the capital that year, one of them Ben Sheeks, Speaker of the House. A bill was immediately introduced to repeal the suffrage law, and after a lively fight passed both the House and Senate. Only the wisdom and farsightedness of Governor John A. Campbell saved the law for the ladies. In a 20-page handwritten message to the legislature he vetoed the measure that would have repealed the equality act. Many years later Ben Sheeks in a letter to friends in Wyoming admitted that he realized how mistaken he had been in his views, and was pleased that the law had been retained.

Esther Morris who gave a famous tea party and exacted a pledge from the legislative candidates to introduce a bill giving women the right to vote, and Col. William Bright who remembered his promise and introduced the bill in the first territorial legislature, both lived in the wild gold-rush town of South Pass City, as did another important man, Dr. R. S. Barr. Barr was not only a doctor, but also held the proud position of Justice of the Peace, presiding over the county of Sweetwater which at that time comprised approximately one-third of the entire territory of Wyoming.

Dr. Barr, bitterly critical of the new legislation for women, wrote a sarcastic letter to the county commisisoners and ended it with the warning that if and when they found a woman who was qualified to be a justice of the peace they could consider this his resignation. Imagine his chagrin when they took him at his word and appointed Esther Morris in his place, the first woman justice of the peace in the world.

What happened then? Did the ex-justice speak to the lady J. P. if they met on the snow-packed main street? Did he belittle her decisions, and loudly proclaim to the boys gathered in the warm saloons that "She don't know what she's doing. She don't know the law. She's just an ignorant woman!" Did friends take sides and split the town, isolated by the deadly blizzards of winter on top of the Continental Divide?

Certainly all was not tea parties and politics in South Pass City that winter and spring. There was rugged weather, hard work, privation, and constant attacks by savage Indians. Finally on July 6, 1870, just ninety-nine years ago this week, Governor Campbell wrote a report to the Commissioner of Indian Affairs in Washington that pictured in stark words the early and tragic death of Dr. Barr, opponent of equality for women:

"Sir: I have the honor to report that on the 25th ult. Indians made a raid on South Pass City in the Sweetwater Mining District, where they killed three citizens and stole a large number of horses, mules and cattle. The names of the murdered men were Dr. R. S. Barr, Justice of the Peace, Harvey Morgan and Jerome Mason. The bodies of the men were found the day after the raid. Dr. Barr's body was found with his head placed under the the wheel of a wagon, the torn condition of the sod around him giving evidence that he had been scalped and placed in that condition while yet alive and that he died in extreme agony. Harvey Morgan was scalped, an iron bolt driven through his head and the tendons of his body extracted for bow strings. The Indians escaped with the captured stock."

The tragedies and triumphs of a century ago will be told and retold Saturday, July 5th, as South Pass City stirs from its long sleep and relives its colorful history. Mountain Men and trappers from Sublette and Fremont counties will arrive over the old Oregon Trail, and the players from the Diamond Lil Theater in Jackson will stage their gay musical comedy "Petticoats and Pettifoggers," or how equal suffrage came to Wild Wyoming. The Cheyenne Little Theater players will present their operetta. "A Wyoming Tea Party," with interest centering on one of their number, Bill Dubois, great great grandson of Esther Morris.

Governor Stanley K. Hathaway will tell of the events leading up to passage of the first woman's suffrage law, and its impact on national and world events in the 100 years since its passage. The program will start at 10 a.m. Mr. Alice Messick of Douglas is serving as chairman.

The celebration of the Centennial of Woman's Suffrage in South Pass City "where it all started" will be the last official act of the Old South Pass Historical Preserve Commission before turning the famous ghost town over to the Wyoming Recreation Commission which will hereafter have responsibility for its administration and maintenance.

COMMUNICATIONS SKILLS BANK

Mr. JAVITS. Mr. President, in these trying times when our society is faced with increasing polarization between the haves and the have nots—when there is a communications gap between the white and nonwhite sectors of our society—it becomes increasingly important that there be adequate opportunities available to blacks, Puerto Ricans, Mexican Americans, and other minority group members, to break into the news and communications media.

In this connection, I wish to call to the attention of Congress a most worthwhile program just undertaken by the New York Urban Coalition.

The program is called a Communications Skills Bank for Minorities, and it is designed to help members of minority groups find editorial jobs in the communications industry. The aim is to take talented, but often untrained, members of minority groups and to bring them and jobs together so that they may become reporters, editors, and news announcers or editorial employees in advertising, book publishing, and public relations.

The program is being undertaken on a nationwide basis with a far-reaching registration effort centered in New York City. So that Congress and the Nation at large may become acquainted with this forward-looking effort—an effort that will help bridge the communications gap by bringing more nonwhites into the presently white-dominated communications and news media—I ask unanimous consent that the New York Urban Coalition's explanatory brochure be printed in the RECORD.

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

NEW YORK URBAN COALITION COMMUNICATIONS SKILLS BANK FOR MINORITIES

WHY A SKILLS BANK IS NEEDED

The New York Urban Coalition has created a Communications Skills Bank to help members of minority groups find editorial jobs in the communications industry.

The need for such a Communications Skills Bank for Minorities was documented by the reports of the National Advisory Commission on Civil Disorders, the Governor's Committee on the Employment of Minority Groups in the News Media, and the Federal Equal Employment Opportunity Commission.

Each of the task forces studied the problem of minority editorial employment—particularly in the news media. Each unanimously urged the employment of more members of minority groups as reporters, editors and news announcers.

The National Advisory Commission, which

devoted much space to the employment of Negroes in the mass media, said:

"The journalistic profession has been shockingly backward in seeking out, hiring, training, and promoting Negroes. Fewer than 5 per cent of the people employed by the news business in editorial jobs in the United States today are Negroes."

The Commission added:

"News organizations must employ enough Negroes in positions of significant responsibility to establish an effective link to Negro actions and ideas and to meet legitimate employment expectations. . . . The recruitment of Negro reporters must extend beyond established journalists, or those who have already formed ambitions along these lines. It must become a commitment to seek out young Negro men and women, inspire them to become—and then train them—as journalists."

The New York Urban Coalition agrees with these findings.

WHAT THE SKILLS BANK DOES

The New York Urban Coalition believes that more non-whites can be attracted to editorial jobs by the same incentives that attract whites.

The Coalition has thus established the Communications Skills Bank for Minorities to help recruit more Negroes and Puerto Ricans into communications and to help those already employed in the industry to advance.

For the Communications Industry, the Skills Bank is a centralized source of editorial talent among members of minority groups.

For members of minority groups, the Skills Bank is a central clearing house for jobs and training opportunities. It is also a place to which minority members can turn for counseling, evaluation and information.

HOW THE SKILLS BANK OPERATES

Recruitment

The Skills Bank is recruiting—on a national scale—Negroes, Puerto Ricans and other minority group members for editorial jobs on newspapers, magazines, television and radio stations.

The Skills Bank is also seeking minority members who are interested in editorial careers in advertising, book publishing and public relations.

Advertising, direct mail and publicity are being used in the recruitment effort. The outlets include the Negro and Puerto Rican press, the trade press, college newspapers, education journals, community and race relations organizations, youth programs, media that reach civil service employees and professional organizations.

The Skills Bank is cooperating closely with the predominantly Negro colleges, and with educational institutions that have sizable minority group enrollments.

The skills bank registry

As a result of these recruitment efforts the Skills Bank is developing a growing registry of minority members with editorial talent.

The registry comprises both persons with no previous contact with communications and editorial employees who are qualified for advancement or who desire movement between media or geographic change.

The registry includes candidates who are suited for immediate employment and those who have the potential and ability to succeed after completing a training program.

Evaluation and counseling

Each applicant's file contains his resume, work samples where available, and an evaluation of his abilities and aptitudes. The file also contains the results of a standardized reference check.

The counseling and evaluation are done by the Director, by volunteers from the Communications Industry, or by an out-of-town newsman or editor cooperating with the Skills Bank.

Candidates who qualify for immediate employment are sent out for interviews. The Director arranges for these interviews, briefs the employer and the candidate, and follows up in all cases.

Candidates who have the ability and aptitude for success but who need journalism training are helped to enroll in print and broadcast training programs.

If a candidate cannot be placed in a job or a training program because of indentifiable shortcomings, he is told about these. He is then advised about possible remediation, including further study of English, speech training for broadcast, or additional work experience and education.

Job development

To be aware of employment opportunities, the Skills Bank is maintaining close contact with key editorial employers in the New York Metropolitan area and across the country.

Other Industry contacts are being established by the Skills Bank Advisory Panel, the Communications Division of the New York Urban Coalition, and the Coalition's Communications Committee.

These contacts, vital for the success of the Skills Bank, are established at the highest policy level.

In working with the Industry, the Skills Bank is not only answering specific requests for minority editorial talent, but is also selectively suggesting suitable candidates for employment.

WHO OPERATES THE SKILLS BANK?

The Skills Bank was developed by the New York Urban Coalition's Communications Division, headed by John Murray, Vice President. The Coalition is actively supporting the project.

A Skills Bank Advisory Panel is playing a crucial role in implementing this new program. The Panel is comprised mainly of media representatives. It also includes educators and representatives of professional organizations. Members help set policy for the program and advise the Director. The Panel also provides applicants with guidance, advice and counseling. In addition, members work with industry to find jobs for applicants.

The director

Stuart Dim is the Director of the New York Urban Coalition Communications Skills Bank for Minorities. He is former Deputy Director of Public Affairs for the New York City Human Resources Administration and a former reporter and copy editor for Newsday on Long Island, the Times-Herald Record in Middletown, New York, and the Courier Post in Camden, New Jersey. Mr. Dim, who is 33, holds a Bachelor's Degree in Journalism from New York University.

Registration requirements

The Skills Bank has only a few formal registration requirements. A high school diploma is preferred, but no specific educational level has been set. Applicants should be between 18 and 35 years old, although this is not a rigid stipulation.

Applicants must type 25 words a minute. They must also have a reasonable knowledge of grammar and demonstrable writing ability. In addition to submitting a 500 to 1,000 word biography along with the application, applicants must take a two-hour writing test at the Skills Bank office and meet with a member of the Advisory Panel.

Applicants who have the potential to succeed after special training will be registered for enrollment in an appropriate training program.

The Skills Bank regretfully will not register candidates who do not have the requisites demanded by the communications industry.

POPULATION GROWTH AND THE AMERICAN FUTURE

Mr. DOLE. Mr. President, President Nixon today made proposals on population control efforts including increased cooperation and aid with international organizations and underdeveloped countries. Certainly, the speed with which these countries develop both socially and economically is greatly dependent on their ability to lower their explosive birth rates and to adequately care for the people they already have. Our aid to them in both assistance and programs can be invaluable to those countries and to our image abroad.

In the United States, our population has doubled in the past 50 years and it will increase by that same amount before the turn of the century. Although our birth rate has been on the apparent decline during the past 5 years, examination of the more significant statistics of births per 1,000 females in the 20 to 35 age group reveals that the decline has been very small. A great deal of study is needed on these problems and the effects of population growth on the United States.

I am therefore gratified that the President has also recommended the creation of a Commission on Population Growth and the American Future. This Commission can give an indepth analysis to the problem of overpopulation as it relates especially to housing, conservation, urban development, transportation, and ways to generally preserve a high quality of life for everyone.

Let us hope that the Senate can have the vision to assist in solving the overpopulation problem now before it reaches the proportions it has in so many countries around the world and before inadequate transportation and recreation facilities makes city life unbearable and yet the only way to live.

I am confident that Congress will approve the creation of the President's proposed Commission on Population Growth so that we may begin to search for far-reaching solutions to the problem.

TO BUILD FOR AMERICA AND PROMOTE UNITY

Mr. MILLER. Mr. President, the Armed Forces Journal of July 5, 1969, contains a report on a most impressive address by a veteran fighter pilot. The fact that Col. Daniel "Chappie" James is a Negro makes the words carry an even greater impact.

I ask unanimous consent that the article, entitled "To Build for America and Promote Unity," be printed in the RECORD.

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

TO BUILD FOR AMERICA AND PROMOTE UNITY

Col. Daniel "Chappie" James, in a speech to more than 125 Air Force officers at Williams AFB, Ariz., leveled a double-barreled attack on both the high pitch of dissent in America and the apathetic citizenry which fails to involve itself in promoting law and order and American values in general.

The veteran Negro fighter pilot, known popularly as the "Black Panther" from Ko-

rean War days, said, "There are a lot of forces at work to separate us. And Uncle Ho (referring to Ho Chi Minh, North Vietnamese Communist leader) sees the results of all the dissent—he sees the Berkeley scenes, he sees the Detroits and the Chicagos, he sees the foment and the unrest in the streets. He saw the Democratic Convention. He doesn't see you sitting here getting ready to graduate, and proud of it. He doesn't see any of that. And he thinks that he can take you . . . he thinks he's won the war."

The 26-year AF veteran, whose son is a recent AFROTC graduate from the University of Arizona in Tucson, lashed out against anti-ROTC factions. Pointing to the fact that most military officers come from ROTC, he termed proposals to eliminate ROTC from universities or withdraw academic credit "the most damaging form of reasoning." To say that officers in command should not be a product of a university environment, that the military presence is detrimental to the university atmosphere, is stupidity, he said.

Colonel James said all citizens should "get involved on the side of right." "The silent 85% should speak up" and become responsibly involved "against the forces at work to separate us," he urged.

"Today," he said, "the man who knows the black man or the white man who throws the brick and lights the torch and loots the store and doesn't try to stop him is equally guilty." The man who knows someone who practices bigotry every day and segregates and discriminates against a man because of race, creed, color, or religion "is equally guilty" if he doesn't speak out against the bigot, he said.

He added: "The student who stands idly by and sees college campuses disrupted," and with it "his ability to get a degree and to get the type of learning where he can stand up and contribute to this great nation and doesn't try to stop it or head it off—by God, he's guilty."

He urged the young officers to build for America and promote unity. "This is our country," he said, "and she's the greatest in the world, and if she's got ills I'll hold her hand until she can put them right . . . You stand by her, and remember that you'll prosper in proportion as you contribute to her welfare.

"Don't get so busy practicing your right to dissent, he went on to say, "that you forget your responsibility to contribute. Go for the things that are important: patriotism and reverence. and morality, and braveness, and cleanliness, and love. And keep your sense of values in the right line. And by the way you live your daily lives, and by the way you influence people with whom you come in contact, build for yourself your link in that chain that is the unity that has always preceded the states of America and made her strong, and show that unity to the world, and they won't stand against us—*they wouldn't dare.*"

The 30-minute talk by the man who led a 1966 flight of F–4 "Phantom" aircraft which downed seven MiGs in 15 minutes without loss of an American pilot or aircraft damage was typical of his widely-editorialized fervent patriotism, and received prolonged applause from the audience. A similar speech on Americanism delivered to the Air Force Association Convention's air war symposium last year was read into the Congressional Record.

Colonal James has logged over 9,500 hours as a fighter pilot, including 6,500 in jet aircraft. Formerly vice-commander of the 8th Tactical Fighter Wing at Ubon Air Base, Thailand, where he was part of BGen Robin Olds' famed "Wolfpack" MiG killers (they used to call them the "Black Man and Robin" team, James recalls), he is now vice-commander of the 33rd Tactical Fighter Wing at Eglin AFB, Fla.

Nearing the close of a 30-year career as an AF pilot, Colonel James has a 23-year old son, Daniel III, who is "taking up the stick," as the senior James puts it. Second Lieutenant James is a member of the 61-man graduating class of pilots which his father addressed at Williams.

USDA'S PESTICIDE REGULATION EFFECTIVENESS QUESTIONED

Mr. NELSON. Mr. President, an editorial published in last Saturday's Milwaukee Journal registers serious doubts as to the effectiveness of the U.S. Department of Agriculture's pesticide regulation activities.

The editorial reports that during the recent DDT hearings in Wisconsin, one of the Department's pesticide regulation officials admitted that the agency does not double check a manufacturer's claims of toxicity or effectiveness.

Other cases are cited when USDA regulation officials have balked at relabeling pesticides or bringing data furnished by the Public Health Service to the attention of the Secretary of Agriculture.

I ask unanimous consent that the editorial be printed in the RECORD.

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

WHO'S WATCHING PESTICIDES?

There are mounting doubts about the effectiveness of the federal department of agriculture's pesticide regulation division as a result of recent developments.

Harry W. Hays, the director, told a Chicago conference of midwest governors, upset over federal seizure of DDT laden coho salmon in Lake Michigan, that the USDA planned no action against DDT. Then, in the recent DDT hearing at Madison, he raised questions about how enterprising his agency was in checking a pesticide. He testified that the USDA did not make tests itself to double check the manufacturer's claims of toxicity or effectiveness. Independent studies could be made, he added, but he left discretion up to his staff.

Hays recently told a congressional committee that there had been no public notice from his department that products containing thallium—a possible hazard to children—were on the market long after its registration had been canceled. Examples of confusing and contradictory labeling were introduced by the committee's counsel. In one case, the USDA's general counsel office had overruled Hays and ordered relabeling of insect strips, after Hays had called relabeling unreasonable and impractical. In another case, testimony indicated, a challenge on a product's safety by the public health service never was taken to the agriculture secretary, although an interagency agreement provides for this.

The USDA recently ran into public opposition to its plan to spread 69,000 pounds of dieldrin on a Texas air base.

Now the department has suspended use of nine persistent pesticides including dieldrin and DDT on government property for 30 days, pending a review. It's about time firm action was taken in Washington about pesticides.

CAPTIVE NATIONS WEEK—1969

Mr. NELSON. Mr. President, this week we are once again reminded that great numbers of Europeans do not enjoy the freedom that those of us in the United States exercise. On this 10th anniversary of the Captive Nations Week resolution I take honor in thanking those who have advanced the cause of Captive Nations Week thus far and in encouraging them to continue their valiant efforts.

I do this on behalf of the numerous citizens of Wisconsin who have relatives in these captured nations and the many others in Wisconsin who believe in freedom for all people. I think that it is only fitting this year to pay special homage to those courageous people of Czechoslovakia who have most recently felt the chains on their country pulled taut.

SCOTTS BLUFF COUNTY, NEBR., PROGRAM TO CURB JUVENILE DELINQUENCY

Mr. CURTIS. Mr. President, on April 29 last, I informed the Senate about a very fine program which is being conducted in Scotts Bluff County, Nebr., to curb juvenile delinquency.

In particular, I praised the work of a citizens' advisory committee in attempting to improve television programing for children and young adults.

The Scotts Bluff County Juvenile Advisory Committee has continued its efforts in connection with television programing while also carrying out a comprehensive voluntary program to improve conditions for young people.

This local committee's work attracted significant national attention, along with similar work being done by a local group in Boulder, Colo., in an article in the Christian Science Monitor for June 28–30.

I ask unanimous consent to have printed in the RECORD the article written by Howard James of the Monitor staff. I commend it to the Members of the Senate as an illustration of what communities in other States can do with proper local leadership and initiative to solve the problems of youth.

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

AN ALTERNATIVE TO DETENTION: ATTENTION

(NOTE.—If a county's officials provide leadership and if its individual citizens care, children headed for delinquency can be 'turned around.' Today's article takes a look at two such counties: Scotts Bluff in Nebraska and Boulder in Colorado. Both offer programs that show great promise for helping children in trouble.)

(By Howard James)

Marian was 12 when she was arrested for forging checks and passing them at a clothing store.

A small, plain girl with long black hair, she would have been a prime candidate for reform school in many communities. But not in Scottsbluff, Neb. For in Scottsbluff people care about children in trouble.

Marian is 14 now. For the past two years she has been living as a foster child on a 13,000-acre ranch on the Wyoming border. She has her own horse, is active in 4-H, and is strong, suntanned, and happy.

Marian was born of an incestuous relationship between her father and her older sister, who was twice committed to a mental hospital. When Marian was six, she saw another older sister, who had been caring for her, shot to death by the sister's husband.

Until she was arrested by buying clothes with the forged checks her life had been confused, even desperate.

A GOOD PLACE TO BE ARRESTED

Marian's case—and dozens of others—show that being arrested in Scotts Bluff County can be the best thing that ever happened to some youngsters.

Much of the credit must go to the county's highly effective juvenile probation officer, James L Miller, a former policeman and narcotics expert.

Mr. Miller is compassionate, yet firm. He can deal effectively with children in trouble because he has been there. His father and mother were divorced. He describes his childhood home as "tough, with a lot of drinking." Things got so bad that he was placed in a series of foster homes. From this background he made it through two years of junior college.

Unlike many probation officers with police background, he understands that sending children to reform school can do more harm than good. Thus institutionalization is limited to extreme cases.

At present he has found more than 50 foster homes. They are scattered across western Nebraska. And while some foster parents are given a small amount to care for children, either through the Nebraska Children's Home, or through the Welfare Department, many provide foster care free.

This is the case with Marian's foster parents, who have 14 children of their own. In fact, when Marian's father passed on some months ago and she began receiving $53 a month social security, her foster parents decided they would bank $50 for Marian's higher education, giving her the $3 a month to spend.

When I visted Scottsbluff a few days ago, I found that not only did Marian's foster parents have her and two other foster children, but that they had agreed to accept four more—all from the same family.

Scotts Bluff County is an unusual model for the rest of the nation because it is small, rural, isolated, with limited financial resources, and has serious problems.

DENVER NEAREST CITY

A large number of poverty-stricken Mexican-Americans live in rundown shacks on Scottsbluff's fringes. And teen-age drug use has been growing through out-of-town students who attend Hiram Scott College—a new four-year institution. (Marijuana grows wild along the roadsides and creek beds.)

Slightly more than 39,000 people make up this high, dry county that is split diagonally by the North Platte River. Half of those live in the adjoining towns of Scottsbluff and Gering.

Located just east of the Wyoming line, about midway between the South Dakota and Colorado borders, the nearest major center is Denver, some 200 miles to the south (and slightly west). Cheyenne, 100 miles southwest, is the nearest medium-sized community.

Cattle ranching and irrigated row crops are the major source of income, with sugarbeet processing the main activity.

Until about four years ago Scots Bluff handled its juvenile problems in a rather traditional way. County Judge Richard S. Wiles did what he could with limited resources, but far too many children were locked in the awful children's section of the county jail or shipped off to reform school.

Judge Wiles then formed a juvenile-court advisory committee, made up of local citizens. A year later he hired Mr. Miller as his probation officer.

COMMUNITY TURNED ON

For more than two years the advisory committee struggled along. Then a new minister in town, the Rev. James F. Landrum, was persuaded to take the presidency. The Rev. Mr. Landrum had once taught Sunday school in an Indiana reform school and had helped form two private institutions (Illini Children's Christian Home, St. Joseph; and Indiana Children's Christian Home, Ladoga) for youngsters. Imaginative, determined, he began to devote most of his time to Scotts Bluff County children in trouble.

This was what Judge Wiles and Jim Miller needed. With the strong support of the local radio station, KOLT, and the newspaper, the Star-Herald, Scotts Bluff County "turned on."

Not only did the number of foster homes grow from a handful to more than 50—housing some 65 children in trouble—but other things began to happen.

When I visited Scotts Bluff County, I found 17 committees at work, trying to eliminate juvenile delinquency in various ways.

A summer recreational program had begun that day with a $2,300 grant from the Scottsbluff city fathers and the help of student volunteers. Mayor C. A. Thomas says that next year $7,000 will be available; that $12,000 is being budgeted for the following year; and that eventually his community will have a "full-time, year-round recreational program."

FENCED PLAYGROUNDS UNLOCKED

The city became interested in spending money on recreation last fall when Mrs. Jeannie Westervelt, a former schoolteacher and member of the court advisory committee, began making speeches to service clubs and other groups on the subject.

School playgrounds are fenced and had been locked to prevent vandalism. The school board agreed to open them. The city money was used, in part, to hire a recreation director and two assistants for two months. Local groups have donated supplies for arts and crafts. The schools are providing balls and play equipment. And youngsters will be able to rent other games from a mobile recreational unit.

In the basement of the county jail one room is filled with children's clothing donated by local citizens. This was the result of court officials' discovering that many children skipped school, stole, or otherwise got into trouble because they had no shoes or underwear or were poorly dressed.

Jim Miller and others from time to time dipped into their own pockets to provide basic needs for these youngsters.

Parent counseling is used with families of children in trouble. One 17-year-old girl dating college students was constantly in trouble with her mother who (falsely) accused her of using narcotics and being a prostitute. (Her older sister is a prostitute.) Her father was working two jobs and never had time for his family.

HOW COMMITTEES COOPERATE

It was discovered that the girl felt totally rejected. She recalled only one good time in her life—a family camping trip. The mother agreed to take her daughter for two weeks in the Black Hills. The father visited them there. The family got to know each other better, and the girl is not only getting along better, but says she she will return to school in the fall.

Sometimes committees work together.

One 12-year-old boy arrived in court without underwear and was dressed in rags. He had been picked up as a truant. Mr. Miller took him home, found the family without heat or food, with only a small camping stove to cook on, and the electricity cut off.

The father had disappeared, leaving the mother and five children. She worked as a part-time waitress and as a maid in a cheap hotel to provide food. Welfare turned the family down because they had not lived in the state long enough. When Mr. Miller reached the home, he found the youngsters hadn't eaten for a day and a half.

Clothing was provided. Mr. Miller and others on the council started asking for donations. The newspaper told of the family's need. Soon they had furniture. A job was found for the young mother as a receptionist for a local dentist. The welfare department was persuaded to find her a baby-sitter so the children wouldn't be left alone. The boy went back to school.

Scotts Bluff County also has what it calls the "Listening Post." This, too, is a significant delinquency-prevention program, although not yet fully utilized by the community. Professional counselors make up the committee.

PARENTS, EVEN CHILDREN CALL

Sometimes a parent will call, asking what to do to keep a child from running with the wrong group or one on the edge of delinquency from getting into worse trouble. Now and then children ask for help.

One 17-year-old was picked up by police in a street brawl. (Later it was found he was fighting in self-defense.) His father, an ex-convict, was determined to give the boy a beating, according to Mr. Miller. As usual, the mother opposed this (part of a long-time family battle). The boy, tired of the conflict, and "brighter than either of his parents," called the Listening Post.

The boy had been failing in school. But after a series of family-counseling sessions he is "doing fine." The father now holds a steady job, and the home is relatively calm for the first time in years, according to Mr. Miller.

When counseling fails, the Listening Post has other communities to turn to. A 14-year-old girl was promiscuous and defied her mother. She was first placed on probation, eventually put in a foster home. The mother had wanted the girl "locked up."

The juvenile court advisory committee also has a committee working with school dropouts and tutoring students in reading and other subjects. Students from the Platte Valley Bible College do much of the tutoring.

These students haven't been afraid to tackle the dirty jobs. One Mexican family lived in a rundown shack on the riverbank on a farm owned by an exteremely wealthy farmer. The mother passed on. The father supporting his family of 15 by working for the farmer from dawn until after dark at $40 a week.

Mr. Miller learned of the family when one of the children, a 12-year-old boy, was arrested for breaking into a church. He found the children covered with lice, and suffering from malnutrition and a variety of skin diseases. Eight of the children slept in one bed, the father and two boys slept in a second bed, and the rest of the children slept on the floor—pine boards with spaces between them. Their used clothing was burned for heat when it became too filthy to wear. They cooked on a wood fire in a broken-down gas stove.

The students joined Mr. Miller and worked from 5 a.m. until midnight for three days to clean the filthy house. Furniture was provided. A registered nurse was sent out to talk to the older girls. The youngsters were bathed. Medical treatment was given. And after much pressure the farmer piped in cold water for bathing and gas for cooking—increasing the rent deduction from the meager paycheck.

Further pressure through church members on the farmer's wife over several months eventually produced a larger home for the family. And a Spanish minister began calling on the youngsters and sooon they were attending church.

SPECIAL SPEAKERS BROUGHT IN

The Scottsbluff-Gering Fellowship of Christian Athletes also has worked with children, as have other groups.

Three prisoners from Colorado have been flown in to speak to high-school groups on how to avoid a life of crime. Two nationally known speakers in the field also were brought in. Their talks were broadcast on the local radio station and picked up in schools throughout the area.

A community meeting was held by the advisory committee in the county jail. A display on drug abuse has been set up, and pamphlets distributed. A film on narcotics was purchased and has been shown across western Nebraska. "Shining Light" awards are given to those who contribute to delinquency prevention. Efforts continue to establish a big-brother and big-sister program for youngsters in need of a friend.

Efforts are beng made to establish a halfway house for youngsters who cannot adjust to foster home living and cannot stay in their own homes.

Dependent and neglected youngsters are temporarily held in a shelter-care facility, rather than jail—the St. Christopher Child Care Center operated by the Order of Corpus Christi Carmelite Sisters. (Because of a shortage of funds and climbing costs, the center is reported to be in danger of closing.)

JOBS HUNTED DOWN

The committee also tries to find jobs for youngsters. This is hampered by outdated child-labor laws designed to prevent exploitation of children and by the demise of the local Neighborhood Youth Corps unit.

Youngsters who are caught with alcohol in their possession are fined $100 and costs. Other older youngsters may also be fined for certain offenses. All are permitted to work off the fines on community projects. Five youngsters are developing small islands in the river into recreation areas with the voluntary supervision of Earl Shultz, a local carpenter.

Other children make restitution for vandalism by working under adult supervision. One group of 7-, 8-, and 9-year-olds is cleaning up a construction company's yard. The youngsters had stolen radiators, spark plugs, and other parts to sell.

Since the only swimming pool is located in a middle-class neighborhood, city fathers have just agreed to build a second pool more accessible to the poor, says Mayor Thomas.

In the past, the police department has followed a policy of harassment of young people, the Mayor adds. But a bright young California officer with a degree in police science has just been hired as police chief. James A. Teal makes it clear that not only will he work with the juvenile advisory committee, but that he intends to give his men training and insight into better ways of handling youth.

CHANGES THREATEN LEADERSHIP

Problems threaten to knock Scotts Bluff County from its status as a national leader in delinquency prevention. The county judge, Richard S. Wiles, has taken a state post in Lincoln.

The new judge, James L. Macken, who has been on the bench only a few days, admits that he is uncertain which direction he will go. Some fear he will be far more rigid and less imaginative than Judge Wiles, or fail to use the advisory committee properly. Yet Judge Macken says he "wants to learn," and is a "strong believer in probation."

Mr. Miller, probation officer, says he may quit, since his frequent requests for help have been turned down by the county board. Judge Macken replies that the decision on help for Mr. Miller is not final, but believes Mr. Miller is an outstanding juvenile officer and will urge him to stay.

Scotts Bluff County officials openly admit that many of their ideas are really not original. They give much credit to Boulder County, Colo., for pointing the way.

In recent years Boulder's juvenile court has gained national recognition for pioneering in the volunteer field and in opening Attention Homes for children in trouble—attention as opposed to detention.

BOULDER COURT COOPERATES

Beyond this, Boulder has an outstanding year-round recreation program and a welfare department that not only is concerned about children in trouble—and doing something about them—but also is able to work in harmony with the juvenile court. (In Scottsbluff and in many other cities the court and welfare department are at odds.)

Boulder's widely copied volunteer program is an outgrowth of a project begun by a University of Colorado sociologist, Gordon H. Barker. In 1957 he began assigning university students to work in the reform school in Golden, Colo.

In 1961, Professor Barker and Boulder County Juvenile Court Judge Horace B. Holmes began using carefully selected students as volunteer probation officers, after learning of a Laurence, Kan., judge who used law students in this capacity.

(During this same period Judge Keith Leenhouts was also pioneering in the use of volunteers in court in Royal Oak, Mich.)

From time to time Boulder residents offered to help in the juvenile court. But it was a few days after the slaying of President Kennedy that Dr. Ivan H. Scheier, a psychologist specializing in testing, "numbed by the assassination" walked in, asking for something to do.

"I had read that Oswald [Lee Harvey Oswald, accused of assassinating the President] was in a juvenile court but that no one had any time to do anything for him." said Dr. Scheier.

VOLUNTEER HELP WELCOMED

Judge Holmes and his wife, June, had known Dr. Scheier casually as a member of the same folk-dancing group. When Dr. Scheier volunteered, Judge Holmes knew how to use him. For he had long been concerned with the almost impossible job of helping children in trouble with the sketchy information provided by even the best probation officer.

Judge Holmes listed the questions he needed answered. Dr. Scheier used a short personality test to answer the questions. He now spends 20 to 30 hours a week without charge helping the court and supporting the volunteer movement.

Soon another psychologist volunteered to give children attitudinal tests.

Later, an optometrist walked in and began to give free eye tests. He quickly found that roughly half of the children in court had eye trouble. Hearing tests were added. The third child tested had a sever hearing problem that neither he nor his parents were aware of.

Many children are also given reading and IQ tests, proctored by volunteer women.

When court officials became weary of dealing with dropouts, a volunteer tutoring program was launched. So far, 35 different jobs have been performed by volunteers.

College students continue to work as volunteer probation officers. Now adults from the community also serve in this capacity—giving youngsters far more attention than they might get from a professional.

CHURCH PROGRAM TRIED OUT

A church referral program was tried. It failed because ministers and other church people were too busy doing other things. Those ministers who did do a good job "were already involved" with children in trouble, adds Charles Cameron, chief juvenile officer.

In the past year youngsters caught shoplifting have been asked to provide a day's service for each dollar's worth of merchandise stolen. Children may work for the city, help in the halfway house for ex-alcoholics, or in the parks. So far no child in this program has repeated the offense. Work programs are being tried for other violations, but so far with less success.

A sociologist teaches a course in family living for older boys and girls who want to get married. Often these youngsters only want to escape from home.

A group of volunteers has planned "retreats" into the mountains for youngsters who have used drugs. Each group will have 15 boys and girls. Follow-up meetings are planned. This program has been put together by Mrs. Sharon Fenner, a probation officer.

While Boulder still has a cold, prisonlike jail for holding children for courts, it has three volunteer-supported Attention Homes for those either waiting placement in institutions or foster homes or for a crisis in their own homes to end.

PARSONAGE RENTED FOR $1 A YEAR

These are older homes—the first was a Methodist parsonage rented for $1 a year—that blend into a neighborhood.

Young house parents are hired, often married college students, for $200 a month plus room and board. The program is built on trust of children in trouble.

During the school year they attend local public schools. They also are permitted to go to the store for a soft drink or personal need or a movie or some recreational activity without supervision.

A report published by the Office of Juvenile Delinquency and Youth Development, U.S. Department of Health, Education, and Welfare, points out that "behind the volunteer-powered Attention Homes and individual foster-homes programs in Boulder is a belief that much of juvenile 'acting out' behavior is, at least at first, a plea for help. . . ."

The report adds that "the problems of children brought before the court are the problems of the entire community and, sooner or later, must be solved by the community."

In the big, old red-brick Attention Home a few blocks from downtown Boulder I met Don, a 14-year-old who was quietly playing an Attention Home guitar in his room.

Don had been involved in a series of burglaries. His 18-year-old brother is already in the reformatory.

Don "hates" his stepmother, a woman who broke up his home by having an affair with his father several years ago. Now he refuses to live with her. Yet his own mother, who has been ill, cannot keep him.

Don likes living in the Attention Home, not only because of the house parents, but because his father, a middle-class businessman, was always too busy to take him to the places he now goes—horseback riding, rodeos, the YMCA, the swimming pool.

HOME LIFE DESCRIBED

Perhaps even better evidence of the value of the Attention Home came from Carlos, a 15-year-old who has been "running since I was 13."

Carlos' father is divorced from his mother. His stepfather, a man he liked, has passed on.

He shyly talks about how he and his sister dislike the men his mother brings home, and how he is disturbed because "some of them stay half the night with her."

Carlos first went to a boys ranch, but ran from there, too. He has been in several foster homes, but has run from all but the last one, which he had to leave when the husband and wife developed problems of their own.

One of Carlos' problems has been at school where Anglo children "make fun of you and make you feel left out." Carlos is Mexican American. He has not run from the Attention Home, although doors and windows are unlocked.

Several federal studies have been made. One shows that the Attention Homes save a minimum of 500 child-days in jail each year.

(Niagara County, N.Y., has also pioneered, with even greater success, the use of open group homes for holding children in trouble. The jail in Niagara Falls is used far less than that in Boulder.)

PUBLIC FUNDS PROVIDED

Boulder County had a population of less than 75,000 in 1960. It has grown consider-

ably since. Yet its welfare department boasts 60 foster homes, plus three group homes that can accommodate up to 14 children each. One group home has been going for 12 years, a second for 6 years, the third for 3 years. Thus, Boulder is years ahead of many small or medium-sized counties.

Those who run group homes are paid $227 per month per child plus complete medical care. Foster parents taking one or two children receive from $66 a month for infants to $115 for each teen-ager, with varying rates between, depending upon age. Youngsters in foster homes also are provided clothing and medical care.

As in many counties, however, they find it difficult to place teen-agers, especially those who have been to court.

Children with special needs are often sent to private institutions in Colorado and other states for help and care.

The Welfare Department also employs three full-time homemakers who deal with families in trouble—teaching mothers money management, how to feed their families nutritious meals, how to clean and care for the house and otherwise maintain their families. Group meetings also are being tried.

There are other programs that might well be adopted by welfare departments in other states.

In recent months the Boulder Welfare Department has been successfully using volunteers, says Lew Wallace, the department's Director of Public Welfare.

In fact, the use of volunteers is the Boulder story.

INFORMATION CENTER OPENED

Dr. Scheier has opened a national information center in the basement of the courthouse. A federally financed study shows that volunteers—if properly used—do make an important impact on solving the problems of children in trouble.

From July 14 to 18 a national seminar on volunteerism will be held in Boulder. Other seminars have been held in the past, and the volunteer movement is rapidly spreading.

Not long ago a volunteer and information center was opened in downtown Boulder serving 35 community agencies. Both adults and young people are involved. They may play games with retarded or crippled children, teach art, music, drama. Some tutor. Others work with alcoholics, the elderly, and mental-health patients.

Men and boys serve as fix-it men—repairing buildings, radios, playground equipment, whatever needs to be done.

Other volunteers are being asked to provide transportation to the poor to the health center, welfare office, or wherever else they need to go.

Boulder County has a day nursery that cares for children from broken homes with working mothers, as well as others who require this kind of help.

While this kind of day care is still being talked about as new in many corners of the nation, it has been in operation since 1922 in Boulder. Mothers who can afford it pay a fee. But much of the cost is carried by the United Fund (the Red Feather drive) and by private donations. The program runs year round.

Boulder County has an outstanding recreational program. Not only are there two swimming pools, but the city has 8,000 acres of parkland, some of it in the mountains. More parkland is being added every year.

During the year 400 different recreational classes are offered, both in the parks and in the city schools, which remain open evenings. Both youngsters and adults can learn to draw, dance, bowl, play bridge, guitar and banjo, tennis, make pottery, play golf. The program also includes hiking, swimming, and a variety of other activities.

While small fees are charged, children on welfare have pass cards that are as "good as cash anywhere," says Paul Swoboda, superintendent of recreation.

SUMMER JOBS PROVIDED

Each summer 100 boys, 14-16 years old, are hired to work four hours a day, five days a week, up in the mountain parks to construct trails, build foot bridges, and do other jobs.

Although pay is only 50 cents an hour, the youngsters get swimming passes, passes to the nine summer teen dances, and to other activities. Appreciation parties are held. The boys are also issued hard hats and tee-shirts.

In its fifth year, large numbers of youngsters, rich and poor, compete for the opportunity to take part.

Another group of youngsters—boys and girls 14-16—compete for volunteer jobs as water-safety aides. All must pass junior Red Cross life saving tests.

Still another group of 75 girls volunteer each summer as playground assistant leaders. These youngsters also are trained and after one year may qualify as playground leaders. The girls get the same pay—50 cents an hour—and benefits as the boys who work on the park trails.

Mr. Swoboda strongly opposes Little League and other sports because he "detests parents out there pushing their own kids." Only "one in five is qualified to coach anyway," he adds.

Thus a Young America program has been developed for youngsters in the 4th, 5th, and 6th grades. Experienced, paid coaches teach youngsters to play football, wrestling, gymnastics, track and field, and other sports. Every child—skilled or clumsy—plays half a game. Emphasis is on "fun, safety, basic knowledge of the sport, physical conditioning, and competition"—and in that order of importance.

SPENDS $250,000 A YEAR FOR RECREATION

Boulder, which has a population of between 50,000 and 60,000 (the 1960 census shows 37,718) spends $250,000 a year on recreation for children, adults, and senior citizens.

Boulder offers much, much more. One could devote a book to the things going on there.

Take Alex Warner, a youthful but retired English teacher from the University of Colorado. He is running year-around science classes for 15 to 20 "black, white, and brown" youngsters in a corner of an old Quonset hut used by an Office of Economic Opportunity community-action center.

Children bring in leaves, feathers, spiders, snakes, bones—anything that interests them. They go on field trips up the mountainsides. Mr. Warner encourages them to collect and work with "junk," styrofoam packing material, plastic or cardboard containers from the grocery store—whatever they find. A few days ago the telephone company gave him cable they no longer needed.

"We don't spend a cent on this project," he says. Nor is he paid for the many hours he devotes.

The material the youngsters bring in always leads to the excellent children's room at the large new library. Not only do children learn about natural science here, but they are "tricked into improving their reading." Mr. Warner laughs.

This is the kind of imaginative approach—like the efforts in Scotts Bluff and Boulder Counties, Hughson, Calif. (see June 2 article in this series), and the Michigan communities described in last Monday's article—that offers the most promise in dealing wth children in trouble.

WE NEED FEAR NO CRITICISM AFTER RATIFYING THE HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, a persistent fear of some opponents of the human rights conventions now before the Senate is that their ratification would open us up to criticism—both deserved and undeserved—from other nations.

I intend to show today that we have nothing to fear from either kind of criticism.

If indeed we would be criticized deservedly after ratifying these conventions, is not such criticism in our best interests? I have said repeatedly—and we have it on the best authority—that there is nothing asserted in these conventions that is not already a part of our Constitution. Thus, should we be criticized correctly for failing to live up to them, that criticism would apply equally to our domestic practice whether or not we ever ratified the conventions. And if we cannot absorb and act upon valid criticisms of how well we live up to our own Constitution, we are indeed in serious trouble.

But this concern—as I have long said—is wholly academic, for there is nothing in these conventions that we do not practice, as well as promise in our Constitution.

And we have as little to fear from undeserved as from deserved criticism. In the words of Mr. Morris Abram, who has represented the United States on the United Nations Commission on Human Rights—

> This concern reveals an unwarranted underestimation of our capacity to defend ourselves in international forums. The truth is that by becoming a party to these conventions we would not give our "enemies" any propaganda weapon that they do not already have, and that we are not capable of effectively resisting. As an open society, with our practices widely discussed in our own as well as the world information media, we risk nothing.

And far better, Mr. President, undeserved criticism, that we can absorb with ease, than the deserved—I say, deserved—criticism we now receive in abundance for claiming these standards as our own while continually failing to ratify the treaties that contain them.

I suggest, then, that we have nothing to lose by ratifying these conventions, while the effects of leaving them untouched can only be detrimental to our policy and to our hopes for a peaceful world order. I therefore urge once again that the Senate act promptly to put our name in the long column of those who have already approved these treaties.

FOREIGN TRADE ASSISTANCE

Mr. JAVITS. Mr. President, as the ranking minority member of the Joint Economic Committee, I have been particularly concerned for some time about the need to increase U.S. exports. The favorable impact this would have on improving our balance of trade is of major significance, particularly since our best forecasts indicate that we will be running a sizable deficit this year.

Thus, I read with great interest an article in the June 18 issue of the Journal of Commerce entitled "Treasury May Allow Exporters Cost Break."

This news item was a report on the speech made by Morris Victor Rosenbloom, president of American Surveys International of Washington, D.C., at the luncheon meeting of the Internation-

al Executives Association during its annual meeting in New York City the previous day. It made reference to the results of a survey of association members on the type of changes that this organization, comprised principally of businessmen engaged in export operations, deemed of most importance with respect to U.S. Government policy and programs in this vital area of our foreign economic policy.

Of 12 choices provided on the questionnaire, the respondents expressed the view that exports from this country could be benefited best by providing assistance in the following four categories: first, tax treatment comparable with foreign competitors; second, vigorous nontariff barrier removal; third, fairer export freight rates; and fourth, better export financing.

Following these first four categories, eight more were ranked in the order of preference:

Fifth, guarantees/insurance program strengthening; sixth, more tariff lowering abroad; seventh, more practical AID regulations; ninth, a tie between expanded market development programs and realistic export controls; tenth, more effective trade attachés; eleventh, enlarged containerization support; and twelfth, more market research.

Because of the importance of these findings and the relevant observations on some likely future developments presented by Mr. Rosenbloom, I asked him to provide me with a copy of an annotated text of his remarks.

I recommend Mr. Rosenbloom's speech to the attention of Senators and to those Government officials and businessmen who are involved with international trade matters. I believe that his presentation—with its survey of needed changes in export policy and programs by the Government, the evaluation of these findings and developments to be anticipated in this area—is an excellent delineation which will prove of value in advancing a better understanding of the benefits to be derived from foreign trade.

I ask unanimous consent that the text of the address and the report on it, published in the Journal of Commerce, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

EFFECTIVE GOVERNMENT RELATIONS—HOW IT HELPS YOUR INTERNATIONAL OPERATIONS

(Address by Morris Victor Rosenbloom, president of American Surveys International, Washington, D.C., at the annual meeting of the International Executives Association, June 17, 1969, New York City)

It is truly a great pleasure for me to be here today and I am particularly pleased to have been invited to participate with you at the time of your annual meeting.

The excellence of the work your Association has performed since its founding 55 years ago in, as your slogan indicates: "Helping Each Other in International Trade", I believe—both from chatting with some of you and noting the scope, as well as the significance, of the IEA Conference you held last March—expresses better than any words of mine how you are surging forward toward the goals and objectives you seek for the group itself and for your individual members as well.

I

From learning about the work of your Association, it was clear to me that a major aspect of its orientation is in the field of exports. Thus, in devising my questionnaire which Fred Lehn kindly arranged to have forwarded to the membership, its first question was: "What changes does your firm want most in U.S. Government policy and programs?"

I provided 12 choices and asked that the respondee (who would not be identified) number them in the order of their importance. We have made several types of tabulations from the forms that were returned and believe you will be particularly interested in the major findings.

To this question on changes desired in U.S. Government policy and programs—after giving a weighted value of 3, 2 and 1 respectively to the first, second and third choices—the winners were (as they say in announcing the awards presented on television!):

	Percent
1. Tax treatment comparable with foreign competitors	20.6
2. Vigorous non-tariff barrier removal	18.5
3. Fairer export freight rates	13.6
4. Better export financing (3. and 4. were neck-and-neck)	13.0

The four categories chosen reflect 65.7% of the vote cast and the remaining eight categories together represented 34.3% of the vote.

The findings are, in my judgment, significant. This view is underlined by setting forth the eight other categories in the order of the vote cast:

5. Guarantees/insurance program strengthening.
6. More tariff lowering abroad.
7. More practical AID regulations.
8. and 9. were a tie between expanded market development programs and realistic export controls.
10. More effective trade attachés.
11. Enlarged containerization support.
12. More market research.

With respect to the three questions in our survey that were aimed at exporter-government communications, the findings again should prove of considerable interest. In responding to each of these three questions, the following choices could be made: Industry trade associations, exporter organizations, own Washington office, Washington consultants, news media, letters, phone calls and visits.

Response to the first question—"How does your firm keep abreast of export policy and program developments in Washington?"—resulted in a ranking of:

1. Industry trade associations.
2. News media.
3. Exporter organizations.

The vote on the second question—"How does your firm communicate its problems with Washington?"—indicated the following ranking:

1. Letters, phone calls and visits.
2. Industry trade associations.
3. Exporter organizations.

The third question—"How does your firm deal with the international lending agencies and embassies in Washington?"—showed this ranking:

1. Letters, phone calls and visits.
2. and 3. were a tie between industry trade associations and own Washington office.

It was quite interesting to note that, of the six categories shown on the form for selection as those used in order of their importance, only one (Washintgon consultants) did not receive a ranking vote in response to any of these three questions on exporter-government communications! Whether this implies your "underlying spirit" on this subject or—as I should prefer to believe—it is in the area of "My best I haven't designed yet" appears to be the $64 question!

II

As our opinion survey which the Chairman of your Program Committee, Peter Greene, sent to IEA members turned up the most substantive interest in four areas of U.S. Government policy and programs, I should like to spend a few minutes in outlining the present and possible future situation with respect to them. Thus, I shall touch on export tax incentives, non-tariff barriers, export freight rates and export financing.

Let me begin these remarks by saying that this is an especially important time for you to get your message across to the policymakers in Washington. I call it a critical moment because, with our trade surplus dramatically weakened, the prospect of positive government action is very favorable. If the thin export surplus persists, or if it disappears and we have a trade deficit, the government is apt to be compelled to provide some substantial assistance to exporters. This, then, is the time for your suggestions to be presented—and they are likely to find more receptive ears in Washington than has normally been the case.

I don't mean to paint a one-sided picture, however. Not all those in government who have responsibilities in our foreign trade policy are ready to come to the aid of exporters. Far from it. The diagnosis of our trade situation is being vigorously debated. The cure, as you might imagine, is therefore equally unclear.

Right now, two agencies are calling for fresh programs, policies and legislation to give our U.S. exports a shot of much-needed vitamins. I am referring to the Department of Commerce and the Export-Import Bank. Commerce, as you probably know, issued a few weeks ago its forecast of the trade outlook for the next five years. It painted a rather gloomy picture—continuing thin export surpluses, maybe even thin deficits. In Commerce's view, the deterioration in the U.S. trade position is basic and enduring, not merely the result or reflection of the terrific inflation we've been living with in this country. Even when and if inflation is controlled, the report says, we will be faced with a weak trade situation. That is somewhat startling news for American business and, in my judgment, a rather remarkable admission for U.S. officials.

The views have not gone unnoticed within other agencies. I don't want here to explore the disagreements that have been expressed over the methodology of the Commerce trade survey. The important point is that some other agencies disagree with Commerce's conclusions.

A month ago, no less formidable an expert than Andrew Brimmer, a member of the Board of Governors of the Federal Reserve System, took the position that the U.S. trade posture has been weakened by inflation, that high American prices had brought astronomic import levels, while exports had done pretty well. So long as influential officials, like the men in the Fed, doubt that we have entered an era of prolonged basic trade weakness, we are going to face divided ranks in government over this dilemma. And that means divided ranks over the necessary prescription to cure the illness. If the Fed thinks that inflation is our problem, it isn't likely to go along with recommendations for boosting exports—beyond controlling prices, of course. But, again, I should like to repeat that if the trade balance remains weak, the government will probably act regardless of the debate over our predicament. Even Mr. Brimmer left the door open to that possibility, though he obviously limited his endorsement for positive remedial steps.

The two main recommendations for government help for exporters have been in the field of export financing and export taxation—which bear directly on the interest you expressed in response to my survey to IEA members. The Commerce Department ex-

perts who are advocating these measures point out—and I think you will agree—that only through financing and taxation can much of a dent be made in the problem relatively quickly. Other actions obviously would help. Dismantling foreign non-tariff barriers would open up markets, and cutting transport costs would make your products more competitive. But government efforts to create those conditions will take a considerable amount of time to be productive. And even when they have been successful, it will be a while before you will be able to take full advantage of them and feel their effects.

I know many of you have complained at one time or another that the U.S. is not competitive in export financing. Doubless you have felt that either the German or Italian or Japanese exporters could offer better terms, or that they could usually count on funds being available. Finally, in the Commerce five-year forecast directed by Paul Porter, an ex-businessman now a government strategist, a government agency at last admitted that we are heading into an era in which we will probably not be adequately prepared for financing exports.

The Commerce Department, therefore, has advocated several measures to overcome this problem. It has called for the creation of an automatic rediscount facility, preferably in the Federal Reserve System. It has urged the Fed to ease up on its commercial bank foreign lending guidelines. And at least some Commerce officials are insisting that the proposed Private Export Financing Corporation will not make much of a splash unless it offers subsidized interest rates.

Since the diagnosis is not agreed upon, however, neither is the cure. And all of these recommendations are finding strong opposition. Mr. Brimmer made it very clear the Fed is unwilling to ease up on the bank guidelines, and he doesn't see any special need for a discount facility. By his calculations, even with the present foreign lending curbs, U.S. banks could provide another $6 billion in export financing this year, which is far more than any possible increase our exports will enjoy. He kept the door open to a rediscount facility, but indicated it ought to be located in the Export-Import Bank, which already operates a limited discount program. Eximbank operations, on the other hand, are subject to budgetary limitations, and we are living through a period of tight budgetary restraints. It looks like it will be pretty difficult to persuade the Bureau of the Budget to boost Exim's authorized lending volume. I think Andrew Brimmer recognized this situation when he said he thought the reason many proposed a facility in the Fed is that it would be lost in the total central bank lending operations. In other words, it would escape budgetary scalping. But if the Fed doesn't want it, and Exim isn't going to get past the Budget Bureau, prospects must be characterized as dim.

Before turning from this subject, I want to mention that another evaluation of the U.S. trade position has been completed recently by H. S. Houthakker, a member of the Council of Economic Advisers who is the CEA foreign trade specialist. He undertook it with another economist on a private basis, not connected with his present official capacity. Though the conclusion is that this country faces a deteriorating position in trade, the method of study is altogether different from the one issued by the Commerce Department. Houthakker's approach has been to compare aggregates of income and import, measuring elasticities for the U.S. and other major trading nations. Time does not permit going into further detail. Suffice to add, exporters appear to have a friend in the Council of Economic Advisers who, though he obviously sees the situation as deteriorating, would be receptive to constructive proposals.

The only idea, then, which is getting wide support within government is the Private Export Financing Corporation, or PEFCO. The Fed has given it its blessing, though with the reminder that even here it would be pointless to extend credit for export of products that would sell anyway, without additional U.S. lending facilities. The Fed is worried that we don't really need more export financing, and that if we lend more we will merely create capital outflows without necessarily boosting exports. In other words, we will replace cash sales with credit transactions. If PEFCO gets "off the ground" by the end of 1969—as now appears likely—that is all to the good. But how many of you are in the aircraft business? Even though PEFCO probably will be broadened later to cover other capital goods, this is not the case today. In any event, this is the time to get your message across to Washington if you feel you need better export financing.

With respect to new developments regarding non-tariff barriers, it appears that they may be the subject of a GATT conference later this year. The idea here is that free trade proponents in the U.S. and other governments are fearful that protectionism is making headway and that the holding of such a conference would help to give fresh momentum to free trade, meet some of the criticism the protectionists are throwing up about NTBs. Otherwise, chances are that such a conference would be held in 1970.

The GATT has completed its so-called "gripe book," the collections of government complaints about other governments and their practices, though Secretary Stans has referred to still further collection and exchange of these lists. Clearly, vigorous efforts by the government to eliminate non-tariff barriers and unfair foreign trade practices is of major importance to our overall trade picture.

In export taxation, the picture is even more discouraging. In the face of a taxpayer's revolt, the chances of getting special treatment for exporters passed by Capitol Hill are dim. Some think that if the situation in trade really gets sticky that we can expect the Administration to work out an arrangement with Chairman Wilbur Mills of the House Ways and Means Committee which would get export incentives into a broader tax package as a sort of "piggy-back." It's true that the Treasury could, through administrative changes, provide some help to exporters—for example, by allowing foreign market development costs to be written off. This may make some headway during the latter part of this year. But it's still too early to tell. The idea, on the other hand, of the U.S. adopting a tax on a value added system like the Europeans and a border tax system doesn't seem to hold out much hope at the moment. At best this would take some pretty big changes, and lots of time.

In my judgment the best way to deal with export tax incentives is for the government to redouble its efforts to try to have other countries limit their border tax benefits. If this could be achieved in the not-distant future, it would be the wisest solution to this thorny problem. Of course, how feasible this will be is another matter.

I think we can expect some additional help from the Commerce Department, though even there officials involved don't expect all of these activities to boost U.S. sales abroad much more than another $250 million. You can count on a vastly enlarged marketing research effort. As some of you may know, Commerce recently signed 27 new contracts covering a wide range of products in eight Western European countries. That research should make it easier for you to know your markets and pinpoint your sales efforts. Commerce is talking about boosting its market research budget by 250 per cent in the fiscal year starting next month. Now is the time to suggest the product areas that you think deserve government-sponsored research. The government has its own ideas, based on past performance in leading exports. They may be right in their choice, but you are now presented with a timely opportunity to get your own message across.

There are some changes coming in the transportation field that will benefit exporters. Here, again, these will take many months to see the light of day. A major reorganization in the Maritime Administration is due very soon, though what impact on this the new maritime strike will make is hard to predict. The Department of Transportation is trying to put the finishing touches to its legislation proposing through rates and single bills of lading for international intermodal shipments. That bill has been circulating within industry; perhaps some of you have participated in the talks. DOT would like to find some practical, perhaps modest, way of getting the first step behind us in this whole matter. Last year's bill generated quite a bit of opposition. Hopefully, this year's version will smooth out some of the rough spots.

It is clear that export freight rates are a long-range issue. Containerization should help to hold them down eventually since the labor content of transport will be reduced. But inflation is likely to offset this outlook.

On other aspects, as you are aware, the Federal Maritime Commission is attacking the conferences currently and the Department of Transportation is at work in an endeavor to untangle the ports/airports cargo logjam.

Another current transport topic is close to my theme of exporter-government relations. As you know, the U.S. signed an agreement at The Hague last year that would—at least as the U.S. negotiators saw it—give shippers a better break from losses in ocean transport. The carriers opposed the U.S. interpretation, which would give individual packages within containers separate liability limits of their own, providing that the shipper stipulated them on the bill of lading. The carriers, naturally, are willing to accept this idea provided they are able to pass along the higher insurance costs to the shippers in the form of higher freight rates.

In these comments I prefer not to get involved in the merits of this issue. For a number of years I have been the Washington representative of the National Customs Brokers & Forwarders Association, assisting in policy formulation and helping with government relations activities. Though I prefer not to go into more detail on the liability issue at this time, I think both sides have a point. Obviously carriers, if they are going to be saddled with higher liability limits, want to protect themselves.

The point I do want to make, however, is that there now appears to be a good chance that the U.S. may not ratify the agreement. The result of our letting the issue slip would be to let other governments ratify first, and that would mean that their interpretations of the agreement would prevail. Since some of them, particularly the British, took the carriers' position and assumed that higher freight rates would be permitted, U.S. shippers would not get the break that the U.S. negotiators wanted. The carriers are well organized, and have indicated they would fight ratification tooth and nail. Since the two officials who formulated and presented the U.S. position have now left government, it is possible that within the ranks of the Administration the 1968 interpretation no longer has strong advocates. Again, the point to be stressed is that shippers such as yourselves should be communicating effectively with Washington to get your message through. Recent handling of this matter suggests that carriers are better able to get their thinking across than exporters and importers. It is clear that they have a bigger stake, but it may also be time for exporters to find the ways and means of bringing pressure where it can do them the most good.

As a sort of summation to this section of my remarks, I believe it pertinent to quote a statement made by one of this country's outstanding industry leaders, William Blackie of the Caterpillar Tractor Company. What he told the 1965 National Foreign Trade Convention is just as true today as it was then:

"We in business should recognize that while our tariff and most of our non-tariff barriers have sanction in laws or governmental regulations, these are generally the political response to business pleadings. Our national policy, it is said, is one of freer trade—and we certainly have no compunction about promoting exports. But when it comes to imports, there is too frequently an all-around 'pussyfooting'—mealy-mouthed declarations by business associations, oblique opposition by otherwise outstanding trade associations and an inconsistent sort of propaganda which overtly lauds the general principle of competition while covertly seeking to make sure that it is not allowed to work in particular instances. Let us not, therefore, be too hasty to condemn government. If, as a nation, we really favor a policy of the freest possible trade, then it is high time that all business and its representative associations get unequivocally behind the policy and, by both advocacy and practice, help to make it effective. This means facing up to competition without the protection of quotas, 'phony' customs valuations, antidumping sophistries, and narrow 'nationalistic' restrictions against foreign bids to meet public tenders."

[From the Journal of Commerce, June 18, 1969]

TREASURY MAY ALLOW EXPORTERS COST BREAK

Although prospects are dim that Congress will expand, export financing funds this year, or adopt a value-added tax and the border taxes that go with it, the Treasury might permit exporters to write off costs of developing foreign markets, an international trade consultant said here yesterday.

In another important area, Morris Rosenbloom said, American shippers may not get the better break from losses in ocean transport that many had expected from an international agreement the U.S. signed last year, because the U.S. may not ratify it.

The important subject of nontariff barriers to trade may be taken up at a conference this year or next by the General Agreement on Tariffs & Trade (GATT), Mr. Rosenbloom told a luncheon meeting of the International Executives Association. Mr. Rosenbloom, president of American Surveys International of Washington, D.C., spoke at the IEA's monthly meeting at the Statler Hilton Hotel.

Exporters can count on a "vastly enlarged" marketing research effort by the Department of Commerce, he said.

IEA SURVEY

A survey of IEA members conducted by Mr. Rosenbloom showed that most respondents said U.S. exports could be helped most in four ways:

1. Export tax incentives.
2. Vigorous removal of nontariff barriers.
3. Fairer export freight rates.
4. Better export financing.

The survey found support, but less enthusiasm for the following: strengthening of the export guarantees and insurance program; more tariff lowering abroad; more practical regulations in the Agency for International Development; expanded market-development programs and realistic controls on exports to Communist countries; more effective trade attachés, enlarged support for containerization, and more market research.

The speaker told the IEA gathering that the idea of the Treasury administratively allowing foreign market-development costs to be written off "may make some headway during the latter part of this year. But it's too early to tell."

However, he said, it is not likely that the U.S. will adopt a tax on a value added system like the Europeans and a border-tax system. "At best this would take some pretty big changes, and lots of time."

It has been pointed out that this would constitute a complete change in the U.S. tax system to a national sales tax from the present corporate income tax, a shift Congress is unlikely to approve.

On the agreement on losses from ocean transport that the U.S. signed in The Hague last year, Mr. Rosenbloom noted that the two government officials who interpreted the pact favorably to shippers have left the government. They would have allowed separate liability limits for individual packages within containers, if the shipper stipulated them on the bill of lading.

Meanwhile, the ocean carriers have a well organized drive to win the right to pass on higher insurance costs in the form of higher freight rates, he said.

He pointed out that "the result of our letting the issue slip would be to let other governments ratify first, and that would mean their interpretations of the agreement would prevail." Some, particularly the British, took the carriers' position.

DEFICIENCIES IN PUBLIC WELFARE SYSTEM

Mr. EAGLETON. Mr. President, it is now accepted wisdom that our public welfare system is inadequate, inequitable, and inefficient.

Recently an excellent series of articles entitled "Welfare: A Bankrupt System," written by John T. Dauner, was published in the Kansas City Times and Star. These articles graphically illustrate the deficiencies of the present system and the need, at the very least, for national minimum standards for our public assistance programs.

I ask unanimous consent that the series of nine articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WELFARE: A BANKRUPT SYSTEM—I: COSTS THREATEN POOR AID

Awash in a sea of red tape, intellectually bankrupt, and threatening the financial ruin of state and local government, the public welfare system is rapidly becoming a national issue as heated and divisive as the urban crisis, Vietnam and black nationalism.

It can, in fact, hardly be called a system. It is a morass of 50 state laws, all different, thousands of pages of federal and state regulations and local traditions and interpretations that attempt to implement and administer the public assistance provisions of the Social Security act.

The welfare system is supposed to provide an ultimate guarantee against poverty and social privation. But it breeds poverty and continuing dependency rather than independence.

Shrouded in myth, it is one of the most unpopular endeavors of our government—with taxpayer and recipient alike. It is inequitable, arbitrary, costly, inefficient. And the system is in trouble.

On these points, Republican and Democrat, conservative and liberal, taxpayer and recipient alike can agree.

"It's a mess," sighed a White House staff member working on alternatives for change. "It's a hell of a mess."

A glance at the scope of the welfare problem is at once frightening and enlightening.

There are 8.5 million persons on welfare and they are organizing, much as industrial workers early in the century, to enforce their rights and bring change in basic laws.

There are 22 million more Americans living beneath the poverty line ($3,300 a year for an urban family of four). There are an estimated 17 million more eligible persons who are not on the rolls. And welfare rolls are skyrocketing as welfare rights organizations and antipoverty programs steer eligible persons into public assistance programs.

The country spent almost 9 billion dollars on welfare last year, about half federal funds and half state and local moneys. Costs are zooming upward as programs are broadened to include persons previously ineligible and as recipients' organizations demand all that is due their clients as well as higher benefits.

The potential and the challenge can be seen in the growth of public assistance in the last 19 years. In 1950, the country spent 2.3 billion dollars on welfare, of which 95 per cent was in direct cash payments to recipients and 5 per cent was for administration and training. By 1963, the program had more than doubled to 4.6 billion dollars, with 72 per cent in direct payments, 20 per cent for medical care and 8 per cent for administration, services and training.

The Health, Education and Welfare department's projection for this year is 10.4 billion dollars, with 50 per cent in direct payments, 40 per cent for medical care—the fastest growing segment of the system—8 per cent for administration, services and training, and 2 per cent for new work-incentive programs.

Surprisingly, these galloping increases have taken place in a period when the number of poor persons has dropped from 40 million (22 per cent of the population) in 1960 to 22 million (11 per cent) in 1968. And, although the dollar cost of welfare has taken an immense leap in the last four years, it has increased only from 1 to 1.4 per cent of the gross national product.

But it is the rapidly increasing dollar cost—coupled with mounting pressure from welfare rights organizations—that is forcing federal and state officials toward a complete overhaul of the welfare system.

"The welfare system is bankrupting our cities and must be scrapped and replaced," Mayor John V. Lindsay of New York told President Nixon recently.

Declaring the welfare system must be changed this year, Lindsay said, "We in the cities have reached our limit. We cannot ante up more and more every year at the expense of other essential services."

State and local responsibility for administering and, originally, for financing, public assistance is deeply rooted in the American tradition. But in 1935, the federal government, through the Social Security act, began helping the states finance their welfare programs. Since then, five programs—old-age assistance, aid to the blind, aid to the permanently and totally disabled, aid to families with dependent children, and Medicaid—have been set up, each with state and federal eligibility requirements.

The federal government will pay 50 to 80 per cent of the costs, depending on the program and the state's ability to pay.

The nonfederal share may be borne solely by the state, as it is in Missouri, or split between the state and its counties as it is in Kansas.

States are free to participate in the programs only to the extent they wish, controlling that participation by the amount of money they are willing to make available. Both the states and the federal government put a maximum on the amount they will contribute to any one individual, and some states put a ceiling on the amount a family can receive.

It is in the federal-state partnership that the problem lies in this period of rapidly expanding rolls and increasing costs.

The Federal government's revenues respond to the economy, to inflation and to the gross national product. State revenues have not kept pace, and local revenues, based mainly on property taxes, have hardly increased at all. While potential of the federal government to pay and its willingness to pay have increased, that of the states has not.

The rift in the partnership also has been widened by what many state and local officials complain of as federal meddling.

"If the federal government is going to make the rules, they should run it and pay for it," says Gov. Warren E. Hearnes.

It is true that HEW, in an effort to push states toward improved services and benefits—as well as less arbitrary and more dignified treatment of recipients—has put strings on its funds through regulations that state and local officials would rather disregard.

A federal takeover is being seriously studied and may be proposed by President Nixon as part of a move to a guaranteed annual income system.

There is no doubt that the federal government will assume a larger share of the financing—and a bigger role in the regulation of programs.

The already critical problems of the welfare system are going to get worse at an increasingly rapid rate if the system is not revamped, streamlined and made more efficient and equitable both for the taxpayer and the recipient.

To understand these problems and the possible solutions, it is necessary to strip away the numerous myths that surround the system:

Myth: Most welfare recipients are lazy scoundrels living off the taxpayers and could support themselves if they would just go out and get a job.

Fact: Of those on the rolls, half are children or those caring for them. Twenty-five per cent are 65 years old or older. Ten per cent are blind or permanently and totally disabled. It has been estimated by HEW that if all of the able-bodied adults now receiving public assistance were put to work it would reduce the rolls by only 2 per cent.

Last September, according to HEW figures, 5,882,000 persons in 1,471,000 families were receiving aid to families with dependent children (AFDC), the fastest growing and most controversial direct payment program. The cost on an annual basis was $2,541,699,000. Of these 4,408,000 were children and 1,300,000 were mothers caring for those children. There were 55,600 temporarily unemployed fathers in the program in the 24 states that permit fathers to stay in the home without making the children and mother ineligible for payments.

Of the physically able fathers capable of working and living with AFDC families, only 5 per cent were unemployed. Of the 1.3 million mothers, only 300,000 had marketable skills or could be trained to support or help support themselves—if day care were available for the children, which, in most cases, it was not.

Under recent amendments to the law, mothers whose children are over 6 months of age have to accept work training when day care is available.

HEW figures from 1967 show that 6.6 per cent of the AFDC mothers were working full time, 7.1 per cent part time, 38.6 were needed as homemakers, 13.6 per cent were incapacitated and 11.5 per cent had no marketable skills.

In a New York study, seven out of 10 AFDC mothers said they preferred to work rather than stay at home on welfare, and two-thirds had plans to work in the future. Answering the same question, six out of every 10 mothers with preschool children said they preferred to work.

An Illinois study revealed nearly half the state's AFDC mothers were not employable. The leading reason was poor health.

There were 2,026,000 persons 65 years of age or older who received $1,814,319,000 last year. This program gradually has diminished as the Social Security system has been broadened and its benefits increased.

The 691,000 persons on the disabled rolls received $653,696,000 and 81,000 blind got $90,648,000. Both programs have stabilized.

The cost of medical care for the indigent, Medicaid, in the 39 states that participate to some degree in the program, was $3,265,618,000—far above government estimates. Medicaid promises to get more expensive as medical costs go up. Unless the law is amended, states will be forced by 1975 to expand Medicaid benefits to all persons under the poverty line.

The program is under fire in state capitals and in Congress with allegations of inflated charges for medical services. New York already has cut back its Medicaid program and other states are following the lead. Federal ceilings on medical charges are being considered.

"Medicaid needs to be revised to reduce costs," said Sen. Charles Goodell of New York. "There is evidence of excessive charges. The program needs to be self-policed by the medical profession or will be controlled by the government."

An estimated $63,362,000 was spent for medical care under the Kerr-Mills program which is being phased out.

In addition to the federal-state programs, state and local governments spent $436,878,000 on general assistance—aid to those who do not qualify under the categories set up under the Social Security act.

Myth: Recipients live well on welfare.

Fact: While payments are supposed to provide recipients with a decent and healthful, if modest, standard of living, the payments in many states—Missouri for example—do not even equal what the state itself sets as the standard to meet basic needs.

The largest average payment for a AFDC recipient is $71.50 a month in New York. In only six states is the average payment $50 or more. The payment in 16 states averages less than $30. Five states pay less than $20 a month and Mississippi averages $8.50 a month. The average for the country is $41.35 to each recipient a month.

The highest average payment for old age assistance is $120.55 in New Hampshire and the lowest $38.45 a month in Mississippi. Highest average payment to a blind recipient is $136.85 a month in California and the lowest $46.50 in Mississippi. The highest average paid the disabled is $127.20 in Iowa and the lowest $45.70 in Mississippi. Added to these payments is the value of medical care through Medicaid in the states that participate in the program and the value of commodity foods or food stamps in the places where they are available.

Myth: Most people on welfare are Negroes.

Fact: While a larger percentage of the Negro population receives welfare benefits than the white population, Negroes constitute less than half of the recipients in any of the public assistance programs.

For all programs, Negroes represent 40 per cent of the recipients. They make up 47 per cent of the AFDC rolls, 37 per cent of the permanently and totally disabled, 31 per cent of the blind and 25 per cent of the old age assistance.

Myth: Most welfare recipients live in larger Central cities.

Fact: Three-fifths of the recipients live in rural areas. About 40 per cent live in cities of 250,000 or more population; about 14 per cent in cities of less than 250,000. The rest live in smaller towns, or farms or in other rural circumstances.

Myth: Aid to families with dependent children encourages illegitimacy.

Fact: Based on the national average payment for AFDC, a woman would increase her income $1.37 a day for adding a child to her family. In Missouri, where the AFDC payment is $24 a month for each additional child, the mother would increase her income by 80 cents a day—hardly enough to feed, clothe and care for a child.

There is a problem with illegitimacy in this country that transcends economic and racial lines. But it is particularly serious among the poor. Social scientists studying illegitimacy say there are many factors that lead to a high illegitimacy rate among the poor—ignorance, lack of birth control information and devices and sociological factors—but not welfare benefits.

Among the culprits blamed for encouraging illegitimacy among the poor are persons who made and administer AFDC laws, which tend to break up families by making it difficult, if not impossible, to obtain the benefits when there is an unemployed man in the house.

Myth: Because of the inequities in welfare levels among the states, people migrate from low-benefit states to high-benefit states.

Fact: This is a half truth. In the 1950s and 1960s there has been a massive migration to the larger industrial cities mainly from the agrarian South and other rural areas. As agriculture has become mechanized and family farming has faded, these areas no longer offer a livelihood or opportunity. People, most of them black and not equipped with the skills to work in industry or the sophistication to cope with urban environment, move to areas where the economy is better and jobs available.

It's the hope for opportunity that attracts migrants to the cities, not higher welfare benefits, says Frances Fox Piven of the Columbia university school of social work.

This is borne out by studies that show that most of the migrants do not apply for welfare until two or three years after they relocate—long after they become eligible. In New York, only 2 per cent were residents for less than two years before applying for welfare. Little work has been done on how the migrants survive in the meantime. But it is thought that help from relatives and friends and menial and part-time jobs would be major factors, she said.

WELFARE: A BANKRUPT SYSTEM—II: MANY INEQUITIES PLAGUE THE POOR

Traditionally, welfare in America has been considered a dole, a handout from society to help individuals or families temporarily unable or unwilling to support themselves.

It was considered a privilege, not a right. To be poor, to be supported by the state, ran directly counter to the American work ethic. It was to be maladjusted. Therefore the poor were considered a ward of the state, partly or wholly disenfranchised and without the normal rights and freedoms of other citizens.

Through the years, some of these inequities have been broken down. Many still permeate the system.

But today, with 8.5 million Americans living on public assistance—the vast majority children, elderly, blind or disabled—at a cost this year of over 10 billion dollars and both figures increasing, there is a growing realization that welfare will be a way of life for many for the foreseeable future.

About the best that can be hoped for is the 4,408,000 children receiving public assistance will not need it as adults. There is hope, too, that at least some of the 1.3 million mothers of these children can be trained to support or help support themselves.

Those over 65 years old, who do not qualify for social security, the blind and the totally disabled will continue to be the responsibility of the welfare system.

There is growing pressure to provide a decent, healthy and dignified life for those people who do receive public assistance.

In Colonial times, America adopted a sys-

tem of welfare based on the English poor laws and pretty much maintained it until the passage of the social security act in 1935.

"Welfare has never been guided by economy as many believe," said Edward V. Sparer of the Yale law school, an authority on welfare law and policy. "It is guided by the best interests of the affluent community. It has led to disenfranchisement and many other abuses of the poor.

"Under the old poor laws, welfare was made as rough as possible to encourage recipients to get off the rolls.

Several states used to prohibit those on welfare from voting. Maine, in fact, had such a law until 1965. Some states, including Maine, still prohibit a welfare recipient from marrying without the permission of the welfare agency.

Until 1920 children whose families could not support them were virtually auctioned off to foster parents, some shipped to farm areas where they were little more than farm hands or domestics to their foster parents.

With the rise of the mothers aid movement in the early part of this century, it was believed that some mothers with children should be brought onto the welfare rolls, but that the aid should be used to remold the family. The mothers literally became wards of the state.

Missouri, in 1911, became the first state to enact a mothers aid law.

The welfare system also has fallen victim to the social-worker ethic, says Lee Albert, director of the Center on Social Welfare Policy and Law at Columbia university.

"This is the idea that the social worker knows what is best for the client and what they do, legal or illegal, is for the good of the client," Albert says.

With the passage of the social security act, welfare was established as a right—something many congressmen, state legislators, welfare administrators and welfare workers still manage to ignore.

The act provided for a federal-state partnership with the states administering the programs and the federal government sharing the cost.

Five categories—aid to families with dependent children, Medicaid, old-age assistance, aid to the permanently and totally disabled and aid to the blind—were set up under the act.

A recipient must fit into one of the arbitrary categories. If he does not fit, he is out, and this is a major weakness of the federal-state welfare system. Eligibility is based on arbitrary qualifications, not on need.

Most states maintain general assistance programs that are supposed to fill in the gaps, but there are few places where the gaps actually are filled. Only in six states and the District of Columbia do average monthly payments exceed $50, Missouri with a payment of $51.90, is one of those. The national average is $39.40, lower than aid for dependent children (A.F.D.C.).

The size and cost of welfare programs, 1968

Medicaid	$3,265,618,000
AFDC (5,882,000 recipients)	2,541,699,000
Old age (2,026,000 recipients)	1,814,319,000
Disabled (691,000 recipients)	653,696,000
General assistance (800,000 recipients)	436,878,000
Blind (81,000 recipients)	90,648,000

In implementing the categorical program, each state sets up a budget which outlines a monthly cost standard for basic needs for a decent and healthy life. The budget is supposed to, but usually does not, reflect the local economy.

A few states set a realistic budget and pay 100 per cent of it. Nebraska, for instance, is one of 13 states whose budget for old-age assistance is at or above the poverty line. The state says an aged woman requires $182 a month, and pays that much.

Five states set their budget at or above the poverty line, but pay only a percentage of need. Missouri is an example. The state says it requires $150 a month for an aged woman to live in health and decency, but pays a maximum of $80.

In 21 states the budget is below the poverty level and the state pays 100 per cent of the need it sets. Kansas is one. The budget for an aged person is $114 and that is what the state pays.

Ten states' budgets for old age assistance are below the poverty line and the state will pay only a percentage of need.

In the A.F.D.C. program, there are only five states whose budgets meet or exceed the poverty level and payments are 100 per cent of budget.

Generally speaking, states that pay less than they declare is necessary to live in decency and health permit recipients to keep any income up to the budget level without reducing the grants.

But until recently, in most states, for every dollar of income that pushed a recipient's total income over the budget, a dollar was lopped off his grant.

In Kansas, which pays 100 per cent of need, an A.F.D.C. family of four would receive $237 a month. But if that family had an outside income of $50 a month, $50 would be lopped off their grant.

The practice was self destructive. It stifled any incentive for a recipient to try to increase his income or to work to get off welfare. For that reason, the Health, Education and Welfare department ordered a modification.

Under it, the first $30 of income and one third of all the rest will be disregarded when figuring payments.

That means that a Kansas A. F. D. C. family with an income of $50 a month would have its grant reduced by only $6.30.

New York City, in a test project, disregarded the first $85 and 30 per cent over that in figuring payments for 5,300 families. The result, said Jack R. Goldberg, city welfare director, was a 50 per cent decrease in welfare costs relating to those families and a 50 per cent increase in the families' incomes.

From the point of view of the general public, congressmen, state legislators and local officials, the rapid rise in the cost and the number of recipients added to the rolls are the most alarming aspects of the welfare system. They react accordingly.

The recipients, on the other hand, complain bitterly about the inadequacy of the grants, the restrictive qualifications, exhaustive investigations and the arbitrary and generally undignified manner in which they are treated by welfare aggencies and workers.

While these are problems of all of the welfare programs, nowhere are they as critical and vividly illustrated as in the A.F.D.C. category.

No one in 1940, when there were 891,000 children on the A.F.D.C. rolls, could foresee the program's rapid growth—to 5.8 million persons last year. HEW officials now estimate that one in every six children in the United States will receive A.F.D.C. at some time.

The most regressive pieces of welfare legislation in two decades were the 1967 amendments to the social security act.

Faced with rapidly rising A.F.D.C. rolls, Congress put a ceiling on the number of children any state could have on A.F.D.C.—not more in proportion to population than were on the rolls in January 1968.

The act was to become effective July 1968, but created such a stir its implementation was postponed until this July. It is doubtful that it ever will be put into effect and probably will be rescinded by Congress, HEW officials said.

"It was an emotional and intemperate action by a Congress that was reacting to unanticipated increases in the national and state welfare budgets," said one high official. "It never will be enforced."

Another amendment that rankles welfare recipients attempted to force A. F. D. C. mothers whose children were over six months old to take job training when jobs and day care were available in the community.

Many social scientists believe that welfare mothers, like any other mother, ought to have a choice of working or staying with their children.

The reaction of State and local welfare agencies to growing A. F. D. C. rolls was and continues to be to make welfare as restrictive—and sometimes as unpleasant—as possible, often in open violation of federal law or regulations.

Local agencies' first weapon was secrecy. As little information as possible was put out on what was available to recipients and their rights.

Voluminous manuals of regulations that guide case workers were not made available, though access is clearly demanded by the law. The Greater Kansas chapter of the National Welfare Rights organization literally had to steal copies of the Missouri and Kansas manuals.

Access to the manuals has enabled the organization to force the Wyandotte and Jackson County welfare offices to grant benefits that were provided for by law, but had not been known of by recipients.

Another weapon is red tape, a sea of paperwork that bogs down welfare agencies and keeps them weeks behind and unable to react to recipients immediate needs.

Present methods for getting on the welfare rolls require an investigation by a case worker—and they are in short supply—to establish eligibility. Federal law requires that a person be accepted or rejected within 30 days of applying for welfare. But in many cases persons are forced to wait much longer.

Many social workers spent 50 to 90 per cent of their time on investigations and have little time to use their professional knowledge and skills to help recipients.

In an effort to change the situation, HEW had ordered the phasing in over the next year of a new declaratory application.

On a single form, applicants are to be asked to provide information that will enable a high school graduate—rather than a higher paid, college-trained social worker—to determine the person's eligibility. These would be spot checked for control.

Many local and state welfare officials have reacted with a howl of alarm, predicting a sudden upsurge in the rolls, fraud and general chaos.

In the 22 states where declaratory applications have been tried, however, they have been found to work, freeing social workers for social work. Processing costs have been reduced 30 to 60 per cent.

HEW notes that declaratory forms are in general use in business and government—for income tax, applications for farm subsidies, oil depletion allowances and the like.

The implied threat by a local agency of a reduction in grant or being cut off of the rolls also often is used to keep recipients in line.

A common practice has been to reduce or cut off recipients grants without a fair hearing, which agencies, if requested, are required by law to hold. Recipients simply are not told of their right to a hearing.

Since January the Federal government has required that recipients be notified of a reduction or termination of their grant, be offered a hearing and provided with a lawyer. Grants must continue to be paid until the end of the month after the hearing is held and a decision reached.

These are some of the problems faced by the taxpayer who supports the welfare system and the recipients who must live with it.

The overriding problem, increasing costs and inadequate grants, remains.

WELFARE: A BANKRUPT SYSTEM—III: NEW YORK CITY'S LOAD A NIGHTMARE

New York City is a welfare disaster area. The designation is as justified as if the city had been devastated by flood, fire or earthquake.

Welfare rolls have trebled since 1960. A million persons—one in every eight residents—are on welfare, and from 7,000 to 20,000 persons a month are being added.

The city is spending $1,350,000,000 this year on welfare and the figure will jump to 1.5 billion dollars for the fiscal year beginning July 1. That is 23 percent of the city's budget, more than is spent on education.

Welfare rights groups are campaigning to get on the rolls as many as possible of the estimated 200,000 persons in the city now eligible but receiving no welfare. They are encouraging the 150,000 to 300,000 eligible, low-income workers to apply for income supplements. Higher benefits and improved services are being demanded.

The New York Legislature has revolted against the high cost of welfare. Two years ago it lopped a million poor persons off the Medicaid program by passing tighter eligibility requirements. This year it reduced by 8 per cent the level of state support of welfare. Result: The grants of 75 per cent of the recipients will be decreased.

Taxes, particularly the income and sales taxes which hit the lower wage earners hardest, are going up.

Welfare payments, which average $71.50 a month, highest in the nation, have outstripped the minimum wage. A nonworking welfare family of three now has a net income that is more than $1,000 a year higher than a man with the same size family working for the minimum wage. If the latter accepts a tax-free wage supplement his income is more than $1,000 a year higher than the nonworker on welfare, and more than $2,000 higher than that of the minimum wage earner.

Taxes and welfare payments have polarized middle- and lower-income whites and the 93 per cent of the Negroes and Puerto Ricans who are welfare recipients. They form two angry camps in this already racially explosive city.

"Welfare is now beyond the power of the city to handle," says Mitchell I. Ginsberg, New York City's human resources administrator. "It is getting too big for the state."

"This is a national problem," he said, noting the effects of massive migration of nonwhites from the South and Puerto Rico, "but we are paying for it. The state of Kansas does not contribute to the payment of farm subsidies. Why should New York City and state pay 50 per cent of the cost of welfare here?"

Jack R. Goldberg, the city's commissioner of social services (welfare director), does see some possibility that the number of nonworking welfare recipients will level out. He estimates that there are 1.4 million persons eligible for welfare. There are a million already on the rolls, and he believes 200,000 more would not accept welfare out of pride or for other reasons. That would leave a potential increase of 200,000 recipients before a plateau might be reached.

But those figures could be thrown into a cocked hat through inflation or an upturn in unemployment.

There is no such hope that the wage supplement program, now with 26,000 recipients, can be stabilized. More likely it will pick up momentum.

Of the million New Yorkers now on relief, Goldberg said, 930,000 are blind, disabled, elderly or children and their mothers.

Of the rest, 20,000 work, but earn so little in relation to the size of their families that they get wage supplements.

"The other 50,000 are ostensibly employable, but they are marginal employees—drug addicts, alcoholics, illiterates, the highest-risk employees," Goldberg said.

"Most people do want to work," he said. "There are plenty of good jobs in New York City, but they require skills that most poor people do not have, especially the Negro and Puerto Rican immigrants.

"Our job-training programs have worked well, but are not large enough to dent the problem. We have day-care facilities for 10,000 children. We need twice that many immediately.

"Blue-collar jobs, good jobs that people can be trained for, are leaving the city at the rate of 100,000 a year. The poor simply are not in a position to follow them to the suburbs.

"There are plenty of minimum wage, $1.60-an-hour jobs, but many people will not take them. We created a monster by discouraging people from taking dead-end jobs. This is an economic thing. You cannot support a family in New York City on $1.60 an hour, but it is a beginning.

"These people need income subsidies," Goldberg said. "We must find a way to subsidize these people with federal money without putting them on welfare, just like we use public funds to subsidize airlines and farmers, oil and other industries. It's time we decide it's worth subsidizing the poor, just like we subsidize others."

The present wage subsidy is financed completely by the state and city. The federal government does not participate.

An alternative, Goldberg said, would be to raise the minimum wage to a point that anyone who worked would not need welfare or wage supplements. But both business and the unions are against that. Organized labor has become one of the harshest critics of the welfare program and constantly demands investigation of the system and lower welfare benefits.

The Medicaid program—medical care for the indigent—is one of the hottest issues in New York. It has been tremendously expensive. Its critics in the Legislature succeeded once in cutting it back and are trying again.

But Ginsberg defends it as the best program since the passage in 1935 of the Social Security act and a sound investment in the future.

"Poor health generates welfare clients," Ginsberg said. "It is cheaper to provide medicaid now than to have to maintain these people on welfare later for the rest of their lives.

"I think we can afford Medicaid. We just have to make up our minds we are going to, just like we decided to stay in Vietnam and to go to the moon."

New York's welfare system is one of the most liberal in the country. Its benefits are among the highest in the country—so is the city's cost of living.

It also is one of the most innovative.

"We have to be to survive," Ginsberg said. "We will try anytihng that looks like it will work."

The city tested declaratory welfare applications. Applicants fill out the form designed to give the welfare department the information it needs to determine if the applicant is eligible for public assistance.

Rather than exhaustively investigating each applicant for eligibility, only a small percentage were checked to provide a control. High school graduates were hired and trained to process the applications, releasing college-trained and higher-paid social workers to provide services to recipients.

The test has been judged a success. There was a slight decrease in the number of ineligibles admitted to the rolls, and personnel costs dropped while efficiency in the use of professional workers increased.

Goldberg estimated that full implementation of the declaratory applications would represent a savings to the city of 80 million to 100 million dollars a year.

While HEW was drawing up regulations providing for the disregard of first $30 of recipients outside earned income and one-third of the amount over that from consideration in figuring welfare payments as a work incentive, New York City was testing an $85-plus-30-per-cent formula on 5,300 welfare families, about 20,000 persons.

"It has reduced our outlay to those people by 50 per cent," Goldberg said, "and the income of those families is up 50 per cent. Put people in a position to work and they will try to increase their income. We should encourage people to move into the labor market, not kick at them all the time."

Prior to the work-incentive program, the participants had a $1 reduction in welfare for every $1 they made on the outside, in effect a 100 per cent tax on their earned income.

Despite some improvements, Ginsberg noted, there is no way a welfare problem of New York's magnitude can be solved by the city or even the state.

"There is a national recognition that the welfare system doesn't work," he said. "Changing it is beginning to be popular with all segments of the community—business, labor and the general public.

"In the end, it will be the overburdened states and cities that will pressure Congress into acting."

Who's on welfare in New York City[1]

	Percent
Children	59.8
Adults caring for children	18.7
Disabled persons (social and physical)	8.5
Aged over 65	5.8
Employables[1]	4.3
Employed persons receiving supplements	2.9
Total (1 million people[2])	100

[1] Categorized as technically employable, including mothers with children.

[2] A majority of the million persons in New York City who receive welfare payments are children and the adults caring for them. Of the others, few are employed or employable, and many of those who are technically employable but not working are marginal or high-risk employees. The percentages shown on this chart are from last year, but have changed only slightly.

WELFARE: A BANKRUPT SYSTEM—IV: MISSOURI AND KANSAS TREAT RECIPIENTS DIFFERENTLY

Mrs. Lila Davis and her three young children live in a small rented apartment just east of State Line near Thirty-eighth street.

Abandoned two years ago by her husband and unable to leave her children to work, Mrs. Davis and the youngsters live on welfare—aid to families with dependent children.

The Missouri Welfare department says that the family needs $305 a month for food, shelter, clothing and incidentals to subsist with decency and health, as state law demands.

But the family receives only $124 a month, 41 per cent of the need declared by the state, because the state Legislature, the same body that said welfare recipients should live in health and decency, put a statutory limit on the size of welfare payments.

If the Davis family lived in Kansas, a few blocks west, its welfare benefits would be considerably higher. Kansas says Mrs. Davis and her three children need $237 a month and would provide that much.

The Davis family is fictitious. But the example is not. There are hundreds of Missouri welfare families who can look across the state line and see the inequities.

The comparison is valid for other types of federal-state welfare programs—old-age assistance, aid to the blind, aid to the perma-

nently and totally disabled and Medicaid. Only in the state-funded, general assistance program—which is highly restrictive in Missouri—does that state's average payments exceed those of Kansas.

The contrast points up the differences in the problems of the two states and the philosophic and administrative-legislative approaches to their solution.

Almost three times as many persons in Missouri—231,599—receive some form of welfare benefits compared with Kansas.

Missouri also has a much larger proportion of its population on welfare rolls—166 per 1,000 on old-age assistance, 57 per 1,000 on A. F. D. C.—than Kansas, which has 62 and 40 per 1,000 respectively.

While the per capita income in Kansas is $52 a year higher than in Missouri, Missouri spends $2.15 more per inhabitant per year in federal and local funds.

In terms of dollars, Missouri spent 160.5 million dollars on welfare payments and Medicaid last year, while Kansas spent 75 million for maintenance and medical care.

One reason for the wide variation between the benefits offered by the two states is that while both have limited local funds to participate in the federal-state programs, Missouri has a much larger welfare population.

But there apparently are other reasons too. One might be the county-state partnership in Kansas. The federal government picks up 57 per cent of the cost of the federal-state programs. The nonfederal share is split between the counties, which pay 48 per cent financed by real and personal property taxes. The state pays its share out of general revenues.

In Missouri the whole nonfederal share is financed by the state and must be appropriated by the state Legislature.

Another reason for the more liberal Kansas system is the progressive character of the state through the years in the fields of welfare and particularly health.

Kansas, for instance, implemented the entire Medicaid program, while Missouri took only the first step to comply with federal law. Medical care of the indigent represents about one-third of Kansas welfare expenditure. The Department of Health, Education and Welfare points to Kansas Medicaid as the model program in the country. Probably its only major flaw is that it does not provide for preventive and prenatal care.

"If Blue Cross-Blue Shield were to pay Kansas medical benefits they would have to charge a $70 a month premium," says Robert Anderson, Ottawa lawyer and former state representative who served as chairman of the State Welfare board from 1962 to 1968.

"Right here in conservative old Kansas, we have the best medical program and the third highest payments," said Anderson, who is recognized as one of the most knowledgeable persons in the state on welfare.

Commenting on the philosophy of the program. Anderson said that the state had tried to keep the programs as broad as possible so persons with actual need could be admitted.

"Many States try to qualify a large number of people for welfare and pay them very little," Anderson said. "We try to find the real needy and then take very good care of them."

Anderson was critical of those who condemn welfare and its recipients.

"If payments come from the Department of Agriculture, they're called subsidies, and that's good clean money," he said. "But if it comes from the welfare department, it's a different color.

"There is a stigma attached to welfare. We have run it down for so long that the public concept is that the recipients are no good bastards and cheats.

"But that doesn't square with the facts, you find, when you visit some of the 15,000 people receiving old-age assistance and learn their average age is 78 and half are in nursing homes."

Marvin E. Larson, director of Kansas welfare, estimates that there are twice as many persons in the state eligible for welfare than the number who now receive benefits. The stigma is a factor.

The stigma, however, has not rubbed off on the Medicaid program, Larsen said. But recipients of medical services do not yet get a check from the state, just a medical identification card. They can choose their own doctors and hospitals. Bills go directly to the state.

While Anderson generally is proud of the Kansas welfare system, he is not entirely satisfied with it.

Benefits need to be increased, he said, particularly rent payments. In Kansas, each county sets its rent level, which is supposed to reflect the housing market in the area.

"Many times they are unrealistic," Anderson said. "If counties would raise their rent allowances they would get extra state funds. That would take state board approval, but it would be easy to get."

Kansas payments for food, clothing and other nonrent items have not kept pace from year to year with the increases in the cost of living.

The present allowance, excluding rent, for one person living alone is $74. That is what the state says it takes to live a decent and healthy life. The $74 is based on 1965 prices. Since then the cost of food has risen 12 per cent, clothing 17.5 per cent, utilities 3.8 per cent. The present need, because of inflation, is $80, Miss Ruth Laing, Kansas director of public assistance, said.

The federal government has directed all states to increase their welfare grants by July 1 to reflect increases in the cost of living. But there is widespread fear among welfare recipients—especially in states like Missouri that pay only a percentage of need—that the budgets will be increased to reflect inflation, but that the state will reduce the percentage it pays on that budget. The grants then could remain the same as they are.

Anderson said he did not think Kansas was ready to accept an income maintenance plan such as the negative income tax or guaranteed annual wage.

"I think any kind of income maintenance would be hard to sell now," he said. "In Kansas, the power structure doesn't mind taking care of those who need help. But I don't think they would buy taking care of everyone."

Anderson viewed the state-county relationship with mixed emotions.

"The Kansas system of administering welfare through the county commissioners and requiring financial participation from the counties is supposed to be out of date," Anderson said. "And I suppose we have been moving away from county financial participation for several years.

"We could run a more efficient system without the county involvement. But I think there is something to be said for having two or three elected officials on the county level interested in the program. I think it gets the program closer to the people."

State Rep. Rex Borgen, chairman of the House public health and welfare committee, has introduced a proposal in the Kansas legislative council that would eliminate county participation in financing welfare. The plan, he believes, could save taxpayers about 20 million dollars a year.

Borgen said that the financial squeeze being put on urban counties in Kansas, particularly Wyandotte, Shawnee and Sedgwick, was becoming serious.

"We are going to have to give the overburdened counties a means other than the real and personal property taxes to raise funds for welfare," he said. "Or the state must assume the financial burden."

Borgen said he was not alarmed at the increasing costs of welfare in the state. The A. F. D. C. program is growing about 13 per cent a year. Old-age assistance is declining as Social Security covers more persons. Aid to the blind, disabled and general assistance is stable.

"Medicaid has gotten out of hand in some other states," Borgen said. "We are watching it closely here, but we really haven't had enough experience with it to know what it will do. What is worrying us is the rapid increases in the cost of medical and hospital care."

Kansas has had a food-stamp program in seven counties since the early 1960s. Six other counties, including Johnson and Leavenworth, recently have been added. In other counties the state still uses the commodities program, under which staples declared surplus by the Department of Agriculture are distributed to the poor.

The stamp program is designed to permit welfare recipients and some other low-income persons who qualify to purchase stamps based on their income and spend them at the grocery store of their choosing. They are good for any food item—but not alcohol or tobacco—giving families a much larger variety than the commodities program. The stamps are worth about 40 per cent more than the buyers pay for them.

In Wyandotte County, both the welfare rights organizations and Homer Crown, county welfare director, oppose the present stamp program.

The rights organizations argue that it forces recipients to funnel too much money into food; money, they say, that is needed to pay rent because the county's $45 rent allotment is far too low.

Crown said that because of federal regulations, the stamp program would turn his office into chaos.

WELFARE: A BANKRUPT SYSTEM—V: MISSOURI RANKS LOW AMONG STATES

Few states say a person needs more income to live in health and decency than Missouri and pay their welfare recipients less.

Only eight states set as high, or higher, level of need. Five of them pay their welfare recipients 100 per cent of that need.

Yet only Mississippi pays its aged citizens the same or less than Missouri. Only seven states, all in the South, provide lower payments to families with dependent children.

State law is explicit in setting up the standard at which the eligible poor are to be maintained. It says:

"The amount of benefits, when added to all other income, resources, support and maintenance, shall provide such persons with reasonable subsistence compatible with decency and health in accordance with the standards developed by the division of welfare. . . ."

The division of welfare says an old person needs $150 a month.

But the state Legislature, the same body that legislated that welfare payments and other income should provide a reasonable subsistence as determined by the division of welfare, set a statutory limit of $80 on old-age assistance. The grant may go up to $125 a month if the recipient needs professional care.

The welfare division says that a family of four receiving aid to families with dependent children needs $305 a month.

The state Legislature set a $124 maximum on that payment—$33 a month for the needy parent, $43 for the first child and $24 each for all other children.

"The statutory maximums on payments are clearly in direct contradiction of the spirit and intent of the law," Proctor Carter, director of welfare, says.

He sees little hope that the Legislature will remove the maximums.

"Bills are introduced at every session to raise payments," he said. "Some pass, but the maximums always are retained."

Carter estimated it would cost the state an additional $35,973 a year to meet the full-budgeted needs of the recipients.

The grant to an A.F.D.C. recipient amounts to about 40 percent of what the state says he needs. An elderly person living alone receives 50 percent of the need budget and a couple on old-age assistance receives 71 percent. The blind and totally disabled are above 50 percent.

Exact figures are not available, but Joseph Stokes, director of welfare research, estimated that only 10 percent of the 231,600 persons receiving welfare in the state earn enough money—coupled with their grant—to have an income equivalent to what the state says they need.

The average A.F.D.C. family, with mother or children working full or part time, has an income equal to about 70 percent of the state level of need, Stokes said, A.F.D.C. families with no working members and only their grant to live on have only 36 to 41 percent of what the state sets as a necessary income.

Because many elderly, blind and disabled receive some Social Security in addition to welfare grants, Stokes estimates that the average person in one of these categories gets about 85 percent of what he needs to live decently.

Gov. Warren E. Hearnes looks at welfare and its cost with a critical eye.

Asked how he could justify the difference between the level of maintenance called for by state law and the actual payments, the governor said:

"The words of the law are not important. The philosophy of welfare has changed. Federal participation poses a serious question. If the federal government is going to make the rules, then they should run the program."

The governor noted that the state spends an amount equal to 21 percent of its general revenues—$160,506,000 last year—on welfare. What he did not add is that two-thirds of that is federal funds. The state expenditure was $53,541,000.

The governor did introduce a bill that would make slight increases in some welfare payments, and, to prevent the threatened loss of 30 million dollars in federal welfare funds, bring state law into line with federal requirements.

The bill, passed by the House and earmarked for special handling in the Senate, would provide for a $5-a-month increase in general-assistance payments, aid to the elderly, and totally and permanently disabled.

The provisions required by federal law would tie A.F.D.C. payments to the increase in the cost of living last year, increase A.F.D.C. foster home-care payments from $60 to $100 a month, pay expenses such as bus fare and other incidentals of needy children in work-training programs, and provide emergency ambulance service for those on Medicaid.

The changes were estimated by the state administration to cost 10 million dollars, 6.7 million financed by the state.

Missouri's largest program, dollarwise, is old-age assistance, which cost $79,869,000 last year. As more persons are covered by Social Security, that program decreases. Old-age assistance has shrunk from 154,000 recipients in 1953 to 91,800 this year.

There now are 107,609 persons on Missouri's A.F.D.C. rolls and the program is showing a 6.3 per cent annual increase compared with a 12.7 per cent annual increase nationally. A.F.D.C. costs in Missouri totaled $34,009,000 last year, up 5.2 per cent over the previous year. A.F.D.C. expenditures nationally went up 27.1 per cent for the same period.

The state, with great trepidation recently joined 23 other states that permit an unemployed father—who has a recent connection with the labor market and is actively looking for work or is in training—to remain in the home without jeopardizing aid for his children.

Carter had estimated that it would add 2,800 families to the rolls. In fact, there were only 87 fathers taking advantage of the program, he told the House appropriations committee in February.

He said that because of the maximum on payments and the relative stability of the welfare program, he expected to return 5 million dollars to the state treasury at the end of the fiscal year—a statement that has infuriated recipients.

Aid to the permanently and totally disabled has leveled off at 17,500 cases, as has aid to the blind with 3,600 cases. Aid to the disabled carries a maximum payment of $75 a month, which can be increased to $125 a month if institutional care is required. The cost of the program last year was $15,503,000.

Aid to the blind and a small state-financed pension program for the blind cost $3,275,000 last year and carries payments of $85 a month. Again, payments may be increased to $125 a month if institutional care is required.

Missouri has comparatively high general-assistance payments, but relatively restrictive eligibility requirements for the state-funded program.

To qualify, the person or family must be unable to work because of physical or mental incapacity, have no one in the family who is employable and be unable to qualify for any other assistance program.

Each person may receive up to $65 a month, or up to $125 if he must have professional care.

About 11,700 persons receive general-assistance grants that average just more than $50 a month, $12 above the national average.

Under heavy pressure from Kansas City and St. Louis, whose support for their general hospitals were straining their finances to the breaking point, the Legislature in 1967 implemented a basic Medicaid program.

An expensive and controversial program at the national level and in many states, Medicaid in Missouri is strictly limited and tightly controlled.

Missouri is one of 22 states that opened Medicaid only to those receiving welfare benefits. Kansas and 27 other states implemented the complete program, which includes the near-poor or medically needy and provides a wider scope of services.

The State spent $23,726,000—14.8 per cent of its welfare budget—on Medicaid in the first year of its operation, a relatively small amount compared with many other states.

The cost line has been held by limiting those eligible, putting a ceiling on the amount the state will pay for various types of medical services, limiting the drugs that can be prescribed under the program and the price paid for them, and scrutinizing bills for medical services to be sure not too many services are rendered.

"We have Medicaid under control," Carter said. "We don't anticipate any fiscal danger as long as we stick with the welfare people."

Under the present federal law, however, by 1975 the state will have to make Medicaid available to all the medically needy, something the state administration already is actively opposing.

"The change would qualify over a million more people," Carter said, "and that would put the state into fiscal trouble, without a burdensome tax increase. The federal law ought to be changed to make it optional."

Persons receiving assistance per 1,000 population in Missouri and Kansas

Old-age assistance:	
Missouri	166.0
Kansas	62.0
Aid to dependent children:	
Missouri	107.0
Kansas	75.0

Persons receiving assistance per 1,000 population in Missouri and Kansas—Continued

Aid to the blind:	
Missouri	129.0
Kansas	27.0
Aid to the disabled:	
Missouri	7.0
Kansas	4.6
General assistance:	
Missouri	3.1
Kansas	2.0

WELFARE: A BANKRUPT SYSTEM—VI: COUNTY AGENCIES FLIRT WITH LAWS

The county welfare office is the confrontation point beween persons in need and the often cold and impersonal system.

With the rise of welfare rights organizations, it is the place where the poor go to demand, not beg, for all the law permits them. More often than not, the meetings between the poor and the representatives of the system are bitter, angry and loud.

Increasingly, it is the battle ground between the old, paternalistically motivated welfare workers and the new generation of case workers who represent and sympathize with the recipients as much as they do their employer.

The welfare offices of Jackson and Wyandotte Counties are no exception.

Both offices suffer under "system" leadership, largely dedicated to holding down the rolls and saving the state money.

Secrecy and sleight-of-hand are keystones of the operations.

Recently, for example, Edward I. Dunkin, director of Jackson County welfare, asked his case workers to examine their files and determine how many of their clients were suffering from hunger.

The survey revealed that 1,600 recipients had so little income that they obviously suffered hunger and malnutrition. Several of the persons were screened.

Later, Dunkin stated in a television interview that only one case of hunger had been found in Jackson County. His definition of hunger, however, was insufficient food to sustain human life.

One of Dunkin's workers said that Dunkin did not want to alarm or embarrass the county by admitting that hunger was a serious problem here.

Arbitrary treatment of clients is another weapon of welfare offices.

"People who qualify for welfare according to the laws and regulations often are turned down just to save a few dollars," said a Wyandotte County case worker who asked not to be identified for fear of being fired. "It happens because the director (Homer Crown) and the supervisors know most applicants don't know they have a right to appeal their cases."

The worker cited the example of a 64-year-old woman with no income who lived with two sons, one an alcoholic and the other unable to support her because he paid child support.

"It was established that her sons did not contribute to her support, and the case worker recommended that she be given assistance," he said. "But Crown and the supervisor turned her down on the grounds that she had not applied for Social Security.

"She applied and was denied Social Security because her late husband did not have enough time in the labor market.

"Eight months after her first welfare application, she reapplied and again was turned down for no legal reason. She was not even told why she was rejected.

"A supervisor told me that if the woman did not know enough to appeal her case, the department could get away with it."

Another Kansas City, Kansas, woman was taken off the rolls when a neighbor reported she had moved out of the county. Without checking the report, which was false, the

Wyandotte County office stopped her check. The "mistake" was corrected only when she appeared and asked about her check.

John Landis, a Legal Aid society lawyer, told of several welfare cases he had handled recently.

A father of eight children, disabled by tuberculosis, had received aid to the permanently and totally disabled for 10 years.

In October his file was reviewed, and, without even a medical examination, his assistance was stopped.

"He was cut off of welfare on the same evidence that had kept him on the rolls for 10 years," Landis said.

The man applied immediately for a fair hearing, to which he was entitled by the law. It was not granted until January. He won his case, but was not put back on the rolls until February. The family was without assistance for four months.

Federal regulations require that when a fair hearing is requested a decision must be rendered within 60 days.

"We seldom get a decision within 60 days," Landis said.

He also criticized the method used for informing persons that they are entitled to a hearing before their grants are reduced or stopped.

"The federal regulations require that recipients be given written notice of the right to a fair hearing," Landis said. "The welfare office here sends out a pamphlet with the paragraph outlining the right underlined in red pencil. They ought to write the person a letter in clear, understandable language."

Several cases, including one rising out of St. Louis, have been filed in federal courts arguing that recipients should continue to receive their full grant until a full hearing is held and a decision made.

One of the suits, a New York case, has been upheld by the lower courts and now is before the Supreme Court.

There also is a lack of communication between the higher officials of the Jackson and Wyandotte County offices and the recipients and public at large.

Welfare recipients are viewed with suspicion, though Dunkin admits "you can't assume everyone is crooked." To some extent, they simply are ignored or lied to.

The case of Mrs. Martha Ross points up the problem.

February 11, Mrs. Ross, the mother of seven children, told her case worker that her mailbox at Wayne Minor court had been broken into that day and her welfare check stolen. The case worker told Mrs. Ross that could not have happened, because her case was under review and the check had not been mailed. It would be along in four or five days, the case worker said.

When six days later the check still had not arrived, Mrs. Ross called the case worker's supervisor. The supervisor told Mrs. Ross that her case still was under review and she would get a check on February 20.

Having not yet received her check, Mrs. Ross called the supervisor February 23. She was told that the check still had not been mailed.

On February 28 she called again and was told that the department did not know when she would get the check.

Mrs. Ross then turned to the Human Relations commission, which brought the case to Dunkin's attention. Dunkin checked the payroll and found that the check had been mailed and in all probability had been stolen February 11.

Mrs. Ross then took a day off of work to go to the welfare office to sign papers that the check was stolen and make application for its replacement. She was told she would have to wait until the check had cleared a bank and was returned to the department before the papers could be filled out.

The check cleared March 5. She signed the papers. Then she was told that it would take five to six weeks for the papers to be processed and a new check mailed.

All the while, Dunkin refused to issue an emergency food or rent order. He tells the public that he has emergency funds. But questioned by The Star, he admitted that in his 17 years at the department he has issued emergency food and rent orders only twice.

Dunkin and his organization are coming under greater attack by organized and angry welfare mothers armed with the welfare laws and manuals.

"Dunkin is not doing his job," complained Mrs. Lucille Johnson, president of New Organized Welfare. "He's not concerned about poor people. He has no understanding of them or compassion for them."

The ill feeling and mistrust was evidenced at a meeting between Dunkin and some welfare mothers when Dunkin brought in policemen dressed in street clothes. One posed as a news photographer.

Both the Jackson and Wyandotte County welfare offices have serious intraoffice problems. The turnover in personnel has been running about 30 per cent a year.

Supervisors tend to be older persons who have come up through the system and are incapable or unwilling to change their traditional methods of operation.

"You get to be a supervisor by showing over the years that you can get the paper work done," complained a Wyandotte County case worker.

Many of the case workers, on the other hand, are young, progressive and professionally trained in the modern concepts of welfare.

The frustrations aroused by intraoffice conflicts, poorly conceived and financed programs and an inability to bring about change forces many younger persons out of county welfare work and into better-paying federal and private jobs.

The turnover also throws an additional load of paper work on remaining case workers. More and more time is devoted to bureaucratic paper work and less to helping recipients—the real job of case workers.

Federal regulations require that applications for welfare be processed and the person notified within 30 days. Many applicants wait much longer.

"We are so overloaded that applicants who don't keep calling the office and insisting that their papers be processed don't get on the rolls for as long as four or five months," said a Wyandotte County case worker.

"Dunkin's whole attitude is demoralizing to the staff," said a case worker who has been at the Jackson County office for two years. "He is more concerned that we don't take more than 10 minutes for coffee breaks and 45 minutes for lunch than he is about us working with the recipients.

"The paper work comes first with him. I get wound up trying to help the recipients and am always in trouble for not keeping up the paper work."

WELFARE: A BANKRUPT SYSTEM—VII: AREA WEALTH HIDES SUBURBAN POOR

Tucked away among the wealth and abundance of the metropolitan area's best suburbs are the invisible poor.

A walk down any street in the inner city leaves no doubt that there is poverty there, lots of it.

But poverty, privation and hunger in prosperous and booming Platte, Clay and Johnson Counties? It is there. You would have to look for it, and not many persons want to.

"People don't like to admit that there are poor people here," Mrs. Elsie Wells, Platte County welfare director, said. "They turn their heads and think they will go away."

Johnson County is the nation's fourth wealthiest county. Yet there are 2,700 families—about 10,800 persons—whose income is below the poverty level. There are 1,627 persons in the county who receive direct welfare payments and 198 who receive only medical assistance.

Johnson County's welfare recipients are mainly in three places—the Fairview district of Olathe, the South Park community in Merriam and Shawnee and at Sunflower Village.

Fairview and South Park are both old settlements with relatively stable populations, Mrs. Dorothy Martin, Johnson County welfare director, said.

Sunflower has a high population turnover. "People who move in from outside the county and have trouble finding low-rent housing seem to gravitate there," Mrs. Martin said. "They stay until they can find better housing then they get out. We have lots of problems there."

Platte County is quite different. About 50 per cent of its 503 welfare recipients are scattered in towns and villages throughout the county. The other half are on farms they rent or own.

In Clay County, the 1,573 recipients live mainly in Kansas City and Excelsior Springs.

Suburban recipients suffer most of the problems experienced by urban recipients—acute shortage of money, poor housing, marginal health, budgeting difficulties and poor nutrition.

While they do not live in intensely crowded areas of urban recipients, they face problems not generally known to their urban counterparts.

"Clay County has the highest median income in the state," said Ed Rittenhouse, coordinator of the Human Resources corporation neighborhood service center at Platte City. "Platte County is fourth in the state. Both are growing and the economy is inflated.

"Housing is expensive. People here pay more for it. So a person on welfare spends more of his limited budget on housing than he would in the city.

"Food is more expensive. There isn't a chain supermarket north of Platte Woods, so recipients up north can't take advantage of the weekend specials because many don't have transportation."

Aside from low welfare payments, the lack of transportation is one of the biggest problems in Clay County, Mrs. Margaret Spalding, county welfare director, said.

"How is a person supposed to get a child from Excelsior Springs to Mercy hospital?" she asked. "We don't have time to take them and the insurance would be prohibitive. We have to beg churches and other agencies to help with transportation."

Education is another problem. In the inner city the children of welfare recipients usually attend schools with a student body drawn largely from the same economic bracket.

Scattered in small numbers through the suburbs, however, welfare children stand out as poor.

"How would you like to send your youngsters to a school where everybody had twice as much or more than you did?" Mrs. Spalding asked. "Every night the kids come home asking for the same things all of their schoolmates are getting, but the money isn't there to give it to them."

The result is an inferiority complex and other emotional problems leading to undesirable behavioral problems.

In recent months hunger has become a major issue among suburban welfare recipients.

In Platte County, one of 50 Missouri counties without any form of food program, a group of low-income residents is suing the State Division of Welfare and the U.S. Agriculture department, contending they illegally are depriving the counties of commodities or food-stamp programs.

The case was being argued earlier this week before Judge John Oliver of the U.S. District Court.

Clay County has a commodity food pro-

gram and Johnson County has the food-stamp program, which Mrs. Martin criticizes as too restrictive.

"The food-stamp program forces families to spend more than they can afford on food," she said, "and the qualification requirements are took strict. Food stamps should be available to all persons whose income is under the poverty line."

Mrs. Wells said that while she could not agree with those from Platte County who filed the suite, she believed there was starvation and that many, maybe most welfare recipients, were undernourished.

"We have malnutrition here," she said.

Unlike the inner city, welfare in the suburbs is almost lily white. Less than 2 per cent of the recipients in Johnson County are black. There are only eight Negro welfare cases in Platte County and just a few more in Clay County.

WELFARE: A BANKRUPT SYSTEM—VIII: ORGANIZATION AIDS DRIVE FOR RIGHTS

"The National Welfare Rights Organization is making sure that every welfare recipient gets everything to which the law entitles him," George A. Wiley, the militant group's director declared.

"We'll fight'm in the streets and we'll fight'm in the welfare offices, one step at a time, just like the labor unions.

"We have one goal, to see that every American is guaranteed enough money to live with dignity."

In a decade of feverish activity in the organization of the poor and minorities, the N.W.R.O., has emerged as one of the most dynamic and effective groups organizing the poor and helping them obtain their rights.

The 3-year-old group with 30,000 members, is an aggressively led organization of vocal welfare mothers and a few elderly welfare recipients. It has managed to double its ranks every six months.

Their major objectives attained, their leadership and ranks split by ideological differences, the older civil rights groups—C.O.R.E., N.A.A.C.P., S.C.L.C., S.N.C.C. and the Black Muslems—have faded as national powers in the last two years. They no longer are capable of speaking for even a large minority of the poor.

But the N.W.R.O. has a relatively fresh subject, improved welfare benefits. It also has a broad, cohesive group of members.

Unlike any other group of disadvantaged pursuing primary goals today, N.W.R.O. has access to the White House and federal agencies at the highest level.

The organization has found itself capable of working with the Nixon administration to develop improvements in the welfare system.

At the same time, N.W.R.O. has constantly pressured state and local welfare bureaucracies with law suits and demonstrations, demanding for its members all the law allows them as well as increased benefits.

Wiley, the 38-year-old founder-director of the organization and former associate national director of C.O.R.E., explained N.W.R.O.'s strategy recently after he and his executive committee had met with Robert H. Finch, secretary of Health, Education and Welfare.

"We have the real sense that Nixon wants to be able to govern the country," Wiley said. "To do so he realizes that he must overcome major problems of our society. Welfare is a problem and the administration wants to grapple with it. They want to take a fresh approach."

Just sitting down with Finch constituted somewhat of a new approach, Wiley said. It was the first time welfare recipients had been able to get to top HEW officials.

Since that meeting, a joint HEW-N.W.R.O. committee has been set up under John Veneman, under secretary to assist in the search for new approaches.

There also have been meetings with Daniel Patrick Moynihan, urban affairs advisor to the President, and other White House staffers.

At the same time, N.W.R.O. has mounted a sustained attack on local and state welfare offices, signing up every eligible person the organization can locate and forcing welfare offices to provide every benefit to which the law entitles recipients.

"Our philosophy is that there is a constant movement toward some form of income maintenance," Wiley said. "Our strategy is based on that philosophy.

"We are out to see that every recipient collects every benefit to which he is entitled, not passing up anything that costs the system money.

"This is putting tremendous financial pressure on local and state government. They are running to the federal government for help."

A political realist, Wiley, who has a doctor's degree from Cornell university in the very nonpolitical subject of organic chemistry, knows that whatever the administration can do in the forseeable future isn't going to solve welfare problems.

"But it can be a step in the right direction," he said, "and that's the reason we can support it."

The ultimate goal is federally financed direct payments to recipients—a guaranteed annual wage.

N.W.R.O.'s assets don't stop with a group of cohesive angry welfare mothers and access to the highest level of government.

It also has the active backing of the Center on Social Welfare Policy and Law at Columbia university, a foundation-supported legal-research organization boasting a half dozen of the sharpest young legal minds in the country. In addition, it has the advice and research support of several members of the faculty of Columbia's school of social work and Professor Edward Spares of the Yale Law school and some of his associates.

It was these support forces that filed and won cases in the Supreme court which knocked down state substitute-father and residency laws.

There are several reasons for the mutual attraction between welfare rights groups and the legal profession.

Welfare rights leaders realized that while their organizations could force some changes on the local level by demonstrations and sit-ins, the big barriers would have to be removed in court. By bringing about change through the courts, moreover, additional pressure was put on the states, and in turn on Congress and the administration.

Never before have there been so many bright young lawyers interested in putting their legal talents to work to bring about change in American society.

The welfare system provided a neat body of state and federal laws, not available to the civil rights movement, for lawyers to get their teeth into.

The legal attack has been on a broad scale.

Substitute father laws—which permitted welfare officials to assume that any man associating with an A.F.D.C. mother was contributing to the support of her children—have been voided by the U.S. Supreme Court.

More recently the court held that laws requiring a person to be a resident of a state for a certain length of time before becoming eligible for welfare were in violation of the Constitution's equal protection clause.

Cases arguing that a hearing must be provided and a decision rendered before a recipient's grant be stopped or reduced have been filed in several states and have been successful in a few. They now are pending in higher courts, but, meantime, HEW has ruled administratively in favor of the recipients.

Federal courts in Arizona, Maine and Maryland, and the State Supreme court in Iowa have struck down state laws that set a ceiling on the amount of welfare that can be paid to any one family. The U.S. Supreme court now is considering the question. The court's decision could affect similar laws in about half the states.

Suits have been filed against some states that pay only a percentage of the minimum amount they say is necessary to maintain a decent and healthful life. Such a case was won in Maryland and is pending in a higher court.

"The role of lawyers is to provide services to knock down arbitrary practices that have grown up with the welfare system," Lee Albert, director of the Center on Social Welfare Policy and Law, said "Lawyers and recipients do not have the power to create a new welfare system. That is up to the Congress."

"Eventually," said Spares from his post at Yale, "we will establish the right to life. That will make it impossible for the government to deny anyone in need."

While the lawyers grind their way through the courts, the organized welfare mothers themselves have been a formidable force for change.

N.W.R.O.'s New York City organization, the City-Wide Co-ordinating committee—which has 5,000 paying members in 75 affiliates—claims credit for much of the increase in the welfare rolls and sky rocketing costs.

"The city gave 1.5 million dollars in special grants in 1966 and 10.5 million in 1968," Hulbert James, director, said recently before he moved to N.W.R.O.'s headquarters in Washington. "We are convinced we are responsible for that increase.

"In 1966 half of those who applied for welfare were rejected. Now the rejection rate has dropped to 20 per cent.

"Prior to 1966, there were less than 200 hearings for people whose grants were being reduced or cut off. In 1967, the number of hearings had increased to 3,000, and last year to 8,000.

"We have accomplished this by informing people of their rights and encouraging them to demand their rights. People don't forget that. That's why we are growing.

James estimated that there were 300,000 workers in New York eligible for state wage supplements because of their low incomes when compared to the size of their families. The N.W.R.O. is trying to get as many as possible to sign up for the assistance in an effort to bankrupt the state.

One of the keys to N.W.R.O.'s strategy is to put so much financial pressure on state and local welfare systems that the federal government will have to take over and, hopefully, shift to some form of guaranteed annual income.

So far, City-Wide, while attacking the welfare system, has worked through it for improvements in benefits.

"Now we are beginning to talk about controlling the system, running the welfare offices ourselves," James said.

N. W. R. O. has formed chapters in more than 100 cities from coast to coast, including an aggressive one in the Kansas City area.

The organization here has three affiliates in Kansas City, Kansas, where most of the accomplishments so far have been recorded, and five in Kansas City.

From its beginnings in June 1967—when 30 mothers marched on the Wyandotte County welfare office to protest denial of emergency aid to a mother of five after she had waited 45 days to be put on the rolls—the organization has grown to 350 members.

The members, as in most chapters, pay a $2 initiation fee and $1 a month dues—not enough to pay the overhead.

In April 1968 the organization here got a $3,600 grant from the Episcopal church, followed by an additional $1,200. Since then, it has depended on contributions, most coming from the 32 members of the Friends of Welfare Rights, each of whom has pledged to give on a monthly basis. This spring, the national organization took over paying the salary of Robert C. Agard, director.

The Kansas City, Kansas, welfare mothers have chalked up several victories in the last two years and are battling for more.

In July 1967 the original affiliate group, which calls itself the Wyandotte County Welfare council, extracted from Homer Crown, county welfare director, a letter listing the basic household items—stove, refrigerator, table, chairs, beds, and the like—to which recipients are entitled under state law. Prior to that time, the welfare office was silent about household items and did not provide them. That victory gave the group something to build on, an incentive to keep trying.

Two months later the mothers succeeded in getting the commodity foods dispensary moved into the area where most recipients lived.

In May 1968 the organization pushed through an increase in rent payments from a flat $35 a month to a graduated scale based on family size.

"We called that our million-dollar victory because that's about what the increase cost the welfare office," said Mrs. Vera Walker, Kansas representative to the national coordinating committee.

Last summer the organization campaigned to force the Wyandotte County office to provide a school clothing allowance with the result that the children of members received $15 each in October and another $15 later for winter clothes.

Nonmembers did not receive the payments, which, Agard said, was an added incentive for recipients to join the organization.

The local organization takes at least part credit for a recent $57,000 contribution by the United Campaign to the Coaches council for its participation in the Human Resources corporation summer program. The contribution was an indirect outgrowth of a march led by Wiley on a campaign luncheon last fall when the Kansas City chapter was host to the N.W.R.O. national convention.

Just before Christmas the mothers succeeded in getting the Montgomery Ward company to extend credit to welfare recipients who otherwise were qualified. The organization still is working to get the same commitment from Sears, Roebuck & Co.

The Kansas City, Kansas, group's latest major thrust has been aimed at the city's school board in an effort to get the board to initiate a hot lunch program in all schools. The only schools in the system that now have a lunch program are those in the affluent western part of the district.

After failing to attain its goal through persuasion, the N.W.R.O. group filed a law suit (prepared by the Center on Welfare Policy and Law) charging that the board was in violation of federal regulations and its contracts with the state for not participating in the federally assisted program, which provides for free lunches for children of welfare recipients.

The suit could become a landmark case.

The welfare mothers on the Missouri side have had a tough row to hoe and the few issues they have won seem small compared to their counterparts in Kansas City, Kansas. But considering the unresponsive nature of the Jackson County welfare office, their victories have not been insignificant.

"It's a major victory for us when we can get a person an emergency grant or get a lost check replaced," said Mrs. Lucille Johnson, president of the New Organized Welfare Mothers. "That's about all we've been able to get out of Jackson County welfare. Dunkin (Edward I. Dunkin, Jackson County welfare director) treats that money like it's his, not the people's."

WELFARE: A BANKRUPT SYSTEM—IX: GUARANTEED INCOME IN FEDERAL PLANS FOR AIDING THE POOR

The Nixon administration is nearing a decision to recommend to Congress a guaranteed annual income for the nation's poor. For political reasons, however, it will not be called that.

Officials involved in the White House decision-making machinery have been extremely reluctant to talk about the new plan, but reliable sources have begun to reveal its general outlines and some details.

First, these sources emphasize, the proposed program would not in the beginning—provide an across-the-board increase in welfare benefits. It would give increases to recipients in low-payment states.

The program is designed to close the gap between high and low-payment states by putting a federal floor under payments. It also would give financial relief to states since the federal government would assume a greater share of the welfare cost.

The plan would attempt to make welfare more fair, equitable and humane. It would be tied closely to jobs and job training and to keeping families together.

Thus far the decision makers have agreed that a floor of about $50 a month would support assistance to the elderly, blind and disabled. The states would not be required to maintain their present financial effort, but they would be expected to continue to provide some funds in the three categories.

The administration plan would provide a $31 a month federally financed payment to persons receiving aid to families with dependent children, the sources said. That would provide a guaranteed annual $1,488 income for a family of four.

Still not decided by the administration is whether to offer to pay a percentage above that, matching any state payment. If matching funds were not made available, it would not provide relief for high-payment states.

Also still being debated is whether to require states to maintain their present effort. Sources close to the decision making process say that it probably will not be required. Otherwise, the states would get no financial relief.

One thing almost is certain. President Nixon *will* recommend that all states be required to make A.F.D.C. available to families with an unemployed father in the house.

The administration is concerned over the fact that A. F. D. C. has tended to drive fathers out of the home so the family would be eligible for benefits. Only 24 states now permit payments to families with an unemployed father in the home.

Moreover, since the Supreme court ruled unconstitutional the substitute—father provision—which permitted welfare officials to assume that any man associating with an A. F. D. C. mother was contributing to the support of her children—the government has found itself, in effect, supporting immorality.

It is unfair, the administration believes, to support a couple living together out of wedlock and deny A. F. D. C. to a married couple.

Probably the most interesting facet of the administration plan is the guaranteed annual income for intact, working families. It has been dubbed the family security system by Robert F. Finch, secretary health, education and welfare.

It would provide for the federal government's paying 50 per cent of the difference between a family's income and an amount set roughly at the national poverty line. The government, for example, would pay 50 per cent of the difference between income and $3,000 a year for a family of four.

Another facet of the plan would supplement the above. Under this proposal the federal government would match any funds contributed by a state which pushed a family's total income above $3,000. It might require states to match federal funds up to $3,000.

There is opposition to the family security system within the highest councils of the Nixon administration. Dr. Arthur F. Burns, economist and counselor to the President, is known to question its wisdom and fears that it might prove more of a deterrent to employment than an incentive.

"This is the really hot issue now," said a source involved in the debate.

Dr. Burns has pushed the idea of tying the welfare system to revenue sharing with the states. The welfare system would not be changed nor would the formula for payments. But low-payment states would be required to raise their minimum payments.

A $30 to $40 a month minimum for A. F. D. C. and $50 to $65 for the elderly, blind and disabled have been discussed. That would qualify a state to share federal revenue with a guarantee of receiving more than the increase to the state in welfare cost.

Most administration officials, however, believe that President Nixon is committed to more sweeping and basic changes in the welfare system.

One proposal that seems to have been dropped, at least for now, is the guaranteed job.

It would provide incentives to private industry to hire and train the poor and underemployed and make the government the employer of last resort.

"Politically, we don't like the guaranteed job plan," said a source. "The emphasis will be on job training and jobs, but without any guarantee."

It is assumed that the work incentive (W.I.N.) program would be beefed up and that other job training programs would be given a boost.

Officials now are estimating the cost of the welfare program at about 2 billion dollars a year above what the federal government is spending now. But, they say, if the states are not required to maintain their present efforts, they would reap a savings of 700 million to 800 million dollars.

That President Nixon is contemplating recommending what amounts to a guaranteed annual income is surprising only at first glance.

In the election campaign, Nixon seriously considered taking up guaranteed annual income and making it an issue. He did not because it was so contrary to the traditional thinking of Republicans and a large part of the voting public. He even criticized the guarantee plans.

They "would have a very detrimental effect on the productive capacity of the American people," Nixon said as a candidate. "I take a dim view of these programs."

After his election the President charged a task force to come up with recommendations for changing the welfare system to reduce dependency and make it more fair and equitable. The task force was headed by Richard P. Nathan, then of the Brookings Institute in Washington and now an assistant director of the Bureau of the Budget and director of the bureau's human resources division.

"The challenge to the administration is to look at systems, not at programs," Nathan said recently. "People are frustrated with institutions that don't work. Welfare does not. It is sick. People have tinkered with the system, but they haven't looked at the basics. That is what the task force did and that is what the administration is continuing to do.

"We knew that we couldn't do everything at once. Money was limited. So we asked ourselves what was the least we could spend and still turn the system around? We knew the link between welfare and jobs needed to be strengthened. Welfare for too long promoted dependency rather than independence."

A task force member, Mitchell I. Ginsberg, head of the human resources administration for New York City, elaborated.

"We came to the conclusion that most important was the eventual federal take-over of the administration and financing of welfare and that the government set the standards,"

he said. "Financing was most important, but the most pressing problem was to see that the lowest-payment states raised their payments and that the higher-payment states did not lower theirs. That meant that the federal government had to assume a greater share of financing."

Just before the inauguration the task force report was ready. It recommended immediate and sweeping changes, the most important calling for increasing federal financing with a 1½- to 2-billion-dollar price tag.

The Task Force recommended two alternatives to the President.

The first would have put the elderly, blind and disabled under the Social Security administration and raised minimum benefits to all persons to $70.

It would have placed a minimum $40 floor on payments to persons on A.F.D.C. The federal government would have picked up the first $30 and 50 per cent of the next $40.

The increased cost to the federal government was estimated at 959 million dollars for the Social Security provision and 903 million for A.F.D.C. The savings to the states again was estimated at 700 million to 800 million dollars.

The second alternative would not have used the Social Security system and simply would have put a floor under all categories. The cost to the federal government was figured at an additional 1.3 billion dollars with a savings to the states of an estimated 547 million.

The task force also recommended implementing declaratory application forms for welfare—which now are being phased in—and separation of payments from supportive services within welfare offices to attain greater staff efficiency.

More important, it recommended that A.F.D.C. payments be made available to families with an unemployed father in the house.

The urgency of the welfare issue has become clearer and clearer to the Nixon administration. Since just after Nixon took office it has worked its way up to rank among the President's top domestic priorities.

For a considerable period, administration officials—both in the White House and HEW—leaned toward one form or another of the task force's second and less-expensive alternative.

Thoughts of a guaranteed annual income or any plan that smacked of income maintenance lay fallow.

As welfare took on a higher priority, and the administration began to broaden its horizons, reaching for a genuine beginning at turning the system around plans began to smack of a guaranteed annual income.

"If you are going to change the whole welfare system and base it on need with the federal government providing a floor on benefits," as one insider put it, "what you've really got is a guaranteed annual income. It won't be called that, but that in effect is what it is."

The seriousness with which Nixon regards welfare and the problems surrounding it can be judged by his proposal to Congress last month that 2.5 billion dollars be appropriated to insure a nutritionally complete diet for all persons.

Basically, the food-stamp program would be expanded with provisions that no family would spend more than 30 per cent of its income on stamps and that food stamps be provided free to families in the lowest income bracket. The Agriculture department also would be permitted to operate both food stamp and commodity foods distribution programs concurrently, which now is banned.

Also being planned is a program to provide special foods to pregnant women and mothers and their babies.

Since Nixon's message was delivered to the Congress May 7, the Bureau of the Budget has estimated that it would require 4.4 billion dollars to provide nutritional diets for about 20.8 million persons believed to be hungry in the United States.

The administration has not said, but it seems likely that it will raise its own requests on the basis of the study, which has been called a working paper and starting point for administration discussions on legislative proposals.

WELFARE: A BANKRUPT SYSTEM—CONCLUSION: WAY OUT OF POVERTY?

Persons are poor because they don't have enough money, Daniel Patrick Moynihan, urban affairs adviser to President Nixon, once said.

Some of the results of not having enough money are suggested by these photographs—squalid housing, inadequate food and the human indignities of a system riddled with arbitrary and inequitable practices.

Poverty is debilitating. But even more frightening is the fact that the welfare system in the United States locks persons into poverty and creates dependence rather than enabling recipients to raise themselves to independence and creativity.

In considering the reform of the system, the question should be asked: "What does the country expect to accomplish with welfare?"

Are Mrs. Burns' children and grandchildren going to grow up in abject poverty only to spend their lives on the welfare rolls, or should they get enough assistance to provide incentive to work their way out of poverty?

Is Mrs. Brickner going to be freed of red tape and paper work so she can use her talents as a professional social worker to assist her clients?

Should Mrs. Peterson receive enough assistance to buy fresh meat, vegetables and milk for her children.

Can Mrs. Sparks, whose health prevents her from getting a job, be expected to live in health and decency on $87 a month?

These questions and many more must be answered before meaningful reforms can be carried out.

THE SUCCESS OF CUBANS IN FLORIDA

Mr. GURNEY. Mr. President, many waves of immigrants have come to the United States of America to enjoy the benefits of the great freedoms available to everyone in this Nation. Yet no group of immigrants has ever enjoyed a greater success story in their new home than our Cuban citizens. Too little is heard of Florida's refugee colony of Cubans in regards to the contribution they have made to my State, and consequently, our Nation. No one has ever publically congratulated the Cuban community for being the most energetic, progressive, and prosperous émigré group in history. At this time I would like to tell of the accomplishments of these people, and offer my sincerest regards for their efforts.

The economy of south Florida is bolstered today by 5,000 Cuban commercial, service, and small industrial establishments. These thriving business ventures have literally put life back into many areas of Miami which had been threatened with financial disaster.

In the labor market, too much cannot be said praising the Cubans for their evidenced ambition and industriousness. Of the total work force of 435,200 in Greater Miami, the Cubans constitute close to 12.5 percent. Notably, the Cubans also hold 8.2 percent of the white collar jobs, while 10.6 percent of Miami's craftsmen are of this refugee group. Miami, being a tourist town, finds the airlines employing 21,415 people. Cubans make up 8.2 percent of the airline employees. A recent study done of the Cuban community is quoted as saying:

> Almost all exiles have proved to be able, conscientious, versatile workers and employes, who are today contributing to the economic growth of this community (Miami), and are being wooed by firms from all over the United States.

This is highly commendable for an exile group that arrived in this country less than 10 years ago.

Florida has done much to aid the Cuban youth in the field of education. We feel these efforts to be justified upon finding that the Cuban student is rated as equal to or above his American counterpart in school work performance. It was also discovered that the Cuban child rarely holds his class back because of the language barrier, and works hard to master English.

By far the most encouraging of all the findings is that which shows the crime rate among the Cubans to be far below that of either blacks or whites. This has been the case for years, even when the exiles arrived, literally with only the clothes on their backs as all of their worldly goods. Along these same lines it should be mentioned that the refugees have little or nothing to do with civil unrest. They do not participate in the popular forms of activity today which advocate the disruption of our society. To put it simply, the Cubans are Miami's most law-abiding citizens.

In all fairness, the Federal Government must also be commended for the help they have given the Cubans. Through this Government aid, and their own self-help, the refugees have been able to regain a foothold in prosperity here in the United States. Although the Cubans are a highly successful people the Federal Government should not presume that this community can now be ignored. Problems still exist and a few of these now need highlighting.

The Cubans have been economically active, but in most cases they have remained politically inactive. In fact, until very recently many have evidenced a reluctance to take up U.S. citizenship. There are a few outstanding reasons behind this political stagnation in the exile group.

The refugees resent the fact that in the past our Government has discouraged the organization of responsible groups of men to fight for their homeland. They also cannot understand why we persist in intercepting their guerrilla task forces wishing to harass Castro's regime and infiltrate Cuba. President Kennedy's promise to see that the nation of Cuba would soon be free remains unkept. The Cubans question the desire that our Nation has to preserve freedom wherever and whenever possible. Many of them continue to doubt the value of becoming part of a political process which seems to work against itself and, more specifically, against a free Cuba.

Obviously then, there is still room for

the Federal Government to get involved with this prosperous exile community. Our work in this area is not yet complete. It might be a wise move on our part to reevaluate some of the policies that we now harbor with respect to Cuba. This would benefit both Cubans and Americans alike.

I wish to congratulate the Cubans again for all they have done for my State economically and otherwise. To them I say: Your success has been a pleasant surprise, and one that few would have predicted 10 years ago. Thank you.

NERVE GAS ACCIDENT ON OKINAWA

Mr. NELSON. Mr. President, a most disturbing story appeared in the Wall Street Journal of July 18. Reporter Robert Keatley has revealed that there has been another accident with nerve gas VX, the same gas that killed 6,400 sheep near Dunway Proving Ground, Utah, in 1968. This time the accident took place on the island of Okinawa and 25 persons were hospitalized. Fortunately no deaths occurred.

Apparently a container of a weapon filled with the deadly nerve gas began leaking and people began to become ill. The fact that no one died should give us only slight comfort.

The most serious question is what is the military doing with nerve gas in Okinawa? If the military is stockpiling chemicals at Okinawa, which is the main American strategic base in Asia and a jumping off place for planes and troops going to Vietnam, are there other stockpiles in other places around the world? If this kind of stockpiling has been going on then neither the public nor Congress knows about it.

Congress has not had the opportunity to discuss or debate the appropriateness of such deployment of chemical-biological weapons. Had this opportunity been made available to the Congress, there might have been some chance of averting the grave repercussions this accident will surely have within Japan, one of our most important Asian allies.

Congress should call for a full scale investigation of this incident. Obviously there is slim possibility that the North Vietnamese will use nerve gas since they neither have it nor do they have the capability of delivering it. It simply cannot be argued as a deterrent to the North Vietnamese and does not belong on Okinawa.

The fact that we have moved the gas to a base that is so important to our military activities in Asia, raises grave moral and public policy questions. It has always been assumed that the United States was following the policy set by President Franklin Roosevelt that this Nation would never be the first to use chemical or biological weapons in wartime. If the Defense Department believes that policy should be changed they had better come to Congress and the Nation and explain their position.

The Okinawa accident points up the need for the immediate enactment of my resolution calling for the immediate ban of all open-air testing of CBW weapons until a Presidentially appointed panel of 10 scientists make a full investigation of the public health and environmental effects of such testing.

I ask unanimous consent that the Wall Street Journal article be printed in the RECORD so that every Member of Congress can study it. It is too important to be overlooked.

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

NERVE GAS ACCIDENT—OKINAWA MISHAP BARES OVERSEAS DEPLOYMENT OF CHEMICAL WEAPONS—LEAK AT U.S. BASE FELLS 25; ANGRY REACTION EXPECTED AT HOME, FROM JAPANESE—COUP FOR RED PROPAGANDA?

(By Robert Keatley)

WASHINGTON.—The United States has apparently deployed operational weapons armed with lethal chemical agents as part of its deterrent force overseas.

That conclusion is indicated by an accidental release of deadly VX nerve gas at the U.S. base on Okinawa last week. A container of the gas or a weapon carrying it broke open there, and some 25 persons were hospitalized after exposure to it. Word of the incident has just gotten back to Washington. At a late hour last night, high Defense and other Administration officials were debating what to say about the matter or whether to say anything at all.

Their sensitivity springs from awareness that disclosure of the unsuspected deployment could have broad and adverse repercussions for the U.S. overseas and for the Administration at home. It could create a wave of anti-American feeling abroad just as President Nixon sets forth next week on a planned triumphal tour following the U.S. moon voyagers' Pacific splashdown. More important, it could touch off violent leftist demonstrations in Japan on the eve of Secretary of State William Rogers' visit there to discuss continued U.S. use of Okinawa as the main American strategic base in Asia. The news will almost certainly prompt propagandists in all Communist countries to attack Washington's political and military objectives.

CAPITOL HILL CONTROVERSY

The information seems certain, in addition, to arouse new Congressional opposition to the development of toxic weapons in particular and to the military in general. Word of the Okinawan accident may come at a particularly bad time for advocates of deployment of the Safeguard antiballistic missile, since that project is now being debated by the Senate.

Chemical and bacteriological warfare (CBW) has become highly controversial on Capital Hill recently. An accident at the Utah testing range killed some 6,400 sheep last year. This spring Americans learned that the Army planned to dispose of some 27,000 tons of "surplus" CBW agents and equipment by transporting them across country by train and dumping them into the Atlantic Ocean off the New Jersey coast; this plan was widely condemned as dangerous and has since been dropped.

On top of such controversy comes the surprise and troublesome disclosure that such deadly gases are on Okinawa. The island is officially Japanese property; Tokyo retains "residual sovereignty" over the big U.S. Army, Air Force and Marine Corps complex, though the U.S. has nearly complete freedom in managing it. The base also hosts giant B52 bombers and some medium-range missiles deployed as a deterrent against Communist China. Nuclear explosives are kept on the base for possible use by these planes and missiles, and that's a main reason for Japanese opposition to continued American use of the island.

The news reaching Washington about the Okinawa accident is little more than that it happened. There is no detail on how it took place. But it is believed that all the victims were American soldiers and none were Okinawan employees of the U.S. Apparently no deaths occurred, though Pentagon officials will not discuss the matter in detail.

The VX nerve gas that escaped at Okinawa is a mainstay of the U.S. CBW arsenal. It is this agent that drifted outside the Utah testing range last year and killed the sheep in nearby Skull Valley.

A DEADLY GAS

VX is one of the deadliest nerve gases in existence, since it persists longer than others when released into the atmosphere. A few milligrams, if inhaled, cause death within seconds; a slightly larger dose on the skin can kill in minutes if certain countermeasures, such as artificial respiration and special drugs, are not taken immediately. In the Okinawan accident, it is believed that countermeasures were quickly taken and that no large area was contaminated.

It is possible that a previous instance of CBW contamination on Okinawa occurred last summer. About 100 Okinawan children became mysteriously ill after swimming near a U.S. base; several were hospitalized with such symptoms as high fevers. American military authorities investigated allegations that chemical agents might have leaked into the sea but told worried Okinawan officials they couldn't find evidence of any such mishap.

An Army technical manual describes the symptoms of nerve gas poisoning as "running nose, tightness of chest, dimness of vision, pinpointing of eye pupils, difficulty in breathing, drooling, excessive sweating, nausea, vomiting, cramps, involuntary defecation and urination, twitching, jerking, staggering, headache, confusion, drowsiness, coma, convulsion, cessation of breathing, death."

Thus far, it has never been disclosed that the U.S. has deployed any lethal chemicals agents outside this country. And apparently the Japanese government has never been notified officially or otherwise, of the presence of nerve gases on Okinawa. The disclosure seems certain to prompt an angry storm of reaction in Japan. Leftists there have demonstrated frequently against the U.S. use of nonlethal tear and nausea gases in South Vietnam, and the use of napalm against North Vietnam. And now experts on Japan are expressing concern about new outbursts in Tokyo against the storage on Okinawa of CBW agents, which are more feared and closer to home than any weapons deployed in Vietnam.

The Army recently told Congress that it spends about $350 million annually on various phases of CBW research and development. The chemical agents include nerve and other gases that produce various physical effects ranging from temporary incapacitation to death. Biological agents, including germs and viruses, cause diseases, some fatal; current Army research involves studies, for example, of ways to spread plague and other disabling illnesses. But the Okinawa accident did not involve such biological weapons, and there is no reason to believe that any such agents are located there.

Recent protests over the existence of chemical and biological weapons—certain to mount now—have already caused the Senate Armed Services Committee to cut from this fiscal year's budget $16 million planned for research and development on lethal offensive CBW weapons. Democratic Sen. Thomas McIntyre of New Hampshire explained: "Measured against this nation's traditional opposition to the offensive use of such agents, we could not justify research and development expenditures for that purpose."

Though it isn't known just what weapons

or gas containers were involved in the Okinawa incident, several ways of delivering CBW agents have been developed by military researchers. These include grenades, shells and small ground-to-ground rockets that would explode on impact, releasing the agents. There are also bombs and airplane-launched rockets; such bombs would probably be triggered just above ground rather than on impact so the CBW agents would cover a large area.

The CBW material the Army recently proposed to sink off the New Jersey coast included 2,660 tons of rockets and 12,322 tons of Air Force bomb clusters, both filled with nerve gas.

Another system involves the use of generators. A CBW generator includes a tank filled with an agent, a source of pressure and a nozzle through which the agent is pumped into the atmosphere—upwind of the target area.

One report says the Army missiles called Corporal and Sergeant were designed at least partly for delivery of CBW agents. Sergeant, it has been claimed, can fire a 1,600-pound payload about 85 miles; according to one estimate, if this missile's warhead were filled with nerve gas and the gas were dispensed by an aerosol spray process, it could kill about one-third of the people in an area one mile in diameter. These missiles are deployed in Western Europe, but it's not known if they are armed with CBW warheads.

Years ago President Franklin Roosevelt vowed the U.S. would never be the first to use chemical or biological weapons in warfare, and this presumably remains official policy. But the Pentagon has consistently opposed efforts to restrict sharply U.S. development of such hardware; military men contend this country must know about ways of devising CBW weapons, if only for deterrent reasons.

The Soviet Union, it is reported, has a large CBW research and development program of its own. Back in 1960, Lt. Gen. A. G. Trudeau, then the U.S. Army's research chief, told Congress that "we know that the Soviets are putting a high priority on development of lethal and nonlethal weapons, and that their weapons stockpile consists of about one-sixth chemical munitions. Russian leaders have boasted that they are fully prepared to use new chemical weapons of great significance, and we know Soviet forces are trained in their use."

A 1960 Army study claims each Soviet division has a "specific unit devoted to the field of chemical warfare." A Russian general was quoted as stating: "Many of our scientists . . . regard research on the actions of poisons and on the development of antidotes to be their patriotic duty."

To justify its CBW activities, the U.S. Army emphasizes the idea of "retaliatory capability as a deterrent." The generals also stress they must know what the offensive capabilities of such weapons are before they can devise defenses. In addition, many military men justify such weapons as being more efficient and much less destructive than nuclear weapons; they emphasize that many CBW agents are only temporarily disabling but not lethal.

PRESIDENT NIXON'S MESSAGE ON THE PROPOSED COMMISSION ON POPULATION GROWTH AND THE AMERICAN FUTURE

Mr. FONG. Mr. President, I congratulate and commend President Nixon for his outstanding message on the problems of population growth.

With the candor and objectivity that are required in dealing with this urgent and controversial problem, President Nixon presented a clear and frank statement on the population crisis that threatens to engulf and smother mankind's quest for a better life for all.

The population explosion is a threat not only to the industrial nations but also to the developing nations. It places a heavy burden on a country's economic development, its housing and educational needs, its natural resources, and its ability to provide adequate medical and other health services.

I thoroughly agree with the President that this explosive issue must be handled with "a new sense of urgency" and that this problem must be approached "from the viewpoint of the whole society." Although population growth influences governmental actions on all levels, very seldom do our national, State, and local governments pay "sufficient attention to population growth in their own planning. Only occasionally do they consider the serious implications of demographic trends for their present and future activities." But, most importantly, there is a glaring absence of coordination, cooperation, and sharing of information among our local, State, and national governments.

President Nixon's proposal for the creation by Congress of a Commission on Population Growth and the American Future is most welcomed. The Commission could do much to investigate and make recommendations regarding: First, the probable course of population growth, internal migration, and related demographic developments between now and the year 2000; second, the resources in the public sector of the economy that will be required to deal with the anticipated growth in population; and, third, ways in which population growth may affect the activities of Federal, State, and local governments.

Mr. President, in recognition of the population crisis and a need for urgent action, I introduced a bill on July 15 that authorizes and requests the President to convene a White Houes Conference on Population Growth and Family Planning, to be preceded by a State conference on the same subject in 1970. Such a conference will help to focus attention on this issue and to develop recommendations for further research and possible legislative action to cope with the population crisis.

Mr. President, I welcome the cosponsorship of any Senator who believes that a White House Conference on Population Growth and Family Planning is urgently needed. I am sure such a conference could contribute immensely toward assisting the President's proposed Commission on Population Growth and the American Future.

THE SECURITIES AND EXCHANGE COMMISSION'S NEW RULES ON DISCLOSURES BY CONGLOMERATES

Mr. NELSON. Mr. President, the Securities and Exchange Commission this week has taken an important step toward bridging an "information gap" that has long troubled the investment community. I commend the Commission for its adoption of the long pending proposed amendments to forms S–1, S–7, and 10, to provide for greater disclosure of financial data on the separate operations of diversified corporations.

The policy issue that is involved in these new rules is simply stated, although the details are extremely complex. The policy issue is: How much should the public know about the ways in which our large corporations make their profits and sustain their losses?

On June 20 I wrote to the Chairman and each member of the Commission to express my concern about the length of time the proposed rules changes had been pending in a sort of administrative limbo. In that letter I expressed by own philosophy on the issue in these terms:

> Generally, in my judgment, the direction of our public policy should be toward an ever more open society, with the widest possible availability and dispersion of scientific, industrial and economic information. The accelerating conglomerate merger movement is pushing us in the opposite direction: every year more information about leading factors of production in major—and concentrated—industries drops out of sight behind the veils of consolidated balance sheets and operating statements.

The Monopoly Subcommittee of the Senate Small Business Committee pursued this idea further at hearings July 9, 10, and 11 on the role of giant corporations in the American and world economies: automobile industry, 1969. The inequities in the amounts of information available to small and large competitors appeared very plainly in some of the testimony.

Welcome as the action of the SEC is, no one should be unaware of the areas of our economy that will still be permitted, under these new SEC rules, to remain shrouded behind the veils of secrecy called consolidated balance sheets in the future, as in the past.

Most importantly, there will be only irregular and infrequent disclosures of the additional information now required. No corporation will be called upon to report line-of-business data on an annual or any other regular, periodic basis, beyond the present sketchy requirement. The new information will be required to be divulged only when a new issue of securities is being registered with the SEC. A first, obvious step for a stronger, better bridge over the "information gap," therefore, will be to extend the line-of-business reporting requirements to the annual report form, form 10–K. I understand that the Commission is studying a recommendation to that effect by Commissioner Wheat, and I hope that the study may not take quite as long as did the study of the revisions of forms S–1, S–7, and 10.

Additionally, it is regrettable that the new requirements for information on assets used in each major line of business, and for itemized reporting on foreign operations, contained in the amendments as first proposed, have been dropped or diluted in the amendments as adopted.

Finally, these new rules should be recognized as intended for the alleviation of the information problems of the share-purchasing public, and not for the alleviation of the competitive informa-

tion problems of the small business community. It is, of course, the latter problem area that has so long concerned the Senate Small Business Subcommittee on Monopoly, both under its prior chairman, Senator RUSSELL B. LONG, and under my chairmanship. While I welcome the new SEC rules, I am by no means convinced as yet that the small business competitive information problem has been significantly eased by them. I am not convinced as yet that that problem can be solved by any administrative action. Additional legislation may be required.

In any event, we shall closely and diligently study what application the new SEC requirements may have, if any, to the small business competitive problems, and we shall welcome the help and advice of all having any expert knowledge or experience to offer.

Mr. President, I have a number of exhibits which I shall shortly ask unanimous consent to insert in the RECORD; but first I want to identify or describe them. The exhibits are in two parts. The first part consists of official correspondence and documents. The second part consists of newspaper articles which, I think, will be helpful to Senators interested in getting a quick overview of this extremely complex subject.

These exhibits are identified as follows:

PART I. OFFICIAL CORRESPONDENCE AND DOCUMENTS

Exhibit 1, letter dated June 20, 1969, from Senator GAYLORD NELSON to Chairman Hamer H. Budge of the Securities and Exchange Commission, with copies to each member of the Commission and each member of the Senate Small Business Committee—enclosures omitted.

Exhibit 2, letter dated July 9, 1969, from Chairman Budge to Senator NELSON, with its enclosures identified as follows:

Exhibit 2A, memorandum prepared by Office of Chief Accountant and Division of Corporation Finance, Securities and Exchange Commission, with respect to letter dated June 20, 1969, addressed to Chairman Budge by Senator GAYLORD NELSON.

Exhibit 2B, Securities and Exchange Commission, Securities Act release No. 4922, dated September 4, 1968: "Notice of Proposed Amendments to Forms S–1, S–7 and 10."

Exhibit 2C, Securities and Exchange Commission, Securities Act release No. 4949, dated February 18, 1969: "Notice of Revision of Proposed Amendments to Forms S–1, S–7 and 10."

Exhibit 2D, Securities and Exchange Commission, Securities Act release No. 4936, dated December 9, 1968: "Guides for Preparation and Filing of Registration Statements."

Exhibit 2E, Securities and Exchange Commission, Securities Act release No. 4886, dated November 29, 1967: "Adoption of Short Form for Registration of Securities of Certain Issuers and Amendment of Rule 174."

Exhibit 2F, Securities and Exchange Commission Form S–1.

Exhibit 2G, Securities and Exchange Commission. Securities Act release No. 4718, dated August 27, 1964: "Adoption of Amendments to Form S–1, Form S–8 and Form S–11, and so forth."

Exhibit 2H, Securities and Exchange Commission Form S–10.

Exhibit 3, Securities and Exchange Commission, Securities Act release No. 4988, dated July 14, 1969: "Adoption of Amendments to Forms S–1, S–7 and 10."

PART II. NEWSPAPER ARTICLES

Exhibit 4, article, "Revision of Divisional Reporting Proposals Draws Negative Comment," from Securties Regulation & Law Report, June 25, 1969.

Exhibit 5, article by Jan Nugent, "Big Firms Fight Data Requests," from the Journal of Commerce, July 9, 1969.

Exhibit 6, article by Edwin L. Dale, "Disclosure Rules For Big Divisions Adopted by SEC," from the New York Times, July 15, 1969.

Exhibit 7, article, "SEC Sets Conglomerate Reporting Guide; Regulation Altered To Help Small Firms," from the Wall Street Journal, July 15, 1969.

Exhibit 8, article, "SEC Ordering Conglomerates To Explain Net," from the Washington, D.C., Evening Star, July 14, 1969.

Exhibit 9, article, "SEC Adopts Disclosure Regulations," from the Washington Post, July 15, 1969.

Mr. President, the last five enclosures with Chairman Budge's letter to me—identified as exhibits 2D through 2H—are all familiar documents to the investment and business community. Since they are quite long and are easily available from the Securities and Exchange Commission, I see no useful purpose in inserting them in the RECORD. The remaining exhibits I have identified are an important part of this statement.

Therefore, Mr. President, I ask unanimous consent that the exhibits I have identified as numbers 1 through 9, including the first three subparts of exhibit 2, identified as exhibits 2A through 2C, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

U.S. SENATE,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C., June 20, 1969.

Hon. HAMER H. BUDGE,
Chairman, Securities and Exchange Commission, Washington, D.C.

DEAR MR. CHAIRMAN: For many years the Senate Small Business Committee has been concerned with the problem posed to small, single-line businesses by the consolidation of operating data in the public financial statements of their large, vertically integrated and/or diversified competitors, the giant corporations. This is especially galling, at best, and disastrously damaging, at worst, when the giant competitor is also the principal or even the sole source of supply. In the too-familiar, typical situation, the small business cannot get any data at all on the giant's operations in the particular line or level of commerce that is the small firm's only business. The reverse is not true: the giant can usually ascertain or estimate the small business competitor's operating data with ease and accuracy.

Some years ago, Senator Russell B. Long, my predecessor as chairman of the Subcommittee on Monopoly, proposed legislation to correct this competitive inequity between large and small business in one type of situation, that of dual distribution. At hearings on the Long bill (S. 1843, 89th Congress), one argument that opponents made against it was that the SEC already had the power to require disclosure, from public corporations, of a type that would sufficiently meet the small business competitive need, incidentally to meeting a long-felt need of the investing public.

A speech by your predecessor, the Honorable Manuel F. Cohen, before the Financial Analysts Federation, May 24, 1966, was inserted in the record of the hearings in support of this point. (Hearings before the Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, on S. 1842, S. 1843 and S. 1844, 89th Congress, 2d session, part 2, p. 375 (1966).) The SEC was not otherwise represented by testimony or a statement at the hearings on the Long bills; however, your Commission had earlier contributed written information on its existing authority in this area to the same subcommittee in another study. (Hearings before the Subcommittee on Antitrust and Monopoly, etc., on economic concentration, 89th Congress, 1st session, part 2, p. 1069 (1965).) That material was submitted on June 4, 1965.

On September 20, 1966, Chairman Cohen appeared in person at the economic concentration hearings (*ibid.*, 89th Congress, 2d session, part 5, p. 1981 (1966)) * * * to discuss the necessity and desirability of requiring "conglomerate" corporations to include in their financial statements meaningful information about the results of operations in each of their distinct lines of activity. (*Id.* at p. 1982.)

Mr. Cohen stated unequivocally that the Commission had power to require such disclosures * * * if and to the extent that the Commission finds them necessary or appropriate in the public interest or for the protection of investors. There is no need to amend these statutes for this purpose. (*Ibid.*)

The subcommittee never reported S. 1843.

Much later, in September 1968, your Commission announced proposed amendments to Forms S–1, S–7 and 10, three forms used in the registration of securities under your Acts, * * * to require that a registrant shall state for each of the past five years the approximate amount or percentage of sales or operating revenues and contribution to net income attributable to each class of related or similar products or services, which contributed 10 percent or more to total sales and operating revenues, or to income before extraordinary items and income taxes, during either of the last two fiscal years. * * * To the extent practicable, the approximate amount of assets employed in each segment of the business is to be reported. Comparable data on revenues and earnings received from foreign sources and from government procurement or any single customer are also to be reported. (SEC, Securities Act of 1933 Release No. 4922, Securities Exchange Act of 1934 Release No. 8397, Sept. 4, 1968.)

Still later, after consideration of comments on the September proposal, your Commission issued a notice of revision of the proposed amendments to the three forms. (Securities Act of 1933 Release No. 4949, Securities Exchange Act of 1934 Release No. 8530, February 18, 1969.)

It is my understanding that, although the period for filing of comments on the February revisions expired on March 10, the Commission still has not finally adopted or promulgated the amendments to the forms.

On July 9, 10, and 11, the Senate Small Business Subcommittee on Monopoly will hold three days of hearings on the role of giant corporations in the American and world economies, with particular reference, at these sessions, to the automobile industry. I anticipate that there will be considerable discussion of the issue of needless and excessive secrecy on the part of the large corpora-

tions. In this connection, it would be helpful to have, for the record of those hearings and, if practicable, before they begin, your answers to these questions:

1. Under existing forms S–1, S–7 and 10, under the amendments of the forms proposed in September, and under the February revisions of the September amendments (three separate situations), what are and would be the tests of sufficient significance of a portion of a registrant's business to require an itemized account or disclosure thereof in the registration statement? What are and would be the definition and limitations of fractions of the business to be separately reported?

2. Under each of the three conditions of the registration forms—existing, September proposal and February proposal—what are and would be the requirements for disclosure of:

(a) Relative importance of the separately reported fractions of registrant's business?

(b) Dollar amounts and percentages of sales or revenues of the separately reported fractions of registrant's business?

(c) Dollar amounts and percentages of contributions to net income of the separately reported fractions of registrant's business?

(d) Dollar amounts and percentages of assets employed in the separately reported fractions of registrant's business?

(e) Dollar amounts and percentages of losses incurred in the separately reported fractions of registrant's business?

3. Under each of the three conditions of the registration forms—existing, September proposal and February proposal—what are and would be the requirements for separate, itemized disclosure of:

(a) Foreign operations?

(b) Sales to the U.S. Government?

(c) Sales to single important customers?

(d) Significance, in terms of both sales and income, of transfers within the registrant corporation, its divisions and subsidiaries?

(It would be helpful if your answers to the above three questions, and to each sub-part of those questions, were numbered to correspond to the question and were in three parts: "Existing." "September proposal" and "February proposal.")

4. To what extent, if any, would the September proposal have served, and would the February proposal serve, the long-standing interest of the Senate Small Business Subcommittee on Monopoly in making public the extent to which, in giant diversified and integrated corporations, some operations may be conducted at high profits for the purpose, in part, of subsidizing other operations on a low-profit, no-profit or loss basis, to drive out competition?

5. If, as I surmise, neither the September nor the February proposals for revision of your registration forms would have made or would make any significant contribution to the type of revelation contemplated by question 4, would you agree with me that new legislation would be required to accomplish that purpose?

In connection with question 5, please note the testimony of former Chairman Manuel Cohen before the Senate Judiciary Subcommittee on Antitrust and Monopoly on September 20, 1966:

I think there is a general statement that I should make in the light of series of questions that you are putting. I am not interested officially in the sense of having responsibility for the anti-competitive concerns that have been expressed here.

(Hearings on economic concentration, part 5, p. 1991.)

6. Of what considerations, in the securities laws, should the Congress be especially aware in drafting and studying new conglomerate corporation disclosure legislation? Is there any compelling reason why Congress should not be considering new legislation of this type concurrently with your Commission's study of the proposed amendments to your registration forms?

7. What is the status of the proposed amendments to Forms S–1, S–7 and 10? When may we expect them finally to be promulgated, or rejected?

Notwithstanding my feeling that the proposed amendments will be of little utility in ameliorating the competitive information problem that has so long troubled my subcommittee, I do believe that they are desirable and I regret that they have been delayed for so many months in becoming effective. Generally, in my judgment, the direction of our public policy should be toward an ever more open society, with the widest possible availability and dispersion of scientific, industrial and economic information. The accelerating conglomerate merger movement is pushing us in the opposite direction: every year more information about leading factors of production in major—and concentrated—industries drops out of sight behind the veils of consolidated balance sheets and operating statements.

I would urge the Securities and Exchange Commission to help stem this tide of concentration promoted by undue secrecy. I intend to pursue the problem in the Congress, in particular at the July hearings and through the new legislation that I hope shortly thereafter to introduce.

I am enclosing a copy of the Senate Small Business Committee's press release no. 564, describing the July hearings, and a copy of my report to other Committee members, mentioned in the release.

Sincerely,

GAYLORD NELSON,
Chairman, Subcommittee on Monopoly.

EXHIBIT 2

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., July 9, 1969.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: In response to your letter of June 20, 1969, I am transmitting a memorandum prepared by the Commission's Office of Chief Accountant and Division of Corporation Finance.

The Commission expects to announce on July 14, 1969 its determination with respect to the proposals set forth in Securities Act Release No. 4949 as mentioned in the enclosed memorandum, for disclosures with respect to volume of operation and earnings of different lines of business carried on by one company. We shall furnish you the Commission's announcement as soon as it is released.

Please let me know if you have further questions in regard to this matter.

Sincerely,

HAMER H. BUDGE,
Chairman.

EXHIBIT 2A

MEMORANDUM PREPARED BY OFFICE OF CHIEF ACCOUNTANT AND DIVISION OF CORPORATION FINANCE, SECURITIES AND EXCHANGE COMMISSION, WITH RESPECT TO LETTER DATED JUNE 20, 1969, ADDRESSED TO CHAIRMAN BUDGE BY SENATOR GAYLORD NELSON

In responding to the inquiries in the letter of June 20, 1969, it will be helpful first to state the Commission's jurisdiction to require, where a company is engaged in different lines of business, disclosures of the respective contributions of various segments of a business to the overall income.

Statutory authority to require disclosures in this area is found in Schedule A of the Securities Act of 1933 which calls for disclosures of "(8) the general character of the business actually transacted or to be transacted by the issuer." Section 7 of the Securities Act provides that a registration statement under that Act "shall contain such other information . . . as the Commission may, by rules or regulations, require as being necessary or appropriate in the public interest or for the protection of investors." Similarly Section 12(b) of the Securities Exchange Act of 1934 grants power to the Commission to require in an application for registration of securities on a national securities exchange, "Such information, in such detail, as to the issuer . . . as the Commission may by rules and regulations require, as necessary or appropriate in the public interest or for the protection of investors, . . ." in certain specified areas including "the nature of the business." Section 12(g)(1) of the latter act gives the Commission similar power with respect to registration of the prescribed securities traded "over-the-counter" in interstate commerce. Pursuant to these provisions of the statutes the Commission has adopted forms which further specify disclosures required. The Commission's Form S–1, the form of general applicability for registration of securities under the Securities Act, and Form 10, for registration of securities under the Securities Exchange Act, contain the same requirement (in Item 9(a) and Item 3(a), respectively, headed "Description of Business"), as follows:

Briefly describe the business done and intended to be done by the registrant and its subsidiaries and the general development of such business during the past 5 years. If the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, indicate insofar as practicable, the relative importance of each product or service or class of similar products or services which contributed 15 percent or more of the gross volume of business done during the last fiscal year.

The Commission's Form S–1 has contained the requirement quoted since 1951. Since 1942 a similar requirement, however without reference to the 15% qualification, has been a part of the disclosure required by the form. The requirements of Form 10 mentioned were adopted in 1949.

The Commission's Form S–7, mentioned in Senator Nelson's letter, adopted November 29, 1967, calls for similar disclosures with respect to the business done and intended to be done but not the development of the business during the past five years. Reference is made to Item 5 of Form S–7 enclosed. Copies of Form S–1 and Form 10 are also enclosed.

Under the mentioned requirements for a description of business done or proposed to be done by a diversified company, we seek appropriate disclosures where the contribution of a line of products or services to sales and revenues is not proportionate to the contribution to earnings by the line of products or services. We seek disclosure of financial information not provided by consoldiated financial statements which may be important to a sound analysis of a company's net worth and future prospects. In some instances a reliable calculation of the contribution of earnings may not be practicable. In many instances the calculation may not produce a precise result. What constitutes an adequate response to the requirement for disclosure of "the relative importance of each product or service or class of similar products or services" depends on the facts and circumstances of a particular company.

We turn now to the specific questions put by Senator Nelson, pages 4 to 6 of the letter of June 20, 1969.

It does not appear practicable to attempt to set forth more precisely "the definition and limitations of fractions of the business to be separately reported," as mentioned in question 1, other than the references to the pro-

visions of the Commission's forms and the description of the policies followed by the Commission's staff as stated above.

In approaching question 2 we refer again to the statement above to the effect that the Commission's policies require disclosures appropriate to specific requirements of the mentioned forms, our rules require such additional statements as may be necessary in order to make the statements made not misleading. Specifically, Rule 408 under the Securities Act of 1933, applicable to Form S–1 and S–7, states "In addition to the information expressly required to be included in a registration statement, there shall be added such further material information, if any, as may be necessary to make the required statements in the light of the circumstances under which they are made, not misleading." Rule 12b–20 under the Securities Exchange Act of 1934, applicable to Form 10, is similar.

With the explanations and qualifications set forth in the preceding paragraph we now turn to the specific areas mentioned in question 2. Generally, the Commission's existing rules call for disclosures by 15% segments of the business of a company. The proposals of Securities Act Releases 4922 and 4949, dated September 4, 1968 and February 18, 1969, respectively, provide disclosure of 10% segments. The present rules contain specific reference only to percentages of sales and revenues. The proposals refer to tests based on contribution to income also. Under both present requirements and proposed requirements disclosures in terms of percentages or approximate dollar amounts would be acceptable. The proposals of Release No. 4922 with regard to disclosure of amounts of assets employed in separately reported fractions of the registrant's business were withdrawn by Release No. 4949. There is no present requirement with respect to assets employed in segments of a business.

While the Commission's present forms do not refer specifically to operations conducted at loss, the general disclosure requirements mentioned would apply where losses are material. Specific reference to loss operations appears in the proposals of Release No. 4949.

With respect to foreign operations, again, the Commission's present forms do not contain specific provisions for disclosures. However, we have generally secured disclosures along the lines of Chapter 12 of the Accounting Research Bulletin No. 43, American Institute of Certified Public Accountants, which specifies that adequate disclosure of foreign operations should be made including, among other things, a summary of foreign subsidiaries' assets and liabilities and their income and losses. The proposals for disclosures of foreign operations in Release No. 4922 were modified in Release No. 4949.

The Commission's present policies with respect to disclosures of sales to the United States Government and to single important customers are set forth principally in "Names of Customers and Competitors," paragraph 27 of Securities Act Release No. 4936 entitled Guides for Preparation and Filing of Registration Statements. In addition, it has been our practice to secure pertinent disclosures of government business subject to renegotiation and orders or contracts subject to termination at the convenience of the government. The proposals in these areas set forth in Release No. 4922 were modified in Release No. 4949.

Neither our present disclosure practices nor any of the proposals of Releases 4922 and 4949 provide for disclosure of the significance of transfers between companies whose results of operation and financial position are consolidated with the results of operations and financial position of the parent company.

In developing the proposals in Release No. 4949 we considered comments received with respect to proposals set forth in Release No. 4922 and other materials including the section "Public Financial Reporting By Conglomerate Firms," pages 86–7, Studies by the Staff of the Cabinet Committee on Price Stability, January 1969.

Neither the proposals of Releases No. 4922 or No. 4949 if adopted would necessarily provide disclosure of "the extent to which, in giant diversified and integrated corporations, some operations may be conducted at high profits for the purpose, in part, of subsidizing other operations on a low-profit, no-profit or loss basis, to drive out competition" as mentioned in question 4.

The disclosure provisions of the Federal securities laws are basically designed to provide information useful in making investment decisions rather than to provide disclosure in the interest of furthering competitive equality. We are not in a position to determine whether additional legislation is necessary to accomplish the latter objective.

In respect to question 6 of the letter of June 20, 1969 we see no reason Congress should not consider new legislation of the character mentioned concurrently with the Commission's study of the proposed amendments.

EXHIBIT 2B

[From the Securities and Exchange Commission, Sept. 4, 1968]

NOTICE OF PROPOSED AMENDMENTS TO FORMS S–1, S–7 AND 10

(Securities Act of 1933, Release No. 4922; Securities Exchange Act of 1934, Release No. 8397)

(Deleted matter enclosed in black brackets, new matter printed in italic)

Notice is hereby given that the Securities and Exchange Commission has under consideration certain proposed amendments to Forms S–1, S–7 and 10. Form S–1 is a general form for registration of securities of commercial and industrial companies under the Securities Act of 1933. Form S–7 is a short form for registration under the Act of securities to be offered for cash by listed companies, and domestic companies which have securities registered under Section 12(g) of the Securities Exchange Act of 1934, and which have long records of earnings and stability of management and business. Form 10 is a general form for registration of securities of similar companies under Section 12 of the Securities Exchange Act of 1934.

In view of the increasing number of companies which are engaged in more than one line of business, the Commission has for several years been studying the necessity for clarification of its requirements for disclosure of the importance of the various lines of business to companies' end results. The proposed amendments would supply information on the basis of which existing security holders and new investors may be able to determine the approximate contribution which the various lines of business make to a company's overall profitability, or lack of it.

Item 9 of Form S–1, Item 5 of Form S–7 and Item 3 of Form 10 require a brief description of the business done and intended to be done by the registrant and its subsidiaries. Where the registrant is engaged in different lines of business, the item also requires an indication, insofar as practicable, of the relative importance of each class of similar products or services, which contributed 15 percent or more to the gross volume of business done during the last fiscal year. It is proposed to amend these items to require that a registrant shall state for each of the past five years the approximate amount or percentage of sales or operating revenues and contribution to net income attributable to each class of related or similar products or services, which contributed 10 percent or more to total sales and operating revenues, or to income before extraordinary items and income taxes, during either of the last two fiscal years. However, if it is not practicable to indicate the contribution to net income, then disclosure is to be provided as to the contribution most closely approaching net income or loss. To the extent practicable, the approximate amount of assets employed in each segment of the business is to be reported. Comparable data on revenues and earnings received from foreign sources and from government procurement or any single customer are also to be reported. The Commission believes that such disclosure with respect to a single customer merits consideration and invites comments thereon.

Comparable amendments to other disclosure requirements have been deferred pending the completion of the study which is currently being made by the Commission of disclosure under the Securities Exchange Act of 1934.

In developing the proposed amendments the Commission has considered a study sponsored by the Financial Executives Research Foundation, entitled "Financial Reporting by Diversified Companies," prepared by Dr. Robert Mautz, the publications and suggestions of the American Institute of Certified Public Accountants, the National Association of Accountants and others. The Commission has also observed that some companies in their annual reports to stockholders have segregated operations down to net income.

The text of the proposed amendments is set forth below:

I. FORMS S–1 AND 10

A. Item 9(a) of Form S–1 and Item 3(a) of Form 10 would be amended as follows:

(a) Briefly describe the business done and intended to be done by the registrant and its subsidiaries and the general development of such business during the past five years. [If the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, indicate insofar as practicable, the relative importance of each product or service or class of similar products or services which contributed 15 percent or more to the gross volume of business done during the last fiscal year] *State for each of the five years the approximate amount or percentage of sales or operating revenues and contribution to net income, excluding extraordinary items, attributable to each class of related or similar products or services which contributed 10 percent or more to the total of sales and revenues, or to net income, before extraordinary items and income taxes, during either of the last two fiscal years. If it is not practicable to state the contribution to net income, excluding extraordinary items, by any such segment of the business, disclose the contribution to earnings most closely approaching such net income or loss. In addition, state, if practicable, the amount of assets employed in each segment of the business for which operating results are reported. Where 10 percent or more of total sales and revenues or net income as stated above are derived from operations outside the United States and Canada or from Government procurement or any single customer, similar information with respect to each such source shall be set forth and for any categories of products or services within each source which contributed 10 percent of the total company sales and revenues or net income as stated above.*

B. The following new Instruction 3 would be added to the instructions to the abovementioned items:

3. (a) In classifying products or services, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for classifying products or services and any material changes between periods in such classifications shall be described briefly.

(b) Where substantial amounts of products or services are transferred from one unit to another, the receiving and the transferring units may be aggregated for reporting the

operating results of a segment of the business pursuant to this item.

(c) If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a segment of the business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

II. FORM S–7

A. Item 5(a) of Form S–7 would be amended as follows:

(a) Briefly describe the business done and intended to be done by the registrant and its subsidiaries. [If the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, indicate, insofar as practicable, the relative importance of each product or service or class of similar products or services which contributed 15 percent or more to the gross volume of business done during the last fiscal year.] *State for each of the last five years the approximate amount or percentage of sales or operating revenues and contribution to net income, excluding extraordinary items, attributable to each class of related or similar products or services which contributed 10 percent or more to the total of sales and revenues, or to net income before extraordinary items and income taxes, during either of the last two fiscal years. If it is not practicable to state the contribution to net income, excluding extraordinary items, by any such segment of the business, disclose the contribution to earnings most closely approaching such net income or loss. In addition, state, if practicable, the amount of assets employed in each segment of the business for which operating results are reported. Where 10 percent or more of total sales and revenues or net income as stated above are derived from operations outside the United States and Canada or from Government procurement or any single customer, similar information with respect to each such source shall be set forth and for any categories of products or services within each source which contributed 10 percent of total company sales or revenues or net income as stated above.* In the case of an extractive enterprise, give appropriate information as to development, reserves and production.

B. The following new instructions would be added to the above-mentioned Item 5(a):

Instruction. 1. In classifying products or services, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degree of risk and opportunity for growth. The basis for classifying products or services and any material changes between periods in such classification shall be described briefly.

2. Where substantial amounts of products or services are transferred from one unit to another, the receiving and the transferring units may be aggregated for reporting the operating results of a segment of the business pursuant to this item.

3. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a segment of the business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

* * * * *

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to the Securities and Exchange Commission, Washington, D.C. 20549, on or before October 4, 1968. Except where it is requested that such communication not be disclosed, they will be considered available for public inspection.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

EXHIBIT 2C

[From the Securities and Exchange Commission, Washington, D.C., Feb. 18, 1969]

NOTICE OF REVISION OF PROPOSED AMENDMENTS TO FORMS S–1, S–7, AND 10

(Securities Act of 1933, Release No. 4949; Securities Exchange Act of 1934, Release No. 8530)

On September 4, 1968 the Commission published, in Securities Act Release No. 4922 (Securities Exchange Act Release No. 8397) certain proposals for amendments to Forms S–1, S–7, and 10. Forms S–1 and S–7 are used for the registration of securities under the Securities Act of 1933 and Form 10 is used for the registration of securities under the Securities Exchange Act of 1934.

A large number of helpful comments were received in response to the invitation for comments and all of such comments have been carefully considered. As a result of the review of such comments and further consideration of the various matters involved, the Commission has revised the proposed amendments and is publishing them for comment by interested persons. In view of the length of time the proposals have been under consideration, the wide publicity they have received and the extensive consideration they have received from registrants, trade and professional groups and other persons, the Commission believes that a limited period of time should be adequate for the submission of additional comments.

The amendments relate to Item 9 of Form S–1, Item 5 of Form S–7 and Item 3 of Form 10, which require a brief description of the business done and intended to be done by the registrant and its subsidiaries. The revised items require, where the registrant and its subsidiaries are engaged in more than one line of business, the disclosure for each of a maximum of five fiscal years ending susbequent to December 31, 1966, the approximate amount or percentage of total sales and operating revenues and contribution to income before income taxes and extraordinary items attributable to each line of business which contributed, during either of the last two fiscal years, 10 per cent or more to (1) the total of sales and revenues, or (2) income before income taxes and extraordinary items. Similar disclosure is also required with respect to any line of business which resulted in a loss of 10 percent or more of such income before deduction of losses. Where the number of lines of business exceeds ten, the disclosure may be limited to the ten most important lines. Where it is not practicable to state the contribution to income before income taxes and extraordinary items for any line of business, the contribution to the result of operations most closely approaching such income is to be disclosed.

The revised requirements provide for grouping similar or related products or services in lines of business upon consideration of all relevant factors. Where material amounts of products or services are transferred from one unit to another, the transferring and receiving units may be considered a single unit for the purpose of disclosure.

Where the registrant and its subsidiaries are not engaged in more than one line of business, the revised items require disclosure of the amount of sales or revenues during each fiscal year of the specified period for each product or service or class of similar or related products or services which contributed 10 percent or more to the total of sales and revenues in either of the last two fiscal years.

Where a business is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect, disclosure of the identity of the customers is required together with material facts with respect to their relationship and the importance of the business to the registrant.

Appropriate disclosure is required with respect to business which is subject to renegotiation of profits or termination of contracts at the election of the government.

If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues are received from customers outside the United States, appropriate disclosure is required with respect to the importance of that part of the business to the registrant and the risks attendant thereto.

The revised proposals also provide that the Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the required information or the substitution of appropriate information of comparable character. By this provision management may exercise judgment in designing disclosure suitable to the operations of a particular company. The Commission may also require the furnishing of information other than that specified where necessary or appropriate for an adequate description of the business.

The text of the amendments as proposed to be revised are attached to this release.

All interested persons are invited to submit their views and comments on the revised proposals, in writing, to the Securities and Exchange Commission on or before March 10, 1969. All such communications will be considered available for public inspection.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

TEXT OF AMENDMENTS TO FORMS S–1, S–7, AND 10

I. FORMS S–1 AND 10

Item 9 of Form SX1 and Item 3 of Form 10 would be amended as follows:

(a) Briefly describe the business done and intended to be done by the registrant and its subsidiaries and the general development of such business during the past five years, or such shorter period as the registrant may have been engaged in business.

Instructions

1. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries of the registrant only insofar as is necessary to understand the character and development of the business conducted by the total enterprise.

2. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; any materially important changes in the types of products produced or services rendered by the registrant and its subsidiaries; and any materially important changes in the mode of conducting the business, such as fundamental changes in the methods of distribution.

3. The business of a predecessor or predecessors hsall be deemed to be the business of the registrant for the purpose of this item.

4. Appropriate disclosure shall be made with respect to any portion of the business subject to renegotiation of profits or termination of contracts or subcontracts at the election of the government.

(b) (1) If the registrant and its subsidi-

aries are engaged in more than one line of business, state for each of its past five fiscal years, for each fiscal year ending subsequent to December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, for each line of business specified in (2) below—

(A) the approximate amount or percentage of total sales and revenues, and

(B) the approximate amount or percentage of income (or loss) before income taxes and extraordinary items.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the result of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

(2) The information specified in (1) above shall be furnished with respect to each line of business which, during either of the last two fiscal years, accounted for——

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line or lines of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above.

Instructions

1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth together with a brief identification of each line of business for which the information is not furnished and an indication whether such line is comprehended by (A), (B) or (C) of paragraph (2) above.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such grouping shall be briefly described.

3. Where material amounts of products or services are transferred from one unit to another, the receiving and the transferring units may be considered a single unit for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding operations regulated by federal, state or municipal authorities may be limited to the information required by any uniform system of accounts prescribed by such authorities.

(c) If the registrant and its subsidiaries are not engaged in more than one line of business, or if two or more lines of business have been combined pursuant to instruction 3 to paragraph (b), and the business consists of the production or distribution of different kinds of products or the rendering of different kinds of service, state for each fiscal year of the applicable period specified in paragraph (b) the amount of sales or revenues contributed by each product or services or class of similar or related products or services which contributed 10 percent or more to the total of sales and revenues in either of the last two fiscal years.

(d) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(e) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues are derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(f) Indicate briefly, to the extent material, the general competitive conditions in the industry in which the registrant and its subsidiaries are engaged or intend to engage, and the position of the enterprise in the industry. If several products or services are involved, separate consideration should be given to the principal products or services or classes of products or services.

(g) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done on or intended to be done.

II. FORM S–7

Item 5 of Form S–7 would be amended as follows:

(a) Identify the business done and intended to be done by the registrant and its subsidiaries. In the case of an extractive enterprise, give appropriate information as to development, reserves and production. Appropriate disclosure shall be made with respect to any portion of the business subject to renegotiation of profits or termination of contracts or subcontracts at the election of the government.

(b) (1) If the registrant and its subsidiaries are engaged in more than one line of business, state for each of its past five fiscal years, for each fiscal year ending subsequent to December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, for each line of business specified in (2) below—

(A) the approximate amount or percentage of total sales and revenues, and

(B) the approximate amount or percentage of income (or loss) before incomes taxes and extraordinary items.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the result of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

(2) The information specified in (1) above shall be furnished with respect to each line of business which, during either of the last two fiscal years, accounted for—

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line or lines of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above.

Instructions

1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth together with a brief identification of each line of business for which the information is not furnished and an indication whether such line is comprehended by (A), (B) or (C) of paragraph (2) above.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such grouping shall be briefly described.

3. Where material amounts of products or services are transferred from one unit to another, the receiving and the transferring units may be considered a single unit for the purpose of reporting the operating results thereof.

4. If the methods of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding operations regulated by federal, state, or municipal authorities may be limited to the information required by any uniform system of accounts prescribed by such authorities.

(c) If the registrant and its subsidiaries are not engaged in more than one line of business, or if two or more lines of business have been combined pursuant to instruction 3 to paragraph (b), and the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, state for each fiscal year of the applicable period specified in paragraph (b) the amount of sales or revenues contributed by each product or service or class of similar or related products or services which contributed 10 percent or more to the total of sales and revenues in either of the last two fiscal years.

(d) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the businesses to the registrant shall be stated.

(e) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues are derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(f) Briefly describe any pending legal proceedings to which the registrant or its subsidiaries is a party which may have a substantial effect upon the earnings or financial condition of the registrant.

(g) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where

such information is necessary or appropriate for an adequate description of the business done on or intended to be done.

EXHIBIT 3

[From the Securities and Exchange Commission, Washington, D.C., July 14, 1969]

ADOPTION OF AMENDMENTS TO FORMS S–1, S–7 and 10

(Securities Act of 1933, Release No. 4988; Securities Exchange Act of 1934, Release No. 8650)

On February 18, 1969, the Securities and Exchange Commission published in Securities Act Release No. 4949 (Securities Exchange Act Release No. 8530) certain revised proposals for amendments to Forms S–1, S–7 and 10. Forms S–1 and S–7 are used for the registration of securities under the Securities Act of 1933 and Form 10 is used for the registration of securities under the Securities Exchange Act of 1934.

A considerable number of comments were received in regard to the revised proposals and were very helpful to the Commission in reaching a decision on the proposed amendments.

The amendments relate to Item 9 of Form S–1, Item 5 of Form S–7 and Item 3 of Form 10, which require a brief description of the business done and intened to be done by the registrants and its subsidiaries.

Where a registrant and its subsidiaries are engaged in more than one line of business, the amendments require the disclosure for each of a maximum of the last five fiscal years subsequent to December 31, 1966, of the approximate amount or percentage of total sales and operating revenues and of contribution to income before income taxes and extraordinary items attributable to each line of business which contributed, during either of the last two fiscal years, a certain proportion to (1) the total of sales and revenues, or (2) income before income taxes and extraordinary items. For companies with total sales and revenue over $50 million, the proportion will be 10 percent; for smaller companies, 15 percent. Similar disclosure is also required with respect to any line of business which resulted in a loss of 10 percent or more (or 15 percent or more for smaller companies) of such income before deduction of losses. Where the percentage test as applied to both sales and earnings contributions results in more than ten lines of business, the disclosure may be limited to the ten most important lines. Where it is not practicable to state the contribution to income before income taxes and extraordinary items for any line of business, the contribution to the results of operations most closely approaching such income is to be disclosed.

Various suggestions were made for more specific indications of the meaning of "line of business." However, in view of the numerous ways in which companies are organized to do business, the variety of products and services, the history of predecessor and acquired companies, and the diversity of operating characteristics, such as markets, raw materials, manufacturing processes and competitive conditions, it is deemed feasible or desirable to be more specific in defining a line of business. Management, because of its familiarity with company structure, is in the most informed position to separate the company into components on a reasonable basis for reporting purposes. Accordingly, discretion is left to the management to devise a reporting pattern appropriate to the particular company's operations and responsive to its organizational concepts.

The amendments continue the existing disclosure requirements on breakdown of total volume of sales and revenues by principal classes of similar products or services, except that the percentage test has been reduced from 15 percent to 10 percent in the case of companies having total sales and revenues in excess of $50 million during either of their last two fiscal years. This continued requirement is appropriate in view of the relative freedom given management in determining "line of business." Of course, for a company using classes of similar products or services as its basis for determining lines of business, repetition of the disclosure will be unnecessary. It should also be noted that to the extent such classification is not coincident with the company's determination of its lines of business or where the company is not engaged in more than one line of business, disclosure is limited to proportion of sales and revenues and does not require a showing of contribution to earnings.

There were various comments with respect to the percentage test used in the proposed amendments. The Commission has carefully considered all of these comments and has examined financial data voluntarily furnished by numerous companies in which the information as to contribution of lines of business has been broken down on a basis of less than 15 percent and in some cases on a basis of less than 10 percent. The data indicated that in the case of many larger multiline companies, a substantial portion of the aggregate business done was represented by lines of business which individually contributed less than 15 percent to the company's aggregate business. The Commission has concluded that in the case of larger companies a breakdown of lines of business on a basis of 10 percent will provide material information regarding a significant portion of the company's aggregate business represented by lines which individually contribute less than 15 percent to its business. With respect to smaller companies, however, the Commission has concluded that a breakdown of lines of business on a basis of 15 percent will provide adequate disclosure. Accordingly it is provided that where the total sales and revenues exceeded $50 million during either of the last two fiscal years the 10 percent test shall be used and where they did not exceed that amount the 15 percent test may be used.

Comparable amendments to other disclosure requirements are being deferred pending the completion of consideration of the recently completed study of disclosure under the Securities Exchange Act of 1934.

Th foregoing amendments, the text of which is set forth below, shall be effective with respect to registration statements filed on any of the specified forms on or after August 14, 1969.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

I. FORMS S–1 AND 10

Item 9 of Form S–1 and Item 3 of Form 10 have been amended to read as follows:

(a) Briefly describe the business done and intended to be done by the registrant and its subsidiaries and the general development of such business during the past five years, or such shorter period as the registrant may have been engaged in business.

Instructions. 1. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries of the registrant only insofar as is necessary to understand the character and development of the business conducted by the total enterprise.

2. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; any materially important changes in the types of products produced or services rendered by the registrant and its subsidiaries; and any materially important changes in the mode of conducting the business, such as fundamental changes in the methods of distribution.

3. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item.

4. Appropriate disclosure shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

(b) (1) *Information as to lines of business.* If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year ending after December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal year accounted for—

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above;

provided, that if total sales and revenues did not exceed $50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 percent, instead of 10 percent.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the results of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

Instructions. 1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such groupings shall be briefly described.

3. Where material amounts of products or services are transferred from one line of business to another, the receiving and transferring lines may be considered a single line of business for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding sales or revenues or income (or loss) from different classes of products or services in operations regulated by Federal, State or municipal authorities

may be limited to those classes of products or services required by any uniform system of accounts prescribed by such authorities.

(2) *Information as to classes of products or services.* State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 percent or more to total sales and revenues in either of the last two fiscal years, or 15 percent or more of total sales and revenues if total sales and revenues did not exceed $50,000,000 during either of the last two fiscal years.

Instructions. 1. Paragraph (2) calls for information with respect to classes of products or services regardless of whether the registrant is engaged in more than one line of business as referred to in paragraph (1) above. However, this information may be combined, where appropriate, with the response to paragraph (1).

2. Instruction 5 to paragraph (1) above shall also apply to paragraph (2).

(c) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(d) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues is derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(e) Indicate briefly, to the extent material, the general competitive conditions in the industry in which the registrant and its subsidiaries are engaged, or intend to engage, and the position of the enterprise in the industry. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services.

(f) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.

II. FORM S–7

Item 5 of Form S–7 has been amended to read as follows:

(a) Identify the business done and intended to be done by the registrant and its subsidiaries. In the case of an extractive enterprise, give appropriate information as to development, reserves and production. Appropriate disclsoure shall be made with respect to any portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

(b) (1) *Information as to lines of business.* If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year ending after December 31, 1966, whichever period is less, the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for—

(A) 10 percent or more of the total of sales and revenues,

(B) 10 percent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 percent of the amount of income specified in (B) above.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the results of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

Instructions. 1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such groupings shall be briefly described.

3. Where material amounts of products or services are transferred from one line of business to another, the receiving and transferring lines may be considered a single line of business for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding sales or revenues or income (or loss) from different classes of products or services in operations regulated by Federal, State or municipal authorities may be limited to those classes of products or services required by any uniform system of accounts prescribed by such authorities.

(2) *Information as to classes of products or services.* State for each fiscal year specified in (1) above the amount or percentage or total sales and revenues contributed by each class of similar products or services which contributed 10 percent or more to total sales and revenues in either of the last two fiscal years.

Instructions. 1. Paragraph (2) calls for information with respect to classes of products or services regardless of whether the registrant is engaged in more than one line of business as referred to in paragraph (1) above. However, this information may be combined, where appropriate, with the response to paragraph (1).

2. Instruction 5 to paragraph (1) above shall also apply to paragraph (2).

(c) If a material part of the business of the registrant and its subsidiaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(d) If the registrant and its subsidiaries engage in material operations outside the United States, or if a material portion of sales or revenues is derived from customers outside the United States, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(e) Briefly describe any pending legal proceedings to which the registrant or any of its subsidiaries is a party which may have a substantial effect upon the earnings or financial condition of the registrant.

(f) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.

EXHIBIT 4

[From Securities Regulation & Law Report, June 25, 1969]

REVISION OF DIVISIONAL REPORTING PROPOSALS DRAWS NEGATIVE COMMENT

Critics of the proposed S–1, S–7, and Form 10 changes are not placated by the SEC's revised release (No. 33–4949, Feb. 18, 1969). The Commission's original proposals for tightening divisional reporting requirements, as a means of handling the growing number of diversified registrants, were published in Release No. 33–4922 (Sept. 4, 1968). Comments were invited and considered by the Commission. The second release reflects some of the suggested revisions—but not enough to satisfy the critics. In the second comment period, negative votes from industry, accounting firms, and professional organizations once again flooded the Commission.

Presently, registration forms require only "an indication, insofar as practicable, of the relative importance of each class of similar products or services which contributed 15 percent or more to the gross volume of business done during the last fiscal year." (Release No. 33–4922, Sept. 4, 1968). If proposed changes go through, 15 percent will be tightened to 10 percent. "Relative importance" will be explicitly defined as "amount or percentage of sales, or contribution to net revenue." The "last year" will be extended to cover the "last five years." "Class of products" will be changed to read "line of business" and companies will have to indicate the rate of profitability, degree of risk, and opportunity for growth within each line of business reported.

UNPOPULAR 10 PERCENT REQUIREMENT

The proposed 10 percent divisional reporting criterion still ranks highest on the list of objections. The requirement that rate of profitability, degree of risk, and projected growth information be discussed is the target of almost as much criticism; and the possible extension of the reported time period to cover a maximum five preceeding years is another very unpopular provision retained in the revised proposals.

BEYOND THE PALE

Most writers favor retention of the present 15 percent criteria for determining a reportable line of business. Many note in their arguments that the 15 percent figure was recommended in the Mautz study, "Financial Reporting by Diversified Companies" prepared by the Financial Executives Research Foundation and referred to by the Commission in Release No. 33–4922. Excessive fragmentation of reported data was frequently cited as a reason against 10 percent reporting. One particularly strong comment, registered by J. D. Terrell Couch, General Counsel for Marathon Oil Company, claims that "the effect of the proposed amendments is to force financial reporting beyond the pale of accepted accounting principles."

While 10 percent reporting as applied to companies with less than $1 million annual

sales might produce some fairly exhaustive data, 10 percent as applied to billion dollar conglomerates could still leave huge areas of their financial operations concealed. This point was made in a letter by James R. Russell, Vice President of Illinois Tool Works, Inc. "In a $2,000,000,000 sales conglomerate a 10% line is a $200,000,000 business and operations of this size are still in the minority. In contrast, in a small to medium size company a 10% line could be $5,000,000 to $20,000,000."

COMPETITIVE HARM

Possible competitive damage to a company as a result of revealing information about its operations was the major argument used against the requirement covering rates of profitability, degree of risk, and opportunity for growth. It was also used by some as an argument against the 10 percent reporting requirement, since this could place smaller companies in more revealing positions than their larger competitors. Charles W. Stewart, President of the Machinery and Allied Products Institute, said that adoption of such requirements would result in "providing priceless signals to existing or would-be conglomerates to deploy their financial resources in those areas where the registration statements of competitors suggest that better-than-average profits are to be made."

Incentives to innovate could be undermined by requirements forcing companies to reveal areas of high profitability, others warn. Attempts to innovate expose a company to the risk of financial loss if a new project is not a success. The potential rewards of innovation must outweigh the risks if companies are to be induced to undertake R & D projects. The high profits enjoyed by companies that first enter a hot, new area provide such incentives. Publicized information on high profit rates would serve as a signal for competition to enter the field, however, and the period of high return to the innovator would be cut prematurely short.

COMPLAINTS FROM STOCKHOLDERS

Revealing areas of low profitability would place companies under the burden of having to justify their actions to stockholders, say other critics.

Management's decisions, even when sound, might be difficult to explain to the layman. James B. Ammon, Vice President and Treasurer of Baxter Laboratories notes, "An investor might conclude that a non-profitable line of business (when charged with allocated overhead) could and will be dropped to improve earnings. Yet if marginal income exceeds marginal expense for this line, the continuation of the line contributes to the overhead for the common facilities and disruption of it would adversely affect earnings." Many writers point out that new lines under development often operate at a deficit before they start to show a profit, and revealing their status could produce pressure against innovation.

IRRETRIEVABLE DATA

The requirement that companies supply information on their various lines of business extending back over a five-year period meet vigorous opposition. Many commentators feel that this would contribute little meaningful information, and that in any case the value of such data would not justify the expense involved in gathering it. Other companies flatly deny their ability to comply, stating that such information was not maintained in their records, and would be irretrievable.

WHAT IS A LINE OF BUSINESS?

The lack of clear definition as to what is meant by a "line of business" is attacked as a particular area of weakness in the SEC proposals. The difficulties such a loose definition could cause are explained with great clarity in a letter from 3M: "[T]he Company has in recent years divided its business into six product groupings. These six groupings have various components. For example, the Tape and Allied Products group has three operating divisions; the Electrical Products group has eight operating divisions. We deem it important to avoid any controversy on whether the Electrical Products group is a single line of business or eight lines of business or that any different combination of the eight are lines of business."

UNITARY COMPANIES GET UNFAIR TREATMENT

Another requirement in the revised SEC proposal would make a unitary company, engaged in only one line of business, report on sales and profitability of each product or service accounting for 10 percent or more of its gross revenues. Many writers feel that this would place small unitary companies in an extremely unfair position because they would have to reveal product information that would not have to be made public by their large conglomerate competitors.

SINGLE CUSTOMER, FOREIGN REVENUES, AND GOVERNMENT CONTRACTS

The proposed SEC changes would require further that registrants supply information on revenues from foreign customers when those revenues represent a significant portion of total sales; that they discuss the government contracts they hold subject to renegotiation or termination at the election of a new administration; and that they reveal the identity of major customers when the loss of their business would materially affect the company's earnings.

The government contract requirement is fairly well received. The foreign business requirement attracts only minor comment, with some writers suggesting that where political risk is not a factor (as would be the case in trade with West European nations) the information was unnecessary. But the requirement to reveal the identity of key customers draws strong protest. Many express the view that this information is purely confidential in nature, and that revealing it is unprecedented in business practice. Wells-Gardner, a small specialized electronics firm, makes the following argument:

"Today, we are limiting ourselves to seven accounts—each of them important to our operation. Upon contemplation, the reason is obvious. Each account requires their own styling of their line, even though the chassis used may be quite similar. To serve more than seven accounts with their 'own lines' becomes difficult, especially in the final assembly area. Contrast this with 'national brand' manufacturers who own or control their own distribution, manufacturing only one complete line."

"To disclose publicly the importance of each of these customers would have a disastrous effect on this company's operation. It would not only be unhealthy information for each of our accounts to be privy to, but would make us 'open prey' for competitive action."

ACCOUNTING METHODS

The Commission's proposals leave the choice of accounting methods to the discretion of the registering companies, requiring only that such methods be explained where decisions on intra-company pricing, or allocation of costs between divisions, materially affect the "reported contributions to income" of the various lines of business. Several commentators express concern over the looseness in this area. The Machinery and Allied Products Institute notes:

"Given the flexibility of generally accepted accounting principles as well as the almost endless variety of methods by which common costs are distributed among differing lines of business within a diversified company, even the most sophisticated investor would be unable to compare directly the operating results of quite different companies. Moreover, cost allocation methods change over time with changes in corporate organization and product development so that year-to-year comparisons of figures within the same company are not altogether meaningful without providing a technical explanation that is unlikely to be helpful to the average investor."

ADEQUATE FOLLOW-UP IN PERIODIC REPORTS

Even the most stringent requirements covering divisional data in registration statements would be of little value to potential investors if they are not backed up by equally stringent periodic reporting requirements. Especially where fast-acquiring conglomerates are involved, the information filed on the S–1, S–7, or Form 10 could be rendered effectively useless within a matter of weeks. The SEC Releases covering proposed changes in S–1, S–7, and Form 10 make no mention of the need to bring periodic reporting requirements into line with registration forms, but the Commission Staff has explained in response to specific questions on this point that there are proposals made in the Wheat Report for changes in the 10–K annual reporting form.

WHEAT'S NEW 10–K GOES FURTHER

The proposed 10–K Form printed in the Appendix of the Wheat Report would go well beyond the proposed S–1, S–7, and Form 10. Companies would be required to comment on the competitive conditions in their industry, and to give some indication of their own competitive position therein. Information would have to be supplied on the firm's backlog of orders from the past fiscal year, and estimates made on how much of that backlog was expected to be eliminated in the next fiscal year. Sources and availability of raw materials would have to be discussed. The relative amounts of research being financed by the company and by its customers would have to be revealed, to name just a few of the provisions.

The Staff has no comment to make on the possibility of simultaneous implementation of the proposed registration changes and the revised 10–K however, and as yet the Commission has given no indication of when it might implement the changes in the S–1, S–7, and Form 10 requirements.

The Commission's February release contained the following statement:

"In view of the length of time the proposals have been under consideration, the wide publicity they have received and the extensive consideration they have received from registrants, trade and professional groups and other persons, the Commission believes that a limited period of time should be adequate for the submission of additional comments."

The time period for accepting comments on the revised proposals was limited to 20 days so that another release formally adopting the proposals could be issued promptly. That was four months ago. As yet the final release has not appeared.

SRLR Comment: Protection of the investor is the concern of the Commission, and its objective in tailoring the S–1, S–7 and Form 10 changes has been to provide the investor with adequate information. The Senate Select Committee on Small Business (SCSB), on the other hand, serves the interest of the small businessman, and the Committee does not feel the proposed S–1, S–7, and Form 10 changes will give enough protection to small business. The SCSB supports the new registration requirements, but it feels that adequate information for the investor is not necessarily adequate information for the small businessman. Senator Gaylord Nelson (D–Wisc.), Chairman of the SCSB Subcommittee on Monopoly, has repeatedly urged the Commission to adopt the proposed registration changes without further delay, and he has also promised (in a June 15 Release) "early introduction of a bill that would go

'substantially beyond' the pending SEC requirements." Committee spokesmen explain their position in the following manner: Given present registration and reporting requirements, the non-diversified company completely reveals its competitive position in its annual report. Anyone can tell at a glance how it is doing, but the single-line-of-business company is not able to obtain comparable information on its diversified competitor. The unitary company is thus placed in an unfair competitive position. For example, a firm in one line of business, the manufacture of laminated windshields, may have as its supplier one of the huge basic glass manufacturers. If the supplier is diversified, the windshield manufacturer will have no way of determining what kind of profit the basic glass company is making on its business with him, whereas the supplier knows exactly how much profit it can squeeze from its customer. Committee spokesmen further point out that, behind their consolidated balance sheets, the nation's largest corporations could conceal financial details greater than the state budget of New York.

The Nelson bill is still being written. As yet the SCSB is not ready to make a prediction as to when it will be introduced, or the form it will take.

EXHIBIT 5

[From the Journal of Commerce, July 9, 1969]

FROM COMPETITORS, CRITICS, CAPITAL—BIG FIRMS FIGHT DATA REQUESTS

(By Jan Nugent)

WASHINGTON, July 8.—The most bitter "freedom of information" battle may be waged, not over the musty file cabinets of government bureaucracy, but over the profit and loss statements of some of the country's large diversified firms.

As multi-product companies have grown, so have the demands from single-line competitors, corporate critics and official Washington for detailed financial breakdowns by conglomerate enterprises on a product by product basis.

Presently, most diversified firms lump together profits and losses from all divisions in reports to the Securities and Exchange Commission and their stockholders.

The SEC believes the practice does not provide investors with enough information to make sound investment judgments and has proposed a rule, not yet final, for more detailed reporting.

The diversified firms argue that this kind of disclosure would require complicated, time-consuming bookkeeping for no legitimate purpose. They also maintain it would place them at a decided competitive disadvantage.

The detailed financial data also has important antitrust implications. It could help validate or lay to rest a traditional charge made against large, diversified firms—they use earnings from their profitable divisions to subsidize their money-losing ventures and squeeze out smaller, local competitors.

If the data substantiate that accusation, it could inspire a rash of private (or federal) antitrust suits.

A Senate Small Business Subcommittee is holding hearings on the auto industry this week, zeroing in on "needless corporate secrecy" practiced by the Detroit Giants.

Sen. Gaylord Nelson (D-Wisc.) subcommittee chairman, feels the auto makers make too big a mystery of production costs and divisional profits and losses. He noted that the four largest auto companies had earlier refused to disclose production costs, divisional financial data or unit-cost figures to his panel.

KEY PART

The House Judiciary Committee, midway in its conglomerate investigation, regards the detailed financial information as a key part of its probe. So far, success in attaining it has been mixed.

The SEC softened its initial proposal on the issue, which has now been pending since September 1968. The present version would require companies to disclose separately profits and losses from products or services which made up 10 per cent of total sales, operating revenue, or before-tax income for the past two fiscal years.

The SEC decided not to make diversified companies report the amount of assets used in a particular type of activity, or to require a breakdown of sales and earnings received from foreign sources, from a single customer or the government.

The agency's arm has been nudged by some legislators on Capitol Hill who feel the present proposal is too little and too late (since it is still not in effect).

Sen. Nelson has threatened to introduce legislation going "substantially beyond" pending SEC requirements. Sen. Philip Hart (D-Mich.), chairman of the Senate Antitrust and Monopoly Subcommittee, indicated in recent public remarks he was not satisfied with the SEC proposal, or with the speed with which it was emerging.

CABINET COMMITTEE

President Johnson's cabinet committee on price stability criticized SEC's 10 per cent requirement, contending it would produce product line reporting from corporations with only a few product classes, but very little information from huge conglomerates which make hundreds of items.

The cabinet committee recommended extension of detailed reporting to product categories which accounted for 5 per cent of sales. Under the 10 per cent requirement, the 50 largest manufacturing companies would have to give data for only 14 per cent of the industry categories they operated in 1963, the committee's report contended.

More detailed data could also dash or enhance the management mystique in which conglomerates formerly gloried. "If you were to find one or two divisions were supporting the rest of the company, it would take away some of the romance," one source commented.

EXHIBIT 6

[From the New York Times, July 15, 1969]

DISCLOSURE RULES FOR BIG DIVISIONS ADOPTED BY SEC

(By Edwin L. Dale, Jr.)

WASHINGTON, July 14.—The Securities and Exchange Commission announced the final adoption today of its new rules requiring corporations to report the contribution to sales and earnings by each of their different product lines.

Thus, conglomerate companies will now have to report on the results of the various divisions that contribute 10 per cent or more to sales or earnings. However, details will have to be reported on only the 10 most important product lines.

For companies with total sales of less than $50 million, only separate product lines contributing at least 15 per cent to sales or earnings will have to be reported.

SOME DISCRETION ALLOWED

The commission decided to leave up to management the definition of a separate "line of business." It said:

"Various suggestions were made for some specific indications of the meaning of 'line of business.' However, in view of the numerous ways in which companies are organized to do business, the variety of products and services, the history of predecessor and acquired companies and the diversity of operating characteristics, such as markets, raw materials, manufacturing processes and competitive conditions, it is not deemed feasible or desirable to be more specific in defining a line of business.

"Management, because of its familiarity with company structure, is in the most informed position to separate the company into components on a reasonable basis for reporting purposes. Accordingly, discretion is left to the management to devise a reporting pattern appropriate to the particular company's operations and responsive to its organizational concepts."

EXHIBIT 7

[From the Wall Street Journal, July 15, 1969]

SEC SETS CONGLOMERATE REPORTING GUIDE; REGULATION ALTERED TO HELP SMALLER FIRMS

WASHINGTON.—The Securities and Exchange Commission adopted a slightly modified version of its earlier proposal to require more detailed financial reporting from conglomerates and other diversified companies.

The new regulation will change SEC registration forms, so that when companies register securities with the SEC they must disclose the relative contribution that major product lines and services make to earnings. The action stems from the SEC's growing concern over companies that have diversified and, as a result, tended to lump together revenue and profit from a number of different activities.

The SEC said the new requirements will be effective with respect to registration statements filed starting Aug. 14.

The heart of the disclosure rule requires companies with sales of more than $50 million a year to report separately on those products or services that, during the previous two fiscal years, contributed at least 10% to total sales and operating revenue, or to income before taxes and extraordinary items have been deducted.

The requirements were lightened for smaller companies, on which a 15% test would apply. This is a change from the earlier proposal. It would have used 10% for all companies.

The new regulation also requires separate disclosure of any product line that resulted in a loss equal to at least 10% of the gross income of the larger companies, and 15% for the smaller ones. It provides that where a company has more than 10 lines of business, disclosure may be limited to the "10 most important lines."

The SEC declined to define "line of business." It said that "management, because of its familiarity with company structure, is in the most informed position to separate the company into components on a reasonable basis for reporting purposes."

EXHIBIT 8

[From the Evening Star (Washington, D.C.), July 14, 1969]

SEC ORDERING CONGLOMERATES TO EXPLAIN NET

The Securities and Exchange Commission ordered today new rules that would force large diversified corporations to disclose earnings and losses of their subsidiaries—or at least of their various lines of business.

The new regulations, which go into effect Aug. 14, will require such reports any time one of these corporations decides to issue securities which will be made available to the public. The rules, therefore, will hit particularly at mergers in which a corporation would have to issue stocks or other securities as part of the transaction.

The regulation, however, will not affect annual reports that corporations must make to the SEC, and the only time that this information will be required to be made public will be in connection with a new securities issue.

FOR LARGE AND SMALL

Under the new rule conglomerate corporations with total sales and revenue greater than $50 million will have to list separately the sales, operating revenue and contributions to profit separately of any of their lines of business which account for at least 10 percent of total income before taxes or 10 percent of sales and revenue.

For smaller corporations—those with less

than $50 million—a similar disclosure would have to be made for lines of business that account for 15 percent of sales and profit.

Similar statements will also have to be made in connection with losses.

The SEC did not specifically define what it means by "line of business" which must be the subject of these reports. It cited the fact that companies are organized in a variety of ways, and left up to the corporations the discretion to devise proper reporting procedures which reflect their own organizations.

Presumably, for many corporations, the line of business would be tantamount to divisions or subsidiaries.

MATTER OF CRITICISM

Conglomerate corporations have been criticized for decisions in some instances against showing the profits or losses of individual divisions. Some critics contend that conglomerates use this as a means to mask the actual financial results of subsidiaries that might not be doing very well. This is especially true in the case of newly merged subsidiaries.

The SEC announced last February its proposal to make these new rules forcing the conglomerates to disclose more of their financial activities. The SEC later studied comments furnished by a number of companies.

The SEC action to impose new rules was by a 4–0 vote. But the chairman, Hamer H. Budge, voted against the 10 percent disclosure requirement for large corporations. Budge would have required them to report only in those instances in which a line of business accounted for 15 percent of sales or profits.

EXHIBIT 9

[From the Washington (D.C.) Post, July 15, 1969]

SEC ADOPTS DISCLOSURE REGULATIONS

The Securities and Exchange Commission yesterday adopted new rules that will require diversified corporations, including conglomerates, to make public more detailed financial information.

The regulations, which become effective Aug. 14, will require companies to report separately on lines of business that contribute 10 per cent or more to total sales or income, if the company sells more than $50 million annually.

Smaller companies must report separately on items that contribute 15 per cent or more to the company's earnings.

Losses must also be reported in the same proportion as earnings.

The new rules are part of an SEC drive toward greater disclosure of corporate information. The SEC contends this is necessary to give investors a better assessment of stocks they contemplate buying or selling.

The adopted rule is a modification of one proposed earlier. The main change made by the SEC, after receiving comments from those interested, was to insert the 15 per cent requirement for smaller companies. The earlier proposal called for 10 per cent for all companies.

The SEC did not attempt to define "line of business," but left that to the discretion of management to separate on a reasonable basis for reporting purposes.

STRATEGIC FORCE LEVELS

Mr. PEARSON. Mr. President, in the debate over the ABM, a great deal of information has come forth concerning the strategic balance between the United States and the Soviet Union. We are all aware of the differences in emphasis and interpretation of this information among authorities on the nuclear deterrence system.

One very important point in these differences involves the Soviet Union's intermediate range missiles. It has come to my attention that a study prepared by the National Strategy Committee of the American Security Council titled "The ABM and the Changed Strategic Military Balance, U.S.A. versus U.S.S.R.," cites at 2,750 the total number of Soviet strategic missiles including medium and intermediate range weapons. The U.S. total is cited at 1,710.

It is my understanding, Mr. President, that the actual number of existing Soviet ballistic missiles that could strike the United States is about 1,000 although that number will increase as the Soviet construction programs for the SS–9 missile and submarine-based missiles proceed.

Mr. President, while I have the fullest respect for the experience and sincerity of those who wrote this report, and the members of the American Security Council who have endorsed it, I believe the picture of Soviet missile superiority presented by the report is misleading, and should be understood with the qualification that well over half of the Soviet missiles cited in the 2,750 figure do not enter the strategic balance between the United States and the U.S.S.R. To support this qualification, Mr. President, I submit for the RECORD figures supplied to me by the Department of Defense indicating the number of Soviet intercontinental missiles at 1,077.

	United States	U.S.S.R.
ICBM's	1,054	1,000
Polaris missiles	[1] 656	[2] 77
Total	1,710	1,077
Intercontinental bombers	646	150
Deliverable warheads	4,200	1,200

[1] 41 submarines.
[2] 5 submarines.

A further point of difference, Mr. President, concerns the number of Soviet strategic bombers. The American Security Council study cites the total number of Soviet bombers at 1,150. The U.S. total is cited at 680. The number of Soviet heavy bombers is cited at 150.

The fact that 1,000 of the bombers cited in the overall Soviet total are medium-range bombers not designed to deliver a nuclear weapon against the United States, should not be left out of this particular picture. If we were to include in the strategic balance all such medium-range weapons, Mr. President, we would have to bring in our own carrier-based planes and our tactical nuclear weapons in Europe. This would not be a productive approach to the measurement of the strategic balance. As we go about the important business of evaluating our strategic position in the world, let us not make the error of oversimplifying facts related to our long-term security in order to gain support, one way or another, for a decision that may determine our policy in seeking this security.

THE INTERNATIONAL GRAINS ARRANGEMENT

Mr. MILLER. Mr. President, the International Grains Arrangement should be subjected to an immediate review and evaluation.

If such a review results in recommendations to withdraw from the agreement or that it should be amended, then there should be no hesitation in doing so.

In simple terms, the International Grains Arrangement, as ratified by the Senate on June 13 a year ago, is bust. My warnings to the Senate at the time have been borne out.

We were assured at the time that U.S. wheat would be kept competitive in the world market. The reverse has been true. The International Grains Agreement has influenced the loss of price competitiveness in our world wheat market. The organizations which supported the IGA—Great Plains Wheat, Inc., Western Wheat Associates, U.S.A., Inc., and National Association of Wheat Growers—all now admit that their support was misplaced. To quote from a speech by Carl Dumler, president of the Great Plains Wheat, Inc.:

In fact, we have had to price below the IGA minimum in order to make sales. And we have lost sales because of this noncompetitiveness.

We were assured at the time that our wheat exports would not suffer. But they have. U.S. wheat exports are more than one-third lower than at the same time last year.

I warned at the time of ratification—and I said so—that the agreement would require a U.S. export tax on wheat. Within a few days after ratification, export taxes were applied. And they have ranged from 21 cents to 17 cents a bushel since. In fact, if a Wall Street Journal article of July 15 is accurate—and I have no reason to doubt it—we will soon be engaged in what would amount to an export subsidy war with other nations. To quote from the article:

The U.S. will pay substantial wheat export subsidies, ranging up to $50 million a year or more, if other wheat-exporting nations don't act soon to adjust their prices upward . . .

The article takes note of this fact:

The Common Market countries already are subsidizing export wheat sales and this [the U.S. threat] would mean they would have to increase their subsidy payments to maintain their sales volume . . .

These sets of circumstances, fueled by growing wheat surpluses, have resulted in depressing U.S. wheat prices and reduced net income of our wheat farmers.

Several meetings of officials of the leading wheat exporting countries have occurred in recent months, the last as late as last Friday. All were called to probe the problem. All have resulted in vague communiques, expressing concern and the need for corrective action.

Our interests have clearly been prejudiced under provisions of article 21 of the International Grains Arrangement. This article clearly sets out that in such a case the matter should be brought to the attention of the International Wheat Council. If the Council doesn't provide the relief—and two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries are required for a decision granting relief—then the United States may withdraw

from the arrangement at the end of the crop year by giving written notice.

Mr. President, such action is clearly indicated.

I ask unanimous consent that the Wall Street Journal article, entitled "United States Threatens To Pay Wheat Export Subsidy Near $50 Million a Year," be printed in the RECORD.

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

UNITED STATES THREATENS TO PAY WHEAT EXPORT SUBSIDY NEAR $50 MILLION A YEAR—HARD-LINE POSITION SEEKS TO GET OTHER NATIONS TO MOVE SOON TO ADJUST THEIR PRICES UPWARD

WASHINGTON.—The U.S. will pay substantial wheat export subsidies, ranging up to $50 million a year or more, if other wheat-exporting nations don't act soon to adjust their prices upward, a Government source disclosed.

It's possible that the subsidies would be paid to exporters, dealers or others to permit them to quote lower export prices.

The U.S. position wasn't spelled out in the communique issued here last Friday at the close of two days of world wheat-price discussions by representatives of the European Common Market, the U.S., Canada, Australia and Argentina. But a U.S. official said the Common Market delegation, in particular, got the message, and it's expected there will be some follow-up development in Brussels this week on the "corrective action" mentioned in the communique.

The threat by the U.S. to put on wheat export subsidies would be felt most strongly by the Common Market countries (Belgium, France, Italy, Luxembourg, the Netherlands and West Germany). They already are subsidizing export wheat sales and this would mean they would have to increase their subsidy payments to maintain their sales volume, particularly since Canada also probably could be counted on to lower its export wheat sales prices.

The official International Grains Agreement minimum price for key grades of U.S. wheat is $1.60 a bushel, at Gulf ports.

The word on the hard line taken by U.S. officials in these talks apparently didn't surface sooner because the negotiators had agreed to say nothing beyond the text of the communique at the time it was made public.

U.S. officials concede that nearly all major wheat-exporting nations that were parties to the International Grains Agreement that came into force on July 1, 1968, have been undercutting the treaty's minimum export prices for wheat. In recent months, a Washington official said, price cutting by France and Australia especially had been hurting U.S. and Canadian sales.

The communique issued by the major wheat-exporting nations said only that they had reviewed current world prices and recognized "distortions," and that "corrective action" would be taken by some exporting countries to bring prices into a proper competitive relationship.

For France, the major wheat-exporting country within the Common Market, to adjust its export pricing practices would require some policy decisions within the Common Market as a whole, U.S. officials said. A higher export price for French wheat presumably would involve additional costs to the Common Market for its agricultural price supports.

It's understood that Australia, represented in the wheat talks by John McEwen, deputy prime minister, who also is his country's minister of trade and agriculture, also may adjust its wheat export selling practices to avoid undercutting U.S. and Canada on competitive varieties.

The price-cutting competition among major wheat exporters is traceable, U.S. sources say, to the prospect that the current world surplus isn't likely to disappear for "a year or two."

In the wheat negotiations here last week, there apparently wasn't any effort to reach agreement on lowering of the price floors in the International Grains Agreement for all the big exporting countries. That's something "we may have to take up later," a U.S. official said.

U.S. VISIBLE GRAIN SUPPLY

Chicago—U.S. visible grain supply, according to the Chicago Board of Trade (in bushels, thousands omitted)

	Week ended July 11, 1969	Change from week ago	Year ago
Wheat	195,188	+22,908	161,264
Corn	90,732	−16	79,475
Oats	35,319	+1,687	19,060
Rye	6,922	+201	5,353
Barley	25,022	+2,782	14,276
Soybeans	33,449	−793	12,764
Grain sorghums	31,638	−261	32,312

THE SURTAX HAS NOT AND WILL NOT STOP INFLATION

Mr. PROXMIRE. Mr. President, for the last 2 or 3 days, at least, the Senate has been treated to speeches on the surtax. The assumption is made that all we have to do to stop inflation is to continue the surtax. I think that must puzzle many Americans who recognize that, more than a year ago, July 1, 1968, we passed a surtax.

We were told, and most Members of Congress unfortunately believed it, that all we had to do to stop inflation a year ago, or at least to slow down the rise in the cost of living and the rise in interest rates, was pass the surtax bill.

What happened? That bill was passed July 1, 1968, and it obviously has not worked. We have had a much sharper rise in the cost of living, so that now the poor American taxpayer not only has to pay more for everything he buys, since the cost of living is higher, but he has to pay more in taxes as well. In addition, interest rates are higher than they have ever been in the history of this country. Now those who advocate that we continue the surtax say that, in the cause of responsible government, we must extend the surtax for at least another 6 months.

I do not know why so many are so sure this is the way. The Joint Economic Committee, which has the responsibility to inform Congress of its judgment, after extensive hearings, on what economic policies we should adopt, did not recommend that we extend the surtax. It is true that the administration is asking that we do it; but even those who are the strongest advocates among the economists have begun to recognize that in a trillion dollar economy—the level of our gross national product is now virtually $950 billion—whether we have a $10 billion surtax or do not have it is not really going to be the decisive factor. After all, that amounts to only about 1 percent of the gross national product. It was not decisive in the past year, and it will not be decisive in the coming year.

Furthermore, Mr. President, there are far more sensible things that this Government can do, and I think very well might do, to stem inflation—steps which we could take that I think would receive a great deal more approbation from the American people, and I think would be economically more responsible as well.

One is to cut Federal spending. We have an opportunity to do it. The bill we are now working on is an excellent example. The Nixon administration has taken steps—and they deserve credit for doing it—in cutting the amount of the procurement bill presently before the Senate by about $1 billion. The committee, under the distinguished chairmanship of the Senator from Mississippi, did an excellent job in reducing that bill another $2 billion.

This was a $23 billion budget to begin with; it is already down to $20 billion, and some of us feel it can be cut further. If we can cut another billion dollars out of this item, I think we can see the possibilities for cutting the overall military budget, which was close to $80 billion. The bill on which we are working represents only one-fourth of the total military budget. If we can cut $4 or $5 billion out of this part of it, I think we would have a pretty good chance of cutting, perhaps, $10 billion out of the overall military budget. Of course, in doing so we would have to make some painful decisions.

I would hope that we can reduce the space budget. I realize that now, when we are on the verge of putting an astronaut on the moon, is not the best possible time for discussing the space authorization bill, which I presume will come up shortly after the bill we are now considering.

We all recognize that the present effort in space is a response to President Kennedy's announced goal of putting a man on the moon in this decade. Now we are about to achieve that goal. The space budget for the coming year is about $1.7 billion, based primarily on the assumption that we want three lunar landings next year, and three the year after that. But if we follow the recommendations of the President's Advisory Council, and confine ourselves this year and next year to unmanned space exploration, we can save most of that $1.7 billion—certainly more than $1 billion.

In short, I believe there is a chance for the Senate and the House of Representatives, in those two areas, to cut Federal spending by at least the $10 billion involved in the surtax. If we do that, the surtax, on the basis of any kind of assumption, will not be necessary.

PROXMIRE CALLS FOR BUDGE TO END HIS CONFLICT OF INTEREST

Mr. PROXMIRE. Mr. President, I ask unanimous consent to speak for 3 additional minutes on another subject.

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

Mr. PROXMIRE. It grieves me to do this kind of thing, but unfortunately, a conflict of interest of the most serious kind has developed and I believe it is necessary that it be called to the attention of the Senate.

I have written a letter to the Chairman of the Securities and Exchange Commission about it, in which I have asked him to recognize this conflict, and act accordingly. I shall read that letter.

The Chairman of the Securities and Exchange Commission is Hon. Hamer

Budge, and I have written him as follows:

DEAR MR. BUDGE: Recent press reports have indicated that you are negotiating for a job with the nation's largest mutual funds managed by Investors Diversified Services (IDS). If these reports are true, they represent a gross conflict of interest. It is difficult to see how you can render a fair and impartial judgment on matters affecting IDS while you are in the process of negotiating a position with IDS managed mutual funds. Moreover, it is difficult to see how you can render impartial advice on current mutual fund legislation since IDS funds account for over 10 percent of the entire mutual fund industry.

An immediate matter pending before the Commission represents an even more compelling conflict of interest. On May 27th the Senate Banking Committee requested a special SEC study on the desirability of permitting face amount certificate companies to deduct substantially all of the sales commission during the early years of the certificate. Face amount certificates are long term, fixed interest bonds sold to small investors on the installment plan. According to an earlier SEC study, the result of this front-end-load on face amount certificates was that 55% of the public who invest in these instruments lose money.

Because of the questionable propriety of continuing the front end load on Face Amount Certificates, the Senate Banking Committee called for SEC to update its earlier findings. As you know, IDS has captured over 95% of the Face Amount Certificate market. During 1967, the IDS complex received over $9 million in net income from Face Amount Certificates which is more than 50% of its entire net income. In view of the dominant position of IDS in the Face Amount Certificate Market, I urge that you immediately disqualify yourself from this study.

Since IDS accounts for over 10% of the mutual fund industry, I also believe you should immediately disqualify yourself from rendering any advice on the mutual fund legislation now pending before the House of Representatives. This legislation could save the investing public millions of dollars a year in excessive fees and sales commission charged by mutual funds.

Press reports also quote you as conceding that you have talked with IDS people about a job and that "the negotiations are still open". I hope upon reflection that you will realize you have placed yourself in an absolutely untenable position. Either these negotiations should be broken off forthwith or you should submit your resignation promptly to the President. It is highly improper for the head of a regulatory agency to negotiate for a position with the industry he supposedly regulates.

While no regulatory official should seek employment with the industry he regulates, this rule is particularly important with respect to the SEC. Investor confidence in the securities market and in the impartiality of the SEC is vital to our economy. If investors got the feeling that the SEC was dominated by the industry it regulates, public confidence in the securities market could collapse. This is why it is so important not only to avoid an actual conflict of interest, but also to avoid the mere appearance of a conflict.

I hope that you can assure the Congress that you have broken off negotiations with IDS and that under no circumstances will you accept a job with IDS mutual funds. If you cannot provide these assurances, fairness dictates that you submit your resignation to the President.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "SEC Chairman Seeks To Resign His Post," written by Philip Greer and published in today's Washington Post, reporting on the Budge conflict of interest.

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

SEC CHAIRMAN SEEKS TO RESIGN HIS POST

(By Philip Greer)

Hamer H. Budge, chairman of the Securities & Exchange Commission for less than five months feels frustrated and overburdened in his post and has been negotiating to leave the Government.

According to reliable Wall Street sources, Budge was offered—and accepted—a post as president of the mutual funds managed by Investors Diversified Services, Inc., of Minneapolis.

The acceptance, however, was conditional upon approval by the Nixon administration, which turned down the idea, the sources said.

Asked about the report yesterday, Budge conceded that he has talked with IDS people and said "the negotiations are still open." But he denied that he has ever submitted his resignation to the White House.

He pointed out that the job would not be with the IDS management group, which supervises more than $6.2 billion in assets, but as president of the semi-autonomous funds themselves. "I wouldn't be interested in going with the management company," he said when asked about the report, "but representing the shareholders would be another thing."

Budge was appointed to the SEC chairmanship on Feb. 22, succeeding Manuel F. Cohen, and was named to a full five-year term on May 28.

The Budge nomination was generally applauded in Wall Street, but it was mostly because of a feeling of relief at the departure of Cohen, who pushed hard for industry reforms. The low-key Budge was regarded as the champion of smaller broker-dealers, since he often charged that the SEC levied milder penalties against large firms accused of wrong-doing than against smaller houses.

Since his appointment, the securities industry has gone into a period of dramatic upheaval. (The board of governors of the New York Stock Exchange approved yesterday a recommendation that brokerage firms be allowed to sell their own shares to the public.)

Industry leaders have complained that the SEC under Budge has not been as clear or as helpful as it was under his predecessor.

Mr. PROXMIRE. Mr. President, I yield the floor.

AUTHORIZATION FOR THE CHAIRMAN OF THE COMMITTEE ON ARMED SERVICES TO UTILIZE CERTAIN PERSONNEL IN EXPURGATING THE TRANSCRIPT OF YESTERDAY'S CLOSED-SESSION PROCEEDINGS

Mr. STENNIS. Mr. President, I ask unanimous consent that the chairman of the Committee on Armed Services, the Senator from Mississippi, be authorized, under proper security, to utilize sworn and security-cleared personnel to examine the transcript of yesterday's proceedings in closed session, for the purpose of censoring and expurgating the copy for publication.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1970 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, AND FOR THE CONSTRUCTION OF MISSILE TEST FACILITIES AT KWAJALEIN MISSILE RANGE, AND RESERVE COMPONENT STRENGTH

The Senate resumed the consideration of the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the selected reserve of each reserve component of the Armed Forces, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from California.

Mr. CRANSTON. Mr. President, I took my position against present deployment on antiballistic missiles only after the most careful study and thought of which I am capable, and only after receiving Pentagon briefings.

I have listened to virtually every word of the current Senate debate since the pending bill was reported from committee.

And I participated, of course, in yesterday's secret session.

I now speak out against ABM with deeper conviction than ever before.

Mr. President, I wish to comment first on the statements made by our distinguished colleague from Washington when he spoke so thoughtfully last week about the nature and intentions of the Soviet leadership. He noted that a struggle for power and influence was evidently underway within the Politburo, with hard-line advocates seemingly gaining ground, but with the ultimate outcome uncertain. Citing repressive measures applied within the Soviet Union and the brutal invasion of Czechoslovakia, he described the Soviet Union as "a dangerous, unpredictable opponent" and recommended strongly that the United States "maintain a solid and prudent stance."

As I listened to the erudite analysis presented by Senator JACKSON, I tried to picture to myself what a comparable report would sound like if it were presented within the Politburo by a Soviet analyst of American affairs. I tried to imagine the evidence such an analyst would consider particularly relevant, and the hypothesis about the probable behavior of the United States which he would extract from that evidence.

Our imaginary expert in the Kremlin would look back over the last decade at the ways in which American power has been used, and at the statements which

have most recently been made about our intentions. He would have to take into account such actions as the abortive invasion attempt at the Bay of Pigs in 1961 and the landing of troops in the Dominican Republic in 1965. He would have to weigh the contradictory implications of American intervention in Vietnam, half a world away from our own shores, and the network of American bases which girdles the globe and circles the Soviet Union. And he would have to look hard at the current debate over American defense policy in an effort to decide whether the United States was really concerned only with protecting its own security, or whether our recurrent claims of "superiority" implied other intentions.

In this last category, he would have to pay particular attention to the implications of our announced intention to deploy both MIRV's and an ABM system at the same time. For, as Secretary of Defense Laird has testified on several occasions, projected improvements in the accuracy of our MIRV warheads will significantly enhance their effectiveness "against hard targets"—that is, Soviet offensive missile silos. This capacity, combined with the potential damage-limiting role of an ABM system made more effective in the future, could give this country the first-strike capability which the Secretary of Defense recently asserted was being sought by the Russians. Certainly, it is hard to believe that our imaginary analyst in the Kremlin could afford to conclude otherwise than that the United States was quite possibly building toward such a capability. Our reassuring statements to the contrary notwithstanding.

What, then, would he have to report to his superiors in the Politburo? That, from the evidence, he could only recommend that they use great caution in dealing with the Americans, who appeared to him to have aggressive intentions and an almost neurotic hostility toward the Soviet Union.

This report, of course, would delight the hard-liners in the Politburo and reinforce their Marxist-Leninist view of the capitalist world. It would, presumably, reduce the influence of those who had been arguing for greater flexibility and accommodation in the Soviet stance. It would thus become, to some extent, a self-fulfilling prophecy if its recommendations were followed. For as the Soviets further chilled their relations with the United States and armed to meet the threat as they perceived it, we would be forced to respond in kind, and the cycle of mistrust and hostility would enter another unnecessary round.

This "spiral of interaction," as Prof. Marshall Shulman of Columbia described it, would be nowhere more evident than in the arms race. For weapons systems are the steel and concrete evidence of hostility and mistrust. Their deployment is normally decided on the basis of the worst feasible assumptions about a potential enemy's capacity and intentions, and each weapons system provokes its own countereffort. Thus, our elaborate air defense system was built in response to a Soviet bomber effort that never materialized; their partial ABM system replied to our expansion of offensive missile installations; and our MIRV was designed in part as an answer to their ABM. Their SS–9 missiles with multiple warheads might be seen as an answer to our announcement several years ago of plans for an ABM, which we in turn now justify as necessary to meet the threat of their SS–9.

It seems to me there is only one way to break this cycle of mistrust, this spiral of interaction that leads us to ever-increasing armaments and the instability they in turn bring to the balance of terror we call mutual deterrence. To do this, we must assume that there are rational men on both sides, in the Soviet Union as well as in this country, and we must give those rational men a chance to bring their shared concerns to the negotiating table in search of mutually beneficial agreement.

Here again, I should like to recall the testimony given by Professor Shulman on March 13 to the subcommittee headed by the distinguished senior Senator from Tennessee (Mr. GORE). Dr. Shulman at that time described the Soviet attitude toward the new Nixon administration as "tentatively hopeful," as willing to believe that circumstances might be favorable for agreed moderation of the strategic arms race. He explained Russian interest in such an agreement in cold economic terms—"the drain on resources generally and on advanced technology in particular" as a result of the heavy burden of armaments. The decision to seek agreement, he concluded, had come only after "a hard-fought debate," and "a serious concern about economic costs has been an important factor in impelling the Soviet leadership to want to find out how far the United States is prepared to go in checking the upward spiral of the strategic arms race."

This concern with wasted resources pointed out by Professor Shulman is surely one we can share. For, as the Soviets face the problem of allocating resources for the period of 1971–75 in their next 5-year plan, so we face the parallel problem of allocating our own finite resources to meet the many demands which are daily impressed on our consciousness. We must insure the most efficient use of our resources if these demands are to be met. The Armed Services Committee has already demonstrated under the leadership of the able Senator from Mississippi (Mr. STENNIS), that substantial savings can be made in our Defense budget, for example, without in any way endangering our national security. Other savings may become possible in the course of this floor debate.

Yet let us imagine how much greater still those savings would become if the strategic arms race could be curbed, and how much could be done to improve the quality of American life if some of the billions now destined for offensive and defensive missiles could be made available for other purposes. This same consideration evidently motivates some, at least, of the decisionmakers in Moscow. It may not seem like much of a base on which to erect an arms limitation agreement, but this initial common ground need not by itself fill that broad purpose. Indeed, it need only serve as a shared interest sufficient to bring the two sides together in negotiations—a first small breach in the wall of mutual mistrust which can at least permit talks to begin.

No one suggests that arms limitation negotiations will be easy. No one suggests that they will be short. No one has the temerity to guarantee that they will be crowned with success.

But it is hard to quarrel with the proposition that a successful conclusion to arms limitation talks would be worth all the sweat and tears and patience which negotiations will undoubtedly require. And so long as a favorable outcome is even possible, I believe we must do everything in our power to improve the underlying conditions for negotiation and to test the oft-repeated Soviet expressions of strong interest in seeking a mutually acceptable and mutually beneficial agreement.

What American actions, at this point in time, would be most conducive to the creation of a more promising negotiating climate? As I noted earlier, one of the strongest pieces of evidence on which our hypothetical Kremlin analyst would rely in predicting future American intentions would be our plans for simultaneous deployment of MIRV's and ABM's and the conclusion to which they give rise in the Kremlin—in this hypothetical situation—that the United States is moving toward a first-strike capability. In order to change the analyst's recommendation—that the Politburo deal warily with what he deems an aggressive and neurotically hostile America—we might well consider what we can do to modify the facts on which Kremlin decisions will be based.

Mr. President, I believe the most important contribution we can make at this time to future world peace is to seek mutual world agreement on deferring further testing of MIRV-equipped missiles and to defer deployment of an ABM system—and I further believe that we can take these steps without in any way jeopardizing our national security. I have expressed my support for the concept of a mutual moratorium on MIRV testing by cosponsoring the resolution proposed by the distinguished junior Senator from Massachusetts. I have taken similar action to record my opposition to ABM deployment at this time by joining my distinguished colleagues, the Senator from Kentucky and the Senator from Michigan by cosponsoring the amendment which is currently under consideration.

As the authors of the ABM amendment pointed out, its essential function is to make the distinction which I consider vital between research, development, testing, and evaluation on the one hand, and actual deployment on the other. I favor, as I have said before, continued efforts to develop a truly effective ABM system which could be deployed at a future date if it should then appear necessary to maintain the credibility of our strategic deterrent. I do not believe this is the case today, nor do I believe that the delay in deployment which this amendment envisages will expose our retaliatory capacity to an unacceptable level of risk in the years ahead.

For such a risk to be present, the Soviet Union would have to acquire the capability to launch successful simul-

taneous attacks on all three elements of our strategic offensive force and also on our tactical forces abroad which have a capacity to deliver nuclear warheads against targets in Russia. Despite the warning sounded by Secretary of Defense Laird and others that the Soviets are seeking such a first-strike capability, no convincing evidence has been presented that they can attain this level of offensive competence in the foreseeable future. Indeed, the eighth annual report of the Arms Control and Disarmament Agency, which President Nixon sent to Congress on March 11, concluded that—

Neither the United States nor the Soviet Union has a "first-strike" capability . . .

The report adds, more significantly:

Most authoritative analysts are agreed that neither power can hope to achieve such a capability.

The complexities of such a multiple attack have been pointed out before. To achieve success—defined as an ability to reduce the American retaliatory blow to an acceptable level—the Russians would have to destroy our strategic bombers on the ground before incoming ICBM's were detected by our radars. For such a radar signal would undoubtedly stimulate an order to get our SAC alert force airborne and would permit them ample time to get off the ground. Yet, I cannot believe that such a strike at our entire, scattered bomber force, whether delivered by low-trajectory submarine-launched missiles or by a fractional orbital bombardment system—or FOBS—would not result in the order being given to launch our Minuteman and Polaris—or Poseidon—missiles before Soviet ICBM's could match the strike at SAC bases with a direct assault on our missile complexes.

While this fine play at timing was going on, the Soviets would face the needle-in-a-haystack problem of dealing with the substantial number of ballistic-missile submarines which are constantly on station, each bearing 16 missiles and capable collectively of destroying the Soviet Union. Finally, there would remain the nuclear-equipped tactical air units in Europe and the Far East, which again would either have to be destroyed first—thereby presumably triggering a command to launch our strategic forces—or else attacked simultaneously with the longer range assault in an incredibly intricate command and control operation.

In short, the idea that our deterrent forces could be credibly menaced by the Soviet Union in the foreseeable future to such an extent that they would in fact have a first-strike capability appears to me so remote that it will not bear close examination—and thus does not seem a valid argument for the immediate deployment of the Safeguard ABM system.

Mr. President, we have all been exposed to a variety of arguments on both sides of this critical issue. There are, among others, technical questions concerning the likelihood that an ABM system, in the present state of the art, will function with sufficient reliability to justify its construction.

These questions relate to the various components of the system, both individually and in combination, and particularly to the ability of the planned computers to deal adequately with the incredibly complex command and control machinery which will be involved in Safeguard.

Questions such as these find the scientific community deeply divided, though it is worth noting that all former Presidential science advisors are lined up with those who doubt the workability of the system. I do not personally feel qualified to judge such technical matters as these with any degree of confidence. But I do believe strongly that any system which is under such severe challenge on technical grounds from many eminent scientists who are professionally competent to judge its merits should be subjected to additional research and development work before we commit vast sums to its deployment.

As I suggested earlier, however, the critical issues raised in this debate over the ABM are not technical, but are instead the basic issues with which we constantly grapple here in this Chamber: How our actions help to shape the world and how they shape our own society.

To me, the most important and most compelling consideration in this regard is the adverse impact which I am convinced ABM deployment would have on the prospects for successful negotiations to limit strategic arms. I have already discussed this point at some length, and wish to add only one further comment. Several Senators have argued that we need ABM's so we can, in effect, trade them off against the Galosh ABM missiles which the Soviet Union has installed around Moscow.

That system, however, was never completed by the Soviets. We have been told, by our own experts that the Galosh is roughly comparable to the Nike-Zeus, a system which we opted not to deploy because it would have been obsolete before its projected completion date. This suggests that the Soviets probably stopped their own ABM deployment because they felt the system was not worth the cost. This hypothesis is reinforced by the testimony of former Defense Secretary Clark Clifford, who said in his Posture State last January:

It is the consensus of the intelligence community that the Galosh system as presently deployed could provide only a limited defense of the Moscow area and could be seriously downgraded by currently programmed U.S. systems.

Indeed, President Nixon's decision to switch his own ABM proposal from Sentinel to Safeguard was based in part on the conclusion that city defense like that attempted in the Russian Galosh system was not permanently feasible.

Since the Galosh ABM thus offers the Soviets no significant advantage in the strategic arms balance, I see no reason why we should feel any obligation to match the Russians in their mistakes, particularly in view of the other considerations which militate against ABM deployment at this time.

This kind of action-reaction cycle in strategic arms would, indeed, serve largely to demonstrate the dangers to the present balance of mutual deterrence which lie in any decision to deploy ABM's or MIRV's at this time. The point was illustrated by former Defense Secretary McNamara and present Defense Secretary Laird, both of whom specifically testified with regard to a possible heavy Soviet ABM that it would require an American response in the form of a greater offensive capability. The point was perhaps made most succinctly a couple of months ago by a Soviet Embassy official in Washington:

If the Americans want to throw away $7 billion on this toy—

He said of the ABM—

it only means that our militarists will want more missiles, and that your militarists will want more missiles, and there it goes.

And there it goes. With it, Mr. President, would probably go the faint glow of hope which shines in the prospect of serious talks on a possible limitation of strategic arms—the hope that we can begin to shape a more peaceful world in which the rule of law can be substituted for the balance of terror.

With it, too, would go some of our hopes for the reshaping of American society through reallocation of resources from armaments to programs for human betterment. For the ABM debate has become symbolic, in some ways, of the dichotomy between those who believe that security rests primarily in strength of arms and those who, like myself, are convinced that until we achieve the rule of law in the world our national security demands both military preparedness and a healthy domestic economy and society. If substantial savings could be achieved in military expenditures without endangering national security we could take great strides toward improving the quality of American life. We could also remove a significant part of the inflationary pressures which currently affect the economy if major resources were shifted from military purposes—which, in general, create demand without any commensurate expansion in the supply of usable goods—to more productive uses.

For all these reasons, Mr. President, I support the amendment offered by Senators COOPER and HART, which would forestall deployment of an ABM system at this time. I very much hope that continued research and development will in the near future offer us a reliable ABM system which could be deployed if it becomes necessary, and I believe this amendment makes clear that we wish this exploratory effort to continue unabated. But I am convinced that deployment at this time would reduce, rather than enhance, our national security, and would dim our hopes both for a better world and for a better America.

TAX REFORM AND THE SURTAX

Mr. MOSS. Mr. President, yesterday the Committee on Finance voted to report the surtax extension without any amendment.

Earlier today, on the floor of the Senate, the majority leader explained the position of the majority that a tax bill this year should include a reasonable tax reform. He was immediately answered by the minority leader and the assistant minority leader, arguing that we should proceed at once with just the modified simple extension of the surtax.

As everyone knows, the Democratic policy committee decided on June 24 that meaningful tax reform must be considered simultaneously with the extension of the surtax. The Nixon administration, however, insists on separating the two, and is now stepping up its attack on our distinguished majority leader for what the administration calls "delay." But, Mr. President, it is the Nixon administration that is causing any delay.

Despite all the ballyhoo and pledges made over tax reform, the administration has been excessively timid in making any specific proposals. Glaringly absent from the administration's so-called tax reform package was any mention of the most notorious loopholes: Capital gains, tax-free bonds, hobby farming, foundations, oil depletion, and unlimited charitable deductions. How can the President expect us to believe his pledges to push through tax reform when he has not even mentioned these loopholes? How can the President cry "delay," when it is he who has been dilatory?

The Democrats in Congress can, of course, put together a tax reform package and enact it without any help from the Nixon administration. But it will take time, Mr. President. The structure of Congress makes any tax measure easy prey for the special interests unless the institution of the Presidency is solidly behind it. If President Nixon will join with us in the thick of the fight, we can have both tax reform and the extension of the surtax. The President should know that there is probably no louder cry in the country than the cry for tax reform—for assuring that the rich pay their share of taxes, and the burden is correspondingly lifted from the shoulders of the middle and lower income taxpayers.

Mr. President, even the President of the United States is not above needing an occasional "tax incentive." Should the surtax be extended without meaningful tax reform, the President's tax incentive would be gone and Mr. Nixon may again listen to those who financed his campaign. We cannot allow tax reform to go the way of Dr. Knowles.

THE SAFEGUARD ANTI-BALLISTIC-MISSILE SYSTEM

Mr. MOSS. Mr. President, we have just heard an excellent speech made by the Senator from California (Mr. CRANSTON). Much of what I have to say is in the same vein as his speech.

Mr. President, it is a privilege to be a participant in what history may record as one of the truly great debates in the U.S. Senate. That it will be a thorough debate I have no doubt, for already a great many Members of this body, leaders of both parties have spoken on this momentous question which concerns the nuclear security and nuclear future of the United States, the Soviet Union, and indeed all other nations who must live today in the shadow of the nuclear bomb. And as complicated as is this subject, it is clear that many in this body have mastered its complexities, and that ultimately what we are debating is not differences over technical capability or scientific estimates, but differences over the shape of our national destiny and the kind of nuclear security which we can have on the one hand by relentless and unending nuclear weapons races with the Soviet Union, and on the other hand by advancement of nuclear restraint and nuclear arms control on both sides.

Nor could it be doubted that this will be a historic debate. Some 30 years ago we commenced the effort to construct our first nuclear weapon, and since that time we have gone from one escalation to the next, from atomic bombs to hydrogen bombs, from strategic weapons to tactical weapons, from airborne nuclear bombs to self-propelled nuclear missiles, from land-based nuclear launchers tc a naval nuclear capability, from tens to hundreds, finally to thousands, in the numbers of our strategic weapons alone.

And in all this time, Mr. President, while succeeding administrations made agonizingly important judgments, and often most expensive judgments at that, concerning new nuclear weapons programs, we have not had a semblance of a Senate debate or national debate concerning our choices. Today, however, we are in the midst of a great national and congressional debate precisely on what are our national choices in the nuclear weapons area. And surely there is not a more important subject for this Nation and the entire world than that which we are discussing here today.

Indeed it may ultimately appear that more important than the outcome of this debate is the fact that it will have taken place. Those of us who are deeply opposed to the commencement of this nuclear weapons program cannot truly lose in our present struggle even were it ultimately to appear that by a narrow one or two votes the President could muster a majority in his favor in this body. I say, Mr. President, that we cannot lose even in that event because our larger vital objective will still have been met. That objective, which I believe to be the very heart of the present controversy and division over the Safeguard ABM system, is our aim to replace nuclear sanity with the present condition of nuclear terror and irresponsibility which prevails among the superpowers in their endless escalation of nuclear weapons races. When I say irresponsibility, I mean just that. For there is no order and no sense when both we and the Soviet Union have reached a point when within an hour's time we could annihilate each other's populations, cities, and resources. Yet, we both continue to add overkill upon overkill. Surely in a world where we have achieved the ultimate unthinkable horror of being able to destroy any potential enemy totally and within minutes, it is irresponsible to plunge heedlessly into any new nuclear program which some overeager scientist, some insatiable industrialist, or some 1984-minded military officer conjures from his nightmare dreams.

And when I say nuclear sanity is what we seek, again I mean just that.

For what we ask in this debate concerning the Safeguard ABM is the most modest rudiments of sane government and responsible military programing. We ask that before billions are spent on a new nuclear weapons program, there be some fair hope that it serve some understandable military purpose. We ask that before we put billions into defense, we are sure that the other side could not overcome our defense structure with a modest and inexpensive enlargement of his offense. We ask that the contingency for which so large a weapons and fiscal effort is to be made, be a real, not a fanciful, contingency.

In other words, we doubt the virtue and wisdom of spending billions against a supposed Soviet attack which is utterly beyond any sane person's imagination since it would bring about a retaliatory annihilation by our forces of the Soviet Union. Most of all, we ask that the reason why so large and unsettling a new weapons effort should be undertaken at this time be made clear and understandable to the Congress and the people.

This is what proponents of the Safeguard ABM have least been able to provide. There is veritable chaos in the changing and inconsistent explanations we have been given for the ABM system since it was first proposed to the Congress.

Are we building it against the Chinese or the Russians? If the latter, are we building it for what the Russians can do or could do or might do in their own weapons capability?

Are we building it merely to offer as a pawn in arms control negotiation or because we really want the Safeguard system?

Are we building it because we think it would work or, as Senator RUSSELL stated in the debate last year, so that we could test it to see if it might work?

Are we building it, as we were once informed, to save American lives in the case of a nuclear exchange or simply, as President Nixon has suggested, to give some added protection to our strategic missile forces.

If the latter is the purpose, will Safeguard, in case of the imagined enemy attack, secure a majority of our strategic weapon sites from being overwhelmed, or as Secretary Laird's testimony suggests, protect only a handful of those sites. If the latter is the case, what use is the Safeguard system, and particularly when we consider that we are assured that we have in our sea-based strategic weapons alone a fully adequate and genuine safeguard against nuclear attack and therefore nuclear war.

Are we building two Safeguard sites, as Mr. Nixon announced to the Nation, or 10 sites as the Department of Defense now suggests, and will the system cost $8 billion, $12 billion, or closer to the $35 to $40 billion originally projected by House Minority Leader FORD back in 1966 and the testimony of Secretary McNamara in 1967?

My point is, Mr. President, that when we ask such questions and demand answers by the proponents of Safeguard in the Congress of the United States and before the people of this Nation, we are advancing nuclear sanity. Simply by calling on those who want to move further onward in the nuclear weapons race to explain precisely why we must do so and what we are doing will bring the agonizingly important elements of reason, projection, and responsibility to play

on a subject which so badly needs the very best thinking of our leaders and our people. If we can establish, as I think we have established already, that we will not go on spending billions upon billions for new weapons programs and endlessly heating up the arms race without an explanation to our people and to the world, and if we can bring from those who insist upon escalating the nuclear arms race clear and understandable and persuasive reasons why we must do so, then the larger cause will have been won.

If we look back upon the history of mankind, how many great and tragic wars and confrontations might have been avoided if the governing bodies of the great nations had taken time and mastered the principle that great national issues affecting matters of war and peace must be debated in advance of the fateful decision.

We need not look far back for such examples. In this century millions died in World War I, whose origins remain shrouded in historical mystery because even our great historians cannot explain how responsible nations with responsible leaders were pulled into so hopeless and tragic a struggle.

But we need not look even that far back, Mr. President. I am persuaded that if the Congress at the time of the Gulf of Tonkin resolution had courageously faced the national choices in Vietnam in a great debate something like the one on which we are now engaged on the ABM question, we would have had in that unhappy corner of the globe a more honorable, less bloody, and more successful development than we have had in the last 4 years. At the very least such a debate would have established whether the administration's direction and policy had the thoughtful support of the representatives of our people in the Congress assembled. When we consider how grave are the responsibilities placed upon one man in our system in such matters, one would think that every President would welcome and not fear a friendly and open debate in this body where 100 men of experience and wisdom could express their views for the guidance of the President.

I say then, Mr. President, that we will win this debate in its ultimate purpose of insisting that nuclear sanity repiace nuclear irresponsibility in our future decisions in this vital and paramount area of national decisions. And surely the mad momentum of the nuclear weapons race which has prevailed under the conditions of irresponsibility too often in the last 30 years can and will be broken only as we establish in this area the rule we insist upon in every other major area of national activity—that those who would act and in a way onerous to the Nation and its resources make a clear case for the virtue of the action and against the virtue of restraint and moderation.

Let me say too, Mr. President, that I come to this debate with a deeply held belief that our nuclear security is better advanced by restraint and moderation to perpetuate the present relative stability between us and the Soviet Union rather than any step that will force the pace further. But I am here first of all to listen with all my attention to the arguments on either side. When we consider that what is at stake is the nuclear security of the United States and the world, no one in this body can afford to turn this into a forum for scoring debaters' points or promoting his next election campaign. The stakes are too large, Mr. President, when we are playing with millions of lives in a possible nuclear war, for any Senator of the United States to use this debate for political advantage rather than for reaching the very best decision that we can.

The proponents of Safeguard say that the nuclear security of the United States will be advanced if we go ahead with this new weapons program even though it might escalate the weapons race. On the other hand, the opponents say that the nuclear security of the United States will be advanced if we hang on to the relative stability we have at this time with the Soviet Union and by moderation and restraint prevent a new round of escalation in the arms race, leaving everyone poorer and more nervous and in a more precarious situation.

Presently there is a very distinct difference between situations that call for the use of conventional weapons and those dire situations that call for retaliation with nuclear weapons. One could observe that there is a flexibility with conventional weapons and an inflexibility with nuclear weapons. This flexibility and inflexibility principle is observed, respected and feared by all nuclear powers. With a faulty ABM system, a lax attitude toward this principle of holocaust could and I believe would develop among the nuclear powers. Different defense planners would begin to plan strategy with less reluctance to use nuclear weapons because of their misconceived and ill-founded confidence in an antiballistic-missile system. Both sides cannot be right, and it is our highest obligation to use this debate for the purpose of reaching the right decision in a difficult and terribly important area.

Now let me say what it is that we who oppose Safeguard ABM are for. What we are against is clear: We oppose the present deployment of an ABM system in the United States. However, we are not against continuing research and development and we do not say that world conditions or Soviet nuclear activities might not force us into an ABM deployment at a future time. We are only saying that now is not the time. But it has perhaps been less clear so far what it is that we are for rather than what it is we are against. If there is not a good and worthy reasons for deploying Safeguard at this time, its vast expense alone might be reason enough for us not to do so.

Even agreeing to continue to spend for research and development, we are indeed for something, Mr. President. Because there is something which we cannot have if we go ahead with ABM deployment now. It is precious and it will not be available to us forever. It may be our last clear chance, now that both we and the Soviet Union have reached mutual power of nuclear annihilation. At this point the United States and the Soviet Union should move to avoid a new and endlessly escalating offense-defense weapons race. We have a breather at this point, Mr. President. A time out, if you will, in the nuclear arms race. Both sides have lasted the 12 rounds though both are the wearier for it, and if neither side starts punching again we might just avoid having to start another and perhaps much bloodier face-off.

Now I know that there are many who say why should we be for restraint if we are not sure that the Soviets will not also show some restraint. Why should we avoid a massive ABM deployment if we cannot be absolutely sure that the Russians will not try for a massive ABM deployment. The answer, Mr. President, is perfectly clear. Right now the Soviets are not in the process of deploying any ABM system, and if we plunge ahead, whatever the chance there be that the Soviets would also welcome putting a limit on the nuclear arms race, could be destroyed by our own zeal for the competition. So what we are for in this great debate is for that modicum of moderation and restraint in the nuclear weapons race at a moment of relative calm which gives us hope that the calm can be made permanent. Surely it is our responsibility to promote the great and important goal of halting the nuclear race. We should not be the side that broke the lull.

Before I yield the floor, Mr. President, I want to say one last word, too, about the question of a nuclear arms treaty with the Soviet Union and the present debate. First I would emphasize that even if we cannot quickly achieve a strategic weapons treaty, I am for holding the line on the present situation in the hope of encouraging the Soviet Union also to desist from any new and unsettling nuclear program. For even without a treaty it is not written on the wall that the Soviet Union is going to plunge billions into an offense-defense strategic weapons race. Even without a treaty, if we do not force the pace, the Russians may not do so either and we will all be the safer for it. We all must recognize how much better in the long run it would be if the present strategic nuclear balance could be secured from further escalation by a treaty with the Soviet Union. Discussion on such a treaty, long overdue, will commence in the coming weeks between representatives of the United States and the Soviet Union. There are those who say that our ability to get that treaty will be advanced if the Congress approves a beginning on the deployment of the Safeguard ABM. These advocates argue that the way of avoiding the Safeguard ABM deployment is to have a treaty with the Russians against any new offense-defense system, and the best way to get such a treaty, they say, is actually to start building the Safeguard system.

I confess that I do not understand those who make this claim. If the Safeguard ABM is truly necessary and useful to the United States, then we should not be talking about renouncing nuclear defense systems in a treaty with the Soviet Union. If, on the other hand, the pronouncements, including President Nixon's, seem to be saying the Safeguard system is not really valuable and should be given up in a treaty, how does it ad-

vance the Soviet willingness to sign that treaty if we go ahead with deploying the system? If Safeguard is not a genuine asset for our side, which the proponents seem to be saying in connection with their treaty argument, how does it become a bargaining power in the negotiations? If, as I deeply believe, this new dubious and most expensive weapons program is not an asset but a liability for the United States, how do we buy anything with it in arms talks with the Soviets? Far from buying anything with the Safeguard deployment, it is likely that the Soviet negotiators will insist upon some extra consideration in the treaty. In the end the Soviets may pull us out of the Safeguard hole of our own digging, once we have fallen into it.

But maybe all of this is too subtle, Mr. President. Is it not the simpler wisdom that if we do not want a defense race with the Soviet Union—and we clearly do not want it—the best way for us to avoid it is not to begin it. I believe that in these great matters of international relations just as in the everyday affairs of ordinary people the rule is that if you do not want to go in a certain direction, do not begin going there. If we genuinely want to preserve the present relative stability and security of the existing nuclear balance, the best way to achieve it is to preserve it rather than to shatter it with a new program to which the Soviets almost surely will respond. This will force us then into some new expensive nuclear weapons race programs.

So I say, Mr. President, let us avoid overly clever rationalizations about promoting arms restraint negotiations by showing an utter lack of arms restraint on our side. The issue is not how to bargain away the ABM. The issue is whether at this time we should deploy ABM at all. If it is not in our national interest to do so, then it is the solemn responsibility of the Congress to vote "No" to the proposed commencement of the ABM. If it is in our national security interest, not for the moment, but for the long run, to commence deploying Safeguard ABM now, then it is our equally solemn responsibility to vote "Yes." At this point in this debate, it appears that approximately half the Members of this body, many of whom have given great and long consideration to the issue, believe that our long-range interest in nuclear security and nuclear survival is promoted best by showing moderation and restraint. They prefer today's balance of nuclear terror to tomorrow's possible imbalance of nuclear terror. What is at stake is the shape of our national future. If we can hold to the present balance with the Soviet Union, won by years of enormous national weapons efforts and untold billions of dollars, we can have the relative assurance and security on both sides that nuclear war will not come, because neither side could survive no matter which struck first. If we can hold to the present balance, we can turn our resources to urgently important national problems demanding attention but too long starved by the military budget. If we can hold to the present balance, we can end the surtax as the Vietnam war diminishes and give relief to our hard-pressed taxpayers. So, while preserving the present nuclear balance is itself a great important goal, there are other great national interests which would be promoted if the cause of restraint could now prevail against the forces of passion and escalation on both sides. So I plead with every Member of this body to give the greatest and most careful attention to the debate, for the lives and futures of millions upon millions of people will be intimately affected if we make the wrong decision. We must master the nuclear genie before he becomes the master of us all.

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

Mr. MOSS. I am happy to yield to the Senator from Colorado.

Mr. DOMINICK. I thought it might help if we had a little colloquy on this matter. I gather that the Senator from Utah is saying he is against the deployment of the ABM.

Mr. MOSS. That is correct.

Mr. DOMINICK. I had the privilege of reading the Senator's speech while he was delivering it, and there were some points in it that I think perhaps might be clarified.

On page 2 of the speech, the Senator said:

> We ask that before billions are spent on a new nuclear weapons program, there be some fair hope that it serve some understandable military purpose.

Is the Senator implying by that that there are military programs in this bill which have no clear military purpose?

Mr. MOSS. Yes. I do not think the military purpose is entirely clear. We had before us last year the so-called Sentinel ABM system, which was an area defense of cities. This year, the proposal is changed, and we are to have an ABM system called Safeguard, which has as its purpose, apparently, some defense of our own nuclear weapons, which we have deployed in silos hardened against assault, apparently the only rationale being that we might preserve enough of them that we could fire back. It does not take into account the seaborne nuclear power that we have, nor even the airborne nuclear power.

Mr. DOMINICK. From the remainder of his speech, I gather that the Senator agrees that a nuclear balance constitutes a nuclear deterrent?

Mr. MOSS. Yes. I think we do have a rough nuclear balance now with the Soviet Union, such that neither side could feel that it could start with the first strike, because there would be a second-strike capability that would cause unacceptable damage on any country that made a first strike.

Mr. DOMINICK. The Senator realizes, does he not, that we are talking about only $345.5 million in deployment funds for this year? He is not against the research and development, he says.

Mr. MOSS. No; I am not against research and development. I think that we should continue our program, to make sure that we know how to make a system, in the event we cannot get any kind of agreement with the Soviets; and I would be first to admit that there is no assurance that we will achieve such an agreement.

Mr. DOMINICK. So we are not really talking about millions of dollars with no military purpose; we are talking about $345 million for a specific purpose of defending our deterrent weapon.

Mr. MOSS. Perhaps it is only $345 million at the beginning, but it will end with billions being spent. Experts now estimate, I understand, a total of about $7 billion is needed to complete the Safeguard ABM. One can get a different estimate from every source, almost, whether it be the Pentagon or our colleagues on the committees who have studied the matter. It will eventually involve many, many billions of dollars if we start the deployment.

Mr. DOMINICK. One thing I should like to ask the Senator from Utah is what steps he would think the President of the United States should take, in the mid-1970's in the event a nuclear weapon targeted on the United States should be discovered in an incoming role? Assuming we do not have the deployment of the ABM, which is what the Senator is against, what steps should the President take? Just allow it to come in and eliminate millions of Americans within our country? Or should he push the button and strike back, even though he knows it will eliminate millions of people? Should not the President have another alternative?

Mr. MOSS. If he had, as a reasonable alternative, that he could neutralize the incoming ABM, I would say that would be desirable. But I think there is no assurance, under the present state of the art, that he could do that, with the ABM system we are talking about now, even if it were deployed.

Second, of course, I think it is not likely he would have to exercise any such option as long as we maintain the relative balance that we have now with the Soviet Union; and hopefully long before the mid-1970's we would have an agreement on limitation of nuclear weapons that could keep the balance stabilized.

Mr. DOMINICK. The distinguished Senator is talking about the Soviet Union; but what about all the other countries that have nuclear capability, including Red China, which has already said that it would welcome a nuclear war, because it would survive, since it has more people?

Mr. MOSS. At the present time, of course, China does not have the capability to deliver a nuclear weapon. Certainly we must continue our intelligence assessment of the capability of the Chinese; we must have continuing surveillance and estimates of the situation. There may be a time when, because of China's program, we might have to take some different position; but who knows? Conditions may change with the Chinese. We might even be talking with them in a matter of a year or two. We might find some point where we could bring the thing into balance including China.

Mr. DOMINICK. Would it not be easier to talk with the Chinese if we

knew we were relatively secure from sneak attack by them, than if we were relatively insecure?

Mr. MOSS. I do not think we are insecure at all. I think we have the ability now to retaliate, if the Chinese should send nuclear weapons toward us, to such a degree that it would effectively deter the Chinese from launching a nuclear attack. But if they did, we certainly would have to meet it.

Mr. DOMINICK. Going back to the Soviet Union, if the Senator is willing to continue the colloquy a little longer, because I think it displays the two sides of the question pretty well: The Senator is aware, is he not, of the continued production, by the Soviet Union, of nuclear ICBM's and nuclear submarines, while, in terms of numbers, we have not matched their production?

Mr. MOSS. My understanding is that Soviet production has continued, and that the Soviet Union now has roughly the same number of ICBM's as we do. They still do not have anywhere near the number of submarines we have, according to my understanding, although they are building additional submarines, and the time may come when they have as many as we.

Mr. DOMINICK. The report will show that they presently have 230 more submarines than we do.

Mr. MOSS. Not nuclear.

Mr. DOMINICK. I beg the Senator's pardon.

Mr. MOSS. They are not nuclear submarines of the Polaris type.

Mr. DOMINICK. They are not the Polaris-type submarine, that is correct, but they are, in many cases—some 65 of them—nuclear powered.

That is in the report, so there is no classified information in that. The point I am making is that they are continuing the production of weaponry which is designed to change the balance which the Senator talked about in his speech. If so, and if they continue this, then how is it the Senator came to the conclusion that we have a balance which has to be kept when they are not keeping the balance?

Mr. MOSS. Well, I do not think that we can characterize what the Soviet Union is doing now as severely impairing the balance or that it will not severely impair it for a considerable period of time.

I think we are in a sort of a lull or a quieter period than we have had for some time. And we have now agreed with the Soviet Union that we will begin the talks with them on nuclear weapons.

I want our country to go into those talks with the best possible prospects that the talks will be successful and that we can get some kind of agreement. If we do not get an agreement, we still have an adequate force now and we will not be in severe jeopardy, at least not for a considerable period of time.

Mr. DOMINICK. Mr. President, the Senator will recall—I think it was at the close of the debate of a similar nature in 1967—when the Senate authorized the go-ahead with the Sentinel system, a totally different and much more complex system, on Monday, and on Thursday of that same week the Soviet Ambassador went to the President and said:

> We would like to have arms reduction or a limitation talk.

It would certainly appear from that that the question of whether we deploy an ABM has anything to do with their concept of negotiations on ABM's, if it does have any effect at all, has increased the opportunity for having such discussion. Would not the Senator come to that conclusion?

Mr. MOSS. No, I do not come to that conclusion at all.

In the first place, I do not believe that the fact that we would vote in the Senate to deploy the ABM would hasten the Soviet Union to the bargaining table a bit faster or would increase the likelihood of their agreement.

Second, I rather think the contrary, that it might well convince them that there is less opportunity for getting an agreement and that they had best pick up the race again and begin further deployment of the ABM missile.

It should be noted that after the 1967 decision the Soviets continued at an even more rapid rate to produce ICBM missiles with nuclear capabilities.

Mr. DOMINICK. Mr. President, the Senator is aware, is he not, of Mr. Kosygin's speech in England when he came to that point in the questioning as to why he was building an ABM system—which incidentally they are still continuing to construct, which incidentally they are still continuing to improve, and which incidentally they are still continuing on the second brand of an ABM system, as I think the Senator knows—Mr. Kosygin said, and I will not quote him exactly, that in effect he was somewhat surprised that anyone should question him about building what is purely a defensive weapon, that he thought it was as important and more important from his own country's point of view to defend his country than it was to build more offensive things with which to kill people.

It would seem to me that if he takes that attitude, it will be very difficult for him—and, as a matter of fact, he has not done so—to raise any objection to the construction of an ABM system by the United States.

Mr. MOSS. That is a fallacious argument that was made by Kosygin to the effect that the ABM is purely defensive and would not kill anyone when the ABM figures in the whole balanced situation we have talked about. Should we or the Soviets be able to get effective defensive systems that we felt were perfect enough to defend against ICBMs, then the balance has tipped and there is a freedom on the side of the ABM and we or they would have a first strike capability because we or they could ward off any domination and freely dominate the other side.

Mr. DOMINICK. That is an interesting argument, because the only country that has an ABM at the moment is the Soviet Union.

Mr. MOSS. The Soviet Union has a sort of Nike-Zeus system that is rather ineffective and a partially complete system called the Galosh around Moscow. There are 72 of these missiles deployed. They are not effective.

Mr. DOMINICK. How does the Senator know they are not effective?

Mr. MOSS. We have only our intelligence reports to depend on, of course. But the intelligence is that they are not effective and are no longer being deployed by the Soviet Union.

Mr. DOMINICK. Mr. President, the construction is still going on.

Mr. MOSS. The assumption is that they are now doing some research and development, some of the things that we say we are willing to go on with.

Mr. DOMINICK. While doing it, they are doing some construction on this same system.

Mr. MOSS. That is not my information. They are no longer deploying the Galosh.

Mr. DOMINICK. I think the Senator will find that he is mistaken on that. They are continuing the system. It is just part of the argument. However, the speech indicated that they were not. And I thought that ought to be cleared up. They are in fact doing it.

I will be delighted to have the Senator briefed on this matter if he would care to have me do so. However, I am sure he can get his own briefing on it.

I would agree with the statement of the Senator at the bottom of page 8 except that in the context of the speech it seems to me to be misleading when he says:

> So, I say, Mr. President, let us avoid overly clever rationalizations about promoting arms restraint negotiations by showing an utter lack of arms restraint on our side.

I do not think the United States has been showing any lack of arms restraint.

I point out that we have not built any more Polaris submarines. We have a finite number of them. We have not built any more ICBM's. We have a finite number of them.

We have tried to make these deterrents credible so that someone cannot knock them out. I do not think that is an utter lack of arms restraint. Perhaps the Senator disagrees.

Mr. MOSS. We have not ceased to continue to build our forces. We moved from Minuteman I to Minuteman II to Minuteman III.

There is debate going on now as to whether we should continue our work on MIRV—multiple independently targeted reentry vehicle. So, we have not been dormant in this field. However, I think with the time having arrived and the agreement having been reached as to when we are going to sit down with the Russians and start talking about the restraint of nuclear weapons, that one of the best ways we can show good faith and perhaps inspire a degree of that in the negotiators is to withhold deployment now of an additional weapons system, the ABM, and say that we really genuinely want to talk about control of nuclear weapons as between the two countries.

Mr. DOMINICK. I do not think anyone would disagree with the Senator about the hope and the advisability of

getting arms limitation talks going as soon as possible. But there is no point in our sitting down and discussing this ad infinitum, while whatever nuclear adversary we have—the Soviets or the Chinese—build up their potential so that they can be totally destructive of the United States.

Mr. MOSS. Mr. President, I must agree in part with the thesis of the Senator that certainly we should not close our eyes or take a permanent, inflexible position.

I think our good faith at this time, and especially in view of the circumstances which surround us, would enhance greatly the chances for successful nuclear arms talks, if we withheld deployment and continued with the research and development on the ABM.

Mr. DOMINICK. The R. & D. would go along, would it not, with the idea of testing on Kwajalein and Eniwetok?

Mr. MOSS. Yes. That is where the principal testing is done.

Mr. DOMINICK. I think the Senator heard the statement made, which is from very responsible sources, that it would cost approximately $2.6 billion to complete that testing.

Mr. MOSS. Yes, I have heard that figure used, that the R. & D. may run that high.

Mr. DOMINICK. And if we decide, after havng done this, to deploy this system, under the Safeguard system, we have to scrap that $2.6 billion and start over again at a cost of approximately $2.1 billion.

Mr. MOSS. Not at all. R. & D. means to develop the system and find out if it will work and get it integrated. If we complete our research and development, then we build whatever we have researched and developed, and we build it on the site where we need it; but that is a long way down the road.

Mr. DOMINICK. If we do not start deploying it now on these sites, as the Senator knows, we will be delaying the possibility of having any kind of ABM for anywhere from 18 months to 3 years.

Mr. MOSS. I am not well versed in the technical matters of the operation of the whole system—the ABM Safeguard system—but I have listened with some care to others who have discussed it, and I have been briefed on the matter. I am persuaded at this time that there are many parts of this in which we have not yet done the research and development; we do not know whether it will work. The radar acquisition, for example, is one of those elements that was discussed at some length. This is the reason I say we can proceed on Kwajalein with our R. & D., to work out the problems, to make sure it is effective, before we start building in North Dakota or Montana.

Mr. DOMINICK. Let me say to the Senator that when I entered on this colloquy, I did not expect to change his mind, because I can see that that has been determined. The Senator has made his decision on this matter already. But I did think it was important to have this colloquy just to clear up some of the matters that bothered me about the Senator's presentation.

I thank the Senator for yielding.

Mr. MOSS. I appreciate the colloquy with the Senator. As I tried to make the point in my prepared remarks, I think the discussion and the debate are of prime importance, to try to clarify many of the elements that divide those in the Senate who think one way and those who think another on this most important subject.

I yield the floor.

SAFEGUARD: COMMENT BY PROF. ALBERT WOHLSTETTER

Mr. BYRD of West Virginia. Mr. President, the able junior Senator from Washington (Mr. JACKSON) wishes to bring to the attention of Congress a short, authoritative report prepared by Prof. Albert Wohlstetter, of the University of Chicago, in connection with the proposed Safeguard program.

The report was prepared under the auspices of the Committee to Maintain a Prudent Defense Policy, and the Senator from Washington has requested that the text of this report be printed in the RECORD. I ask unanimous consent, therefore, to have it printed at this point in the RECORD.

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

SAFEGUARD: COMMENT BY PROF. ALBERT WOHLSTETTER

Compromises limiting the Safeguard program to research, development, and testing, and especially to testing in the Pacific, are no compromise at all, but are plain defeat for the program. They would delay deployment for at least two years. They would not provide the planned 24-hours-per-day training for military operators of the system. At best they would fail to test major links for the Safeguard system and would test the rest at an expense at least equal to the cost of the entire first phase of Safeguard—over two billion dollars. Some proposals are vague but apparently would omit any test of the interactions among radars. Others would attempt to build new radars in the Pacific and test interconnections there. If it were decided not to deploy Safeguard, this investment in the Pacific would, of course, be lost. However, if the decision is made to deploy Safeguard, this investment would be a complete waste since the vast installations in the Pacific would then have to be repeated in the U.S. All of this is a very high cost to pay for the symbolism of taking Safeguard out of the country. The Safeguard program proposed in March of this year was already a substantial compromise. It put off the date of initial operation by nearly two years. Further compromise would be extremely damaging.

The first phase of Safeguard is intended to provide:

1. A limited defense for Minuteman at two places, in Montana and North Dakota;

2. A basis for going on to the next phase (when, if a growing threat calls for it, another four to five billion dollars will be spent to increase the defense of Minuteman, to protect bombers against submarine-launched missiles, to provide a thin shield for population adequate against a Chinese or other small attack, and finally, of great importance, to protect the National Command Authority);

3. A training ground and a test bed which would allow meshing the components of Safeguard with each other and with the major elements of our government that would be engaged in a possible strategic crisis. These would include SAC's retaliatory forces and their control center at Omaha, the North American or Continental Air Defense Command in Colorado Springs, and the National Command Authority in Washington.

To be specific, the effective operation of Safeguard will involve interactions among many components of that system and between Safeguard and other elements of national defense. Some of the interactions of Phase I would relate four gigantic radars, two Perimeter Acquisition Radars (PARs) and two Missile Site Radars (MSRs). Since more than one PAR would see an incoming warhead, these multiple observations need to be combined to make a single track. During a high-density attack, the least burdened radar would be chosen to do the tracking, and for this purpose, a PAR at one site could hand over a track to an MSR hundreds of miles away. In the face of nuclear blackout, the widely separated radars would support each other, one PAR would take over the tracks of an incoming warhead temporarily concealed from another PAR by blackout.

To test this working together of the radars, some proposals would attempt to add to the one MSR now at Kwajalein in the Pacific another MSR, perhaps at Eniwetok, and two PARs to go with these MSRs. Building and operating such equipment in distant primitive places costs substantially more than building it in the U.S. But it could be done if it were a sensible principle to keep these installations out of the country so they could not possibly be used in the future. That would still leave other extremely important interactions untested: For example, the vital connections with SAC Command, with satellite warning systems, with the Continental Air Defense Command and with the National Command Authority. Even were it to make sense to try to reproduce the radars and their interactions in the far Pacific, it would hardly be feasible to reconstruct on still other widely dispersed Pacific atolls Omaha, Colorado Springs and Washington, D.C. Radio-telephone and satellite communication links would not simulate the actual, planned and yet to be designed land line and other connections in the U.S., and the political and military commanders who would take part in such exercises are hardly subject to duplication at all.

In summary, such compromises would hardly accomplish all the development, testing and evaluation aspects of Safeguard Phase I. Moreover, they would assure our being unable in the mid-70's to meet a threat of visibly increasing gravity, and would waste billions of dollars that could be better used for other defense or foreign needs or for domestic purposes.

ADJOURNMENT UNTIL 11 A.M., TUESDAY, JULY 22, 1969

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m., Tuesday, July 22, 1969.

The motion was agreed to; and (at 4 o'clock and 4 minutes p.m.) the Senate adjourned until Tuesday, July 22, 1969, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 18, 1969:

DIPLOMATIC AND FOREIGN SERVICE

Jack W. Lydman, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

U.S. MARSHAL

Donald M. Horn, of Ohio, to be U.S. marshal for the southern district of Ohio for the term of 4 years, vice Arthur C. Elliott.

ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION

The following for permanent appointment to the grades indicated in the Environmental Science Services Administration:

To be commander

Philip J. Taetz

To be ensigns

Richard L. Baker
Thomas Ballentine
Andrew N. Bodnar, Jr.
Arthur N. Flior
Roger P. Hewitt
Alan D. Hirschman
John R. Hudson, Jr.
Robert E. Hunt, Jr.
David H. Johnson
Lawrence L. Lake
Robert B. Lawson
Norman L. Lovelace
Stephen J. Mangis
Richard K. Muller
Andrew L. Sikes
James L. Stokoe
Donald L. Suloff
Warren K. Taguchi
Lloyd K. Thomas
Michael E. Wagner

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, for permanent promotion:

To be medical directors

John H. Ackerman
John W. Cashman
Bertram E. Eggertsen, Jr.
David M. Fried
Norman J. Galluzzi
Robert S. J. Gordon
Martin D. Hicklin
Alfred S. Ketcham
Sherman N. Kieffer
Nicholas C. Leone
Charles H. Lithgow
Robert A. Marks, Jr.
Clifford E. Nelson
Robert N. Philip
Richard A. Prindle
Warren A. Rasmussen
Leon Rosen
Carl S. Shultz
Maurice L. Sievers
Albert Sjoerdsma
Norman Tarr
Karl F. Urbach
James L. Wellhouse
Jan Wolff
Stanley F. Yolles

To be senior surgeons

Harry Allen
Samuel Baron
William K. Carlile
Frederick Dykstra
George G. Glenner
Stanley Graber
Lloyd Guth
Harold E. Hall
Peter V. Hamill
F. Gentry Harris, Jr.
Patrick J. Hennelly, Jr.
M. Walter Johnson
Willard P. Johnson
James C. King
Charles Lewallen
Frank E. Lundin, Jr.
Frank R. Mark
Donald M. Mason
Cuvier D. McClure
James H. McGee
John R. McKenna
William C. Mohler
Stuart H. Mudd
Lewis E. Patrie
R. Gerald Suskind
Eugene T. Vandersmissen

To be surgeons

Lewellys F. Barker
Frank R. Brand
Donald W. Dippe
Ernest Feigenbaum
Robert G. Goderski
Robert A. Hartley
Kenneth Herrmann
Ward B. Hurlburt
Amos C. Lewis
James D. MacLowry
Robert G. Martin
Ralph L. Morris
Richard A. Naimann
Hugh F. Walker
Henry N. Wellman
Van R. Williams
John J. Witte

To be senior dental surgeons

John C. Greene
Edward J. McCarten
James J. McMahon
Kenneth T. Strauch
John D. Suomi

To be dental surgeons

Richard R. Baker
Robert C. Birch
Merwyn C. Crump
Richard Q. Dunn
Robert C. Faine
Ralph A. Frew
Karl J. Hettwer
John H. Holt
Philip Lightbody
Richard D. Lowe
Horace E. Lyon
Robert J. McCune
Albert J. Munk
Regis M. Nairn
Tomm H. Pickles
Dale S. Pyke
Richard P. Ribisl, Jr.
Wayne E. Stroud
John W. Topping, Jr.
John O. Wilson

To be nurse directors

M. Elizabeth L. Darden
Helen V. Foerst
Esther C. Gilbertson
Myra I. Johnson
Germaine S. Krysan
Beatrice Marino
Ruth E. Simonson
Elizabeth G. Sullivan
Hermoine S. Swindoll
Elizabeth Walker

To be senior nurse officers

Antoinette M. Antetomaso
Lucille T. Fallon
Marie Herold
Hazel Kandler
A. Naomi Kennedy
Jean A. McCollom
Elizabeth Mullen
Florence Seidler
Lena F. Turner
Ruth P. Tweedale

To be nurse officers

Kathryn G. Ames
Juanita M. Barkley
Jennifer Boondas
Virginia B. Brown
June G. Michalski
M. Ethel Payne
Frances G. Snyder

To be sanitary engineer directors

James A. Anderegg
Ronald E. Bales
Richard D. Coleman
William H. Davis
Joseph W. Fitzpatrick
Everett MacLeman
Godon E. Stone
Albert P. Talboys
Wilbur J. Whitsell

To be senior sanitary engineers

Hugh H. Connolly
Frederick A. J. Flohrschutz
Robert L. J. Harris
Ernest D. Harward
Ralph K. Longaker
George F. Mallison
Donald W. Marshall
John E. Munzer
Francis L. Nelson
Richard B. Vaughan
Gene B. Welsh
Harold W. Wolf

To be sanitary engineers

James E. Channell
James H. Eagen
Santo A. Furfari
John J. Henderson
Francis G. Mattern
Anton J. Muhich

To be senior assistant sanitary engineers

George E. Anderson
David L. Calkins
Joseph A. Cochran
Willard G. Hopkins
Pong N. Lem
Dale A. Stevenson

To be scientist directors

Richard Q. Bell
Thomas W. Haines
Kelsey C. Milner
Albert S. Perry
Edward M. Scott
Elizabeth K. Weisburger
John H. Weisburger

To be senior scientists

Ibrahim J. Hindawi
Eldon P. Savage
Earl S. Schaefer
W. Daniel Sudia
Gerald C. Taylor

To be scientists

Arthur D. Fynn
Harley G. Sheffield

To be sanitarian directors

Charles J. Hart
George R. Hayes, Jr.
Donald E. Summers

To be senior sanitarians

William J. Beck
William F. Bower
Gerald J. Karches
Donald C. Mackel
Raymond A. Marden
Edison E. Newman
Kenneth L. Pool
Warren V. Powell
George E. Prime
Jack W. Sadler
Thomas J. Sharpe

To be sanitarians

Gene P. Burke
Daniel F. Cahill
Norman G. Edmisten
Harry Haverland
Dale J. Johnson
Alfred B. Kline, Jr.
Joseph Lovett
Michael B. Musachio
Charles R. Porter
Philip J. Robbins
Donald R. Smith
Geswaldo A. Verrone
William P. Wollschlager
Litsey L. Zellner

To be veterinary officer directors

Preston Holden
William Kaplan

To be senior veterinary officer

James F. Wright

To be veterinary officers

George M. Baer
David L. Madden
Donald D. Smith

To be pharmacist director

Joseph J. Hackett

To be pharmacists

Clarence Fortner
Ronald D. Gilbert
Philip R. Hugill
James L. Snowden

To be senior assistant pharmacists

James V. Anderson
Robert A. Epstein
Francis A. Quam
Anthony R. Zelonis

To be senior therapists

John R. Desimio
Jean M. Gosselin
Howard A. Haak

To be therapists

Richard S. Mazzacone
Gordon S. Pocock
Robert D. Skinner
William D. Wallis

To be dietitian director

Jeanne M. Reid

To be senior dietitian

Lois M. Gamble

To be senior assistant dietitian

Arlene M. M. Lawrence

To be health services directors

Jason N. Calhoun
Viola Cunningham
Sheldon A. Miller
Elsa J. Nelson
Ruth F. Richards

To be senior health services officers

Martha G. Barclay
James M. Hardin
David D. Haworth
Daniel A. Hunt
Lucia N. Mason
Ernest G. McDaniel
Roberta E. Peay
Pauline N. Rabaglino
Clarence F. Szwed
James L. Verber

To be senior assistant health services officer

IN THE ARMY

Lee A. Bland, Jr.

The following-named officers to be placed on the retired list in grades indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Charles Hartwell Bonesteel III, [redacted] Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. Jean Evans Engler, [redacted], Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grades as follows:

To be general

Lt. Gen. John Hersey Michaelis, [redacted], Army of the United States (major general, U.S. Army).

To be lieutenant generals

Maj. Gen. Joseph Miller Heiser, Jr., [redacted] U.S. Army.

Maj. Gen. Charles William Eifler, [redacted], U.S. Army.

IN THE ARMY

The following-named person for reappointment in the active list of the Regular Army of the United States, from temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel

Nida, Glenn E., [redacted]

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be majors

Barrett, Ortie B., [redacted]
Brophy, Edward R. Jr., [redacted]
Brown, Howard E., [redacted]
Crittenden, Forest G., [redacted]
Farmer, Harold D., [redacted]

Otey, Lyman J., xxx-xx-xxxx
Smith, Orvie D., xxx-xx-xxxx
Vann, Claude O., Jr. xxx-xx-xxxx

To be captains

Bassett, Franklyn B. xxx-xx-xxxx
Buffone, David A., xxx-xx-xxxx
Cady, George P., xxx-xx-xxxx
Colello, Joseph Jr., xxx-xx-xxxx
Crawford, Charles W., xxx-xx-xxxx
Cukjati, Donald E., xxx-xx-xxxx
Damato, Earl J., xxx-xx-xxxx
Faubion, Merle L., xxx-xx-xxxx
Follmer, Ronald L., Jr. xxx-xx-xxxx
Grushetsky, Philip J. xxx-xx-xxxx
Hughes, James R., Jr. xxx-xx-xxxx
Johnson, Benjamin F. xxx-xx-xxxx
Kull, Donald H., xxx-xx-xxxx
Kulmayer, Joseph L. xxx-xx-xxxx
Lewis, William R., xxx-xx-xxxx
McClung, Henry J., Jr. xxx-xx-xxxx
McCollam, Myrna H., xxx-xx-xxxx
McManus, Ronald T., xxx-xx-xxxx
Mobley, Gordon S., III xxx-xx-xxxx
Nicklas, Harold H., Jr., xxx-xx-xxxx
Smith, Guy A., Jr., xxx-xx-xxxx
Sorenson, Wilbert W., xxx-xx-xxxx
Strope, Michael B., xxx-xx-xxxx
Thompson, David A., xxx-xx-xxxx
Trevino, Francisco, Jr. xxx-xx-xxxx
Watson, Dwane C., xxx-xx-xxxx
Wheeler, Marvin W., xxx-xx-xxxx
Wood, Ernest M., Jr., xxx-xx-xxxx

To be first lieutenants

Addison, Wilbur D., xxx-xx-xxxx
Adlesperger, Ray D., xxx-xx-xxxx
Babson, Beverly R., xxx-xx-xxxx
Beres, Charles E., xxx-xx-xxxx
Bialkowski, John R., xxx-xx-xxxx
Billups, Leonard H., xxx-xx-xxxx
Choate, Philip S., xxx-xx-xxxx
Duke, Terrance M., xxx-xx-xxxx
Duvall, William E., III xxx-xx-xxxx
Easley, Ronald E., xxx-xx-xxxx
Espinosa, John L., xxx-xx-xxxx
Farrell, Anne E., xxx-xx-xxxx
Fisher, William P., xxx-xx-xxxx
Freeman, Lawrence W., xxx-xx-xxxx
Gilbertson, Clark D. xxx-xx-xxxx
Greenberg, Joseph H., xxx-xx-xxxx
Hames, William H., Jr., xxx-xx-xxxx
Johnson, Stephen F., xxx-xx-xxxx
Jones, James E., Jr., xxx-xx-xxxx
Karr, Kennard G., xxx-xx-xxxx
Kelly, Dennis M., xxx-xx-xxxx
Kennedy, Kevin E., xxx-xx-xxxx
Kerner, Herbert V., xxx-xx-xxxx
King, Gerald F., xxx-xx-xxxx
Latimer, John D. xxx-xx-xxxx
Mathias, Phil A., xxx-xx-xxxx
McAleer, Charles F., xxx-xx-xxxx
Naylor, Robert H., II, xxx-xx-xxxx
Needham, Thomas H., xxx-xx-xxxx
Nicolini, Alexander, xxx-xx-xxxx
Paxton, Robert C., xxx-xx-xxxx
Platte, Ronald J. xxx-xx-xxxx
Reed, John F., Jr., xxx-xx-xxxx
Roberson, Bernard E., xxx-xx-xxxx
Robinson, Edwin R., Jr., xxx-xx-xxxx
Sanford, Steven D., xxx-xx-xxxx
Schlenker, Austin C., xxx-xx-xxxx
Schofield, Grant A., xxx-xx-xxxx
Schuyler, Linden E., xxx-xx-xxxx
Shamblen, James F., xxx-xx-xxxx
Sylvester, Marilyn J., xxx-xx-xxxx
Whitsett, Thomas N., xxx-xx-xxxx
Young, Edward J., xxx-xx-xxxx
Young, Robert S., xxx-xx-xxxx

To be second lieutenants

Bishop, Ronald M., xxx-xx-xxxx
Cole, Clyde N., xxx-xx-xxxx
Daniels, John E., xxx-xx-xxxx
Davis, Francisco S., xxx-xx-xxxx
Elam, John R., xxx-xx-xxxx
Fisher, Richard C., xxx-xx-xxxx
Koerselman, Benjamin, xxx-xx-xxxx
Lipton, William V., xxx-xx-xxxx
McCarthy, Joseph T., II xxx-xx-xxxx
Proctor, Frank T., Jr., xxx-xx-xxxx
Thomas, William G., xxx-xx-xxxx
Wright, Cephas C., xxx-xx-xxxx

The following-named scholarship student for appointment in the Regular Army of the United States in the grade of second lieutenant, under provisions of title 10, United States Code, sections 2107.3283, 3284, 3286, 3287, 3288, and 3290:

Cox, Gerald D.

EXTENSIONS OF REMARKS

NEW USES FOR HELIUM—THE WONDER ELEMENT

HON. ROBERT DOLE

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Friday, July 18, 1969

Mr. DOLE. Mr. President, one of the major scientific breakthroughs of our time was made possible in 1905 when the element helium was found in natural gas flowing from a shallow well near Dexter, Kans. The subsequent work of University of Kansas scientists confirmed that this rare element could exist in relatively substantial quantities in natural gas fields. Today the United States controls the major source of economically recoverable helium in the free world and much of this gas continues to be recovered in my State of Kansas. Helium-recovery plants exist at Bushton, Ulysses, Liberal, Otis, Scott City, and Elkhardt, Kans. Among the firms recovering helium in Kansas are Northern Helex, Inc., Cities Service Helex, Inc., National Helium Corp., Kansas Refined Helium Co., and Alamo Chemical Co.

The United States is able to recover from natural gas, supplies of helium which sustain a wide range of spectacular scientific achievements. The first modern use of helium was as a safe, nonflammable lifting gas for balloons and airships. Today, however, helium plays an indispensable role in the launching and operation of our rocket flights to the moon, including Apollo 11; sustains human life in our exploitation beneath the sea; makes possible the phenomena known as lasers and masers; is essential to operation of nuclear reactors, gas chromatograph chemical analysis and shielded arc welding—to name but a few uses.

Yet helium is not a plentiful item here on earth. Prior to 1960, we wasted about 6 billion cubic feet of helium per year just by burning natural gas as fuel. However, thanks to a program enunciated by the late President Eisenhower and carried forward under the late President Kennedy, an effort has been made to conserve this valuable element. The Federal Government and a group of private helium producers have been able to put 22 billion cubic feet of helium into underground storage to meet future needs. Still, even with this program, half of the helium in natural gas production is wasted into the atmosphere. This, when there have been no substantial new sources of helium discovered since 1943.

Underscoring our need to use our helium resources wisely, is the fact that science is only just now beginning to discover still wider applications for helium. One such use is the new field of cryogenics, or supercold. Scientists already have shown us that loudspeakers immersed in liquified helium at temperatures of minus 452° F. can pick up broadcast signals from communications satellites. This is what makes it possible for us to see the Olympic games televised across the ocean or receive television pictures from space capsules.

But cryogenics may also make it possible for us to enjoy improved electric power at reduced costs. Improved generators and underground cables which eliminate above-ground high voltage cables are just two of the possibilities.

Mr. President, the need for a clear policy to conserve and make optimum use of our helium resources is self-evident. I believe that our Nation and its citizens in general should become aware of the importance of helium to our country and the possible ways in which they may benefit from a wise use of helium.

I ask unanimous consent to have printed in the RECORD an article entitled "Research To Develop Superconductors," published in the Wall Street Journal of June 13, 1969.

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

RESEARCH TO DEVELOP NEW SUPERCONDUCTOR—CABLE SEEN CAPABLE OF HANDLING POWER LOADS 25 TIMES THAT OF OTHER EXISTING METHODS

NEW YORK.—Union Carbide Corp. said it's initiating an $8 million, 12-year development program to produce an underground superconducting power cable capable of handling electricity power loads 25 times greater than the largest existing conventional cables.

The conducting element in Union Carbide's new cable will be ultra-pure niobium deposited by a patented process on copper backing. This would be cooled by liquid helium to 452 degrees below zero Fahrenheit; at that temperature it is superconductive, displaying almost no resistance to electrical current.

A Union Carbide spokesman said the program is designed to provide a solution to long-term power transmission problems expected by the early 1980's. The new cables, he added, would be utilized to carry electricity from suburban generating stations to cities, where local distribution by conventional cable would take over.

CABLE'S POTENTIAL

Scientists at the company's Linde division, which is to conduct the development program, believe that a single 24-inch-diameter super-conducting cable could carry more than enough power to supply New York City's present needs. At least 20 conventional 10-inch cables would be needed to carry the same load, it was announced.

By 1990, when New York City's power needs are expected to be triple today's, two superconductive cables could theoretically handle all of the city's needs, compared with at least 40 conventional, 345,000-volt cables, the scientists believe.

Utilities are facing pressure to put their