PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 13108. A bill for the relief of Maurice Lewis; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 13109. A bill for the relief of Larry G. Piper; to the Committee on the Judiciary.

By Mr. WHALEN:

H.R. 13110. A bill to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land located in the State of California to the record owners of the surface thereof; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII,

188. The SPEAKER presented a petition of the Future Political Status Commission, Congress of Micronesia, Trust Territory of the Pacific Islands, transmitting the final report of the commission, which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Thursday, July 24, 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 Thou Infinite and Eternal Spirit, on this day of days, with reverent and thankful hearts, we rise to celebrate a glorious triumph of the human mind and spirit, the fulfillment of man's obedience to Thy directive "to have dominion over the works of Thy hand." We thank Thee for the intrepid voyagers to lunar lands and spaces, for their dedicated talents, for their disciplined demeanor, and the constancy of their devotion. We thank Thee, too, for all those whose vision, toil, and talents combined to support their mission. We thank Thee for the managers, machines, and money, but above all for Thy guiding light and Thy providential care.

Lift our vision now to behold the time when nations compete not for markets or money but for treasures of the spirit. Prepare us and all the people of this land, in the depths of our nature, that in the new age we may export only good will, brotherhood, and the peace of Thy kingdom.

In the Redeemer's name, we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, July 23, 1969, be dispensed with.

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

RESERVATION OF SPEAKING TIME FOR SENATORS

Mr. MANSFIELD. Mr. President, over the past week or so, the leadership has been receiving an extraordinarily large number of requests for speaking time to be allocated to various Senators. While we are delighted to accommodate the proceedings in the Senate to the wishes of individual Senators, we think that it should be signified that this manner of operation goes contrary to Senate procedures. Unless Senators want the Senate to convene early for a stated period of time to accommodate them, Senators hereafter are requested to take their chances and will not be given special consideration by being recognized in sequence, as was the case yesterday with respect to six or seven speaking requests, one after the other. When other Senators who are not aware of the special consideration that had been extended to colleagues enter the Chamber, they are disappointed and chagrined that they are unable to obtain the floor, and problems are created.

So we hope that Senators will understand the position in which the joint leadership finds itself and will act accordingly. If any Senator wishes to come in early for the purpose of delivering a speech, we shall be delighted to accommodate him as much as we can, but we would not want the procedure to get out of hand.

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

Mr. MANSFIELD. I yield.

Mr. STENNIS. Mr. President, I am in hearty accord with the position of the majority leader. I know that he could not take any other position. I have been guilty, to a degree, of making these requests, but it was in an attempt to accommodate Senators on each side as best we could, so far as that is concerned. I knew the time would come when we would have to decline.

Mr. MANSFIELD. The Senator has made very few requests.

If it happened only once in a while, the joint leadership would be glad to go along. But it seemed that it was becoming a habit, and we felt that before it went too far, we should serve notice on the Senate that, with its cooperation, we would like to get back to the regular procedure.

Mr. STENNIS. I think the majority leader's procedure now will do much to move the debate along and possibly bring the matter to a vote soon.

Mr. MANSFIELD. That was one of the purposes behind the joint leadership's statement: that we could speed up debate and begin to get votes at least on the beginning amendments.

The VICE PRESIDENT. Is there further morning business?

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

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXTENSION OF THE INCOME TAX SURCHARGE

Mr. BAKER. Mr. President, the bill passed by the House of Representatives to provide for a limited extension of the income tax surcharge has been reported favorably by the Committee on Finance and is now on the Senate Calendar. Previously, Congress had adopted a measure providing for a temporary extension of the surtax. As we all know, this measure will terminate on July 31.

I believe it to be imperative that the Senate take prompt action to adopt the bill passed by the House of Representatives prior to the July 31 expiration date of the temporary extension. To fail to pursue this course of action would, in my judgment, seriously weaken the fight against inflation and would unduly jeopardize the economic health of our country.

I will not at this time belabor the fact of inflation except to say that during the past 6 months consumer prices have risen at an annual rate in excess of 6 percent, a rate that would double the cost of living within 15 years. Only yesterday, the Department of Labor announced that food prices throughout the country were increasing at an annual rate of 7 percent. It is apparent that this trend cannot continue, and I believe that the extension of the surtax would be a significant factor in alleviating this inflationary pressure by continuing the reduction in the purchasing power of the private sector of our economy.

The alternative course of action for Congress would be to permit the surtax to lapse, thereby permitting a continuation of the inflationary spiral which is, in its effect, not unlike a tax. In fact, as inflation occurs and the real purchasing power of the dollar decreases, the people

of our country are confronted with the cruelest and most deceptive tax of all, a tax levied most heavily against the elderly and others who live on fixed incomes.

Mr. President, while some Senators oppose extension of the surtax on the merits, the principal opposition stems from those who are demanding tax reform as a condition to extension. Let me say that I am an enthusiastic supporter of many of the enormously important tax reform proposals that have been advanced. Most of these measures are designed to provide tax justice and a more equitable distribution of the Federal income tax burden, and they should be enacted. However, as we are all aware, the House Ways and Means Committee has devoted untold hours to a tax reform package with Chairman MILLS now indicating that a comprehensive bill will be sent to the Senate prior to the August 13 recess. There can thus be little doubt that the Senate will have the opportunity to consider a tax reform bill and that every Senator will be able to introduce any tax reform amendment that he believes should be enacted. For this reason I do not believe the call for tax reform to be a legitimate device to delay consideration of the bill extending the surtax. As the Washington Post stated on July 19:

> We can see no excuse for holding the urgent surtax bill merely for the sake of having the less urgent but enormously important reform bill follow it in the legislative channel. Good management seems to call for passage of the surtax bill before the withholding extension expires on July 31.

The majority party leadership, which is now preventing action on this bill, contends that since the surtax revenues are being collected under the provision for a temporary extension there is no urgency in taking final action on the permanent measure now on the Senate calendar. But every good economist recognizes that to fail to determine once and for all whether to adopt the extension creates additional chaos in the financial community and augments the difficult problem of inflationary psychology, which continues to persist. It is obvious that the only way to lay inflationary speculation to rest is for this Congress to adopt promptly the surtax bill. The temporary extension decreases the purchasing power of the private sector by collecting the revenues, but it does very little to stem inflationary speculation. To rely on the temporary extension means that the American people are being required to pay additional tax dollars but are not getting the benefit for which these dollars are being collected.

Mr. President, for these reasons I call upon the majority party leadership to bring this bill to the Senate floor prior to July 31.

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

Mr. BAKER. I am happy to yield to the Senator from Pennsylvania.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. SCOTT. Mr. President, I ask unanimous consent that the Senator may be permitted to proceed for 3 additional minutes.

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

Mr. BAKER. Mr. President, I yield to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I wish to commend the distinguished Senator from Tennessee who, as always, is cogent in his reasoning, which I share, and his concern for the continually worsening condition of the average American citizen, and particularly for those taxpayers who, if we pass this tax bill for the orderly phasing out of the surtax, will be themselves removed from the tax rolls. There are 5 million of those people. If I were one of those 5 million people who knew that the other body had provided that I would not have to pay taxes and that the Senate is unwilling to give me that relief I would look around the Senate and say, "I wonder who it is that does not give me relief?"

If I were one of the 8 million people benefited dollarwise by the bill sent over to us, I would look around the Senate and say, "I wonder who does not want us to be benefited." Then, I am sure I would be told, "They do not want to benefit you at this time because they want something vaguely called tax reform." If I were one of the 5 million people who did not have to pay taxes, I would say, "That is a big tax reform." If I were one of the 8 million people, I would say, "That is a big tax reform." If I were one of the big businessmen who would have to pay dividends by reason of the repeal of the investment tax credit, I would say ruefully and painfully, "That sure is a reform."

So, Mr. President, whichever way you cut it, I can see no excuse whatever for those in the Senate who are unwilling to give us the opportunity to vote on the tax relief and reform measure—a measure which phases out the surtax, a tax that we did not put on, and, finally, takes it off—simply because, they say, "We want more reform."

Meanwhile, the other body has said, "We are going to give you tax reform whether you like it or not, and we are going to do it soon, and we are going to do it as fast as we can." But in the meantime, this body says, "We cannot give tax relief at all. We are sorry. We want to give you tax relief. We want you to believe us, because our hearts are in the right place."

The VICE PRESIDENT. The time of the Senator has expired.

Mr. SCOTT. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

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

Mr. SCOTT. Mr. President, I suggest they put their votes where they say their hearts are. I suggest they put their actions where they say their emotions lie.

Mr. STENNIS. Mr. President, will the Senator yield for a brief question?

Mr. SCOTT. I shall yield, but I would like to finish this thought.

If they could come out into the atmosphere where the only value in their remarks is their antiquity and their ancient statement that they are for the people, and do something for the people, then they would be au courant for the American people.

The Senator from Tennessee has the floor, but I have finished my remarks.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

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

Mr. BAKER. Mr. President, I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I shall be quite brief. I did not know whom the Senator from Pennsylvania was talking about when he referred to "they." Who is the "they" doing all these despicable things counter to the welfare of the people? Who is "they"?

Mr. SCOTT. I was not talking about my distinguished friend from Mississippi. I know he favors this tax.

Mr. STENNIS. I beg the Senator's pardon. I do not know that I do.

Mr. SCOTT. I thought the Senator did.

Mr. STENNIS. If "they" are going to be kicked around on a political basis, I reserve my vote on the tax. Anyone tires of hearing beratement and criticism of others, so to speak, just because one does not agree with the Senator's approach. I shall consider the tax on its merits. However, I just want to know if I am in the "they," and, if I am not, who is?

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

Mr. STENNIS. I yield.

Mr. SCOTT. I have no thought that the Senator was in the "they" category, because the Senator has a strong fiscal position and always has expressed it. But I believe the Senator is aware, as I am, that the delay does come from some decisions not made by this Senator from Pennsylvania; and, therefore, certainly it is perfectly proper that we advert to those decisions and the wisdom of them.

Mr. BAKER. Mr. President, I thank the Senator from Mississippi and the Senator from Pennsylvania.

Mr. President, in conclusion, I wish to say that periodically this body goes through spasms of argument and indecision on certain rules, and especially rule XXII relating to limitation of debate. In most cases the question is put: Is it not fair that the Senate should be permitted to work its will and come to grips with the issues of the controversy. I think this situation is not unlike the controversy which rages on the filibuster rule. I respectfully submit the time has come when this matter should be submitted to the Senate so that it may work its will promptly and effectively.

I yield the floor.

(At this point Mr. TOWER assumed the chair.)

THE CHOICE BETWEEN THE SURTAX AND CONTINUING INFLATION

Mr. DOLE. Mr. President, inflation represents perhaps the greatest domestic problem of our day. Prices of consumer goods and services have risen 25 percent in the past 10 years. Fifteen percent of that has taken place in the past

4 years and nearly 5 percent last year. Our economy is experiencing the greatest rate of inflation ever during a prolonged period of high production of civilian goods. A 1958 dollar is worth 79 cents and a dollar earned this January, today is worth 96 cents—by Christmas, if present rates continue, it will shrink to 92 cents. Inflation in these proportions erodes confidence in our dollar and our whole economic system—both here and abroad.

SURTAX OR INFLATION

Today, we face a choice between the surtax and continuing inflation. Inflation hurts everyone, but especially those who can least afford it—the aged, the young, those who own Government bonds or demand deposits, those who lend money, and all those who are bound by a fixed income, who are unable to respond with wage or price increases. Inflation has been described as a race with no real winners. And those who do win—who can respond with wage or price increases—merely push the inflation on, merely magnify the spiraling effect.

There is no joy in raising taxes, or even continuing a raise. It would be much easier and much more politically expedient to end the surtax, to conceal this economic loss through continued inflation. But the welfare of the entire country is at stake. The surtax spreads the cost over the entire income earning group while slowing down the economy to help solve the problem. Since this could strike hardest at those in the lower income brackets, I am pleased to note that the present bill excludes those below the poverty level.

SURTAX BECOMING EFFECTIVE

At last there are some indications that the surtax is becoming effective in the fight against inflation. Our action last year was hampered by an overly expansive monetary policy during the last half of 1968. However, since the first of the year monetary policy has been restrictive and has been working in harness with a restrictive fiscal policy. Recent figures would tend to indicate that this joint monetary fiscal policy is beginning to take hold. Consumer buying is running slightly below levels of last summer. Just this week it was announced that for the second month in a row durable goods orders are down, and for the first time in 11 months, durable goods shipments exceeded new orders, thus reducing inventories. Likewise there has been a steady decline in the rate of economic growth over the last four quarters. Real growth in GNP has declined from a 4-percent rate in the third quarter of 1968 steadily downward to a rate of 2.3 percent in the second quarter of 1969. These figures would seem to indicate that our policies are beginning to succeed. It would be a tragedy—indeed a cruel hoax on the American taxpayer—if we were to suspend the fight against inflation just when the tide is turning.

SURTAX UNCERTAINTY

Already the uncertainly of whether the surtax will be continued has contributed greatly to an inflationary psychology. With inflation becoming the accepted economic state, people are going excessively into debt, striking for unrealistic wage demands, moving their money into foreign banks, charging exorbitant interest rates, and spending rather than saving, all of which merely aggravates the problem. Just the act of passing this bill—aside from its economic repercussions—will be a long step forward in defeating the inflation psychology which has been gripping our economy. It will let everyone know that the Congress intends to do whatever is necessary to reverse this inflationary cycle and to return America to a stable economic and monetary position.

CUT FEDERAL EXPENDITURES

I am confident that this administration is and will continue to do everything possible to cut Federal expenditures. Even with the Vietnam war, the budget for this last fiscal year is expected to be close to being in balance. After last year's $25.2 billion deficit, this—along with general slowdown in economic growth—represents a great step toward control of the runaway inflation we have been experiencing.

TAX REFORM

I am also confident that this administration will continue to press for far-reaching tax reforms. This is one issue which both Houses and both sides of the aisle can agree on, tax reform is necessary, and it is necessary this year. Yet, when we set our priorities, the welfare of our Nation's economy and the stability of our dollar must come first. It would be a sad case indeed for those who have controlled the Congress for a decade to now choose to use tax reform as a political bludgeon by holding up legislation which our economic stability depends upon. I am therefore gratified that the Senate Finance Committee has reported the surtax bill to the Senate calendar.

I earnestly hope that the majority leadership does not implement a procedure which would be tantamount to a "phantom filibuster." It is essential that the Senate now be given the opportunity to work its will on the surtax bill. If the majority leadership will schedule the bill for floor action, I am confident that the Members of this body will act responsively, following the bipartisan leadership of the House and will promptly enact H.R. 12290 into law.

This session, I personally intend to do everything possible to work for meaningful tax reform, so that everyone will pay his fair share, both in the cost of the Federal Government and in the added tax necessary to bring inflation to a halt.

THE HARD CHOICE

The choice before us is between extending the surtax and letting loose a spiraling inflation on the entire economy. The Congress must ultimately bear the responsibility for the economic welfare of the country. Whether popular or not—to refuse to extend the surtax would be to close our eyes to that responsibility. The inflationary rate slipped away 2 years ago largely because the Congress delayed taking action at the proper time.

We must have the courage and the insight to take the necessary action now. To allow the surtax to lapse for a week or a month could be fatal for the United States and the entire world.

The surtax must be extended.

Mr. President, I hope that the Senate will take action at the earliest possible time on this most important matter.

ORDER OF BUSINESS

Mr. PERCY. Mr. President, I should like to speak on two subjects this morning, on one very briefly and on the other at greater length in the time which has been reserved for me.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I yield.

Mr. BYRD of West Virginia. Does the Senator contemplate speaking under the order granted him yesterday, or speaking during morning hour business?

Mr. PERCY. I wish to speak under the order of yesterday which granted me 40 minutes.

Mr. MANSFIELD. Not during the morning hour?

The PRESIDING OFFICER. The Chair would advise the Senator from Illinois that the Senator would not be recognized to speak for 40 minutes until conclusion of morning business.

Mr. PERCY. I am sorry, Mr. President. I wish to make a few brief comments during the morning hour, then, on the surtax, and then will reserve my comments on the ABM until after conclusion of the morning hour and my being recognized for 40 minutes.

THE MILITARY BUDGET AND INFLATION

Mr. PERCY. Mr. President, there is great relevance to the subject we are discussing and have been discussing for several weeks; namely, the military budget and the problem of inflation.

There is one point which has not been raised as effectively as I think it should. For several weeks I have been studying what has been happening to wage rates in the United States and will, next week, discuss at greater length this whole subject of inflationary increases in wage costs which has added so much to the cost of living. Again this morning an increase was announced in the cost of living—and also a tremendous increase in the cost of military procurement.

I do not know how the military budget at the present level can possibly fulfill its expectations if inflation continues at its present rate. Inflation means wage increases across the board. Some 8½ million personnel are involved in the Military Establishment, either in the armed services or in defense-related industries. Wage rates reflecting inflationary prices in this country will be reflected in increased requests for supplementary appropriations for the military.

I therefore feel that we are on a fiscally unsound program and policy right now. Unless we secure, in law, and make it perfectly apparent to the world, as well as to this country, that we intend to

fight inflation by tightening our belts and keeping on the surtax through the end of the year, and act as quickly as it is possible to move, then inflation which is the greatest single domestic threat we have now will destroy the integrity of every program we have in Congress.

I feel, once again, that the urging of the distinguished Senator from Delaware (Mr. WILLIAMS) in this regard, that we promptly extend the surtax and make it a part of law, has been responsible, is right, and should be bipartisanly supported.

Mr. WILLIAMS of Delaware. Mr. President, I congratulate the Senator from Illinois on his remarks and join him in expressing the hope that the Senate will act responsibly and promptly in considering the surtax.

The indecision and uncertainty which is prevailing today is contributing greatly toward acceleration of the inflationary spiral.

Only yesterday we were advised that the cost of living rose six-tenths of 1 percent in the past 30 days. That is an average of better than 7 percent per year. We cannot afford to continue down this inflationary road.

I cannot conceive of U.S. Senators not standing up like men and meeting their responsibilities on a bipartisan basis and acting in a way they know in their own minds is for the best interests of this country.

Certainly to be toying with the idea that there will be an August recess, where Members can go home and enjoy themselves without meeting this grave issue head on, is unconscionable.

Senators should stay in Washington with their noses to the grindstone until this issue is resolved, which could easily be done in the next few days.

A CLASSIC IN AMERICAN PATRIOTISM

Mr. MURPHY. Mr. President, several months ago, a young Californian, Robert "Bobby" Lira, gave his life in Vietnam while serving as a marine machinegunner.

A student publication attempted to use the tragedy as propaganda designed to promote a philosophy apparently completely alien to the one which had marked Bobby Lira's life.

However, Bobby's brother, Sal, quickly set the record straight in an open letter to a newspaper editor.

This letter, written by Sal Lira, Jr., was included in an article published in the Water Gazette, which is published by the Public Information Office of the Coachella Valley County Water District, and I ask unanimous consent to have it printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MURPHY. Mr. President, I recommend that my colleagues take a moment to read this letter. They will find it to be one of the most inspiring documents they have ever had a chance to look at. I am sure that they will share with me, with justifiable pride, the dedication and patriotism which marked young Bobby's life and which are so apparent in the life of his brother who wrote the letter.

This is one of the most inspiring letters I have had the good fortune to receive, and I get about an average of a thousand letters a day. I think it would be well worthwhile that this letter be read not only by Senators but also those who have the good fortune to get the CONGRESSIONAL RECORD.

EXHIBIT 1

MARINE BOBBY LIRA KILLED IN VIETNAM

Fighting in Vietnam on April 5 claimed the life of Robert (Bobby) Lira, son of Mr. and Mrs. Sal Lira, Sr. Sal is employed in the meter department of the CVCWD.

Bobby was serving as a U.S. Marine machine gunner at the time of his death. His whole family had felt a great pride in his service for he was carrying on a tradition of his father, uncle and brother who had been in uniform of their country before him.

When local newspapers carried the account of Bobby's death, a student publication sought to make propaganda out of it by asserting that he had been drafted then sent off to a distant land to die. But this diatribe was most effectively squelched in an article written for the paper by Bobby's brother, Sal, Jr.

A real classic in Americanism and patriotism, it is reprinted below so that every member of the CVCWD can read it and appreciate the loyalty of the Lira family:

"To the EDITOR:

"The other day I received a copy of a new (to me) paper, called the 'Grapevine Rose,' in which was written a well-meaning (I hope) but misinformed write-up about my late brother Robert Lira.

"It may be that I am being overly sensitive because he was my brother, but it seemed to me his death was being exploited to express this kid's (Kelly Leonard's) feelings towards the war in Vietnam.

"To begin with, Bobby was not taken and sent somewhere without his full knowledge of the danger he was going to face. He volunteered! To Bobby it was not a question of a just or unjust war; to him our way of life was being threatened.

"My Dad was wounded in the Battle of the Bulge, my Uncle Sebero was rendered half-blind by a grenade and my Uncle George received three Bronze Stars and the Purple Heart; he was a machine gunner like Bobby. I myself was in three in-flight fires while an aircraft mechanic in the Air Force. My brother George was a fire technician aboard the cruiser *Topeka*.

"My brothers and I went in knowing we were playing with the Big Boys at 17 years of age. I thank God most of us came out alive, a little more thoughtful, older by many years, but proud!

"The author of Bobby's writeup says he didn't know Bob well enough to call him friend, maybe it's for the best, because Bob was the old fashioned type guy that loved his country and although his life in this country was brief, he died so that Kelly Leonard and people like him can have the right to express their opinions about it, even if it is to downgrade it.

"SAL LIRA, Jr."

SURTAX EXTENSION

Mr. METCALF. Mr. President, I want to make a few comments about the statements made earlier by the distinguished Senator from Illinois (Mr. PERCY) and the distinguished Senator from Delaware (Mr. WILLIAMS), on the extension of the surtax.

It seems to me that we are missing the point that we are continuing the surtax withholding. That means that we have removed the opportunity for expending it to try to cut inflation, we are doing that; but both domestically and abroad it will have scant psychological effect.

We have already had three cliff hanger votes on the surtax. The surtax passed the House of Representatives by only five votes. It came out of the Ways and Means Committee by one vote. It came out of the Finance Committee by one vote.

Certainly those abroad who are concerned about inflation in the United States can take scant solace from an extension of the surtax by those very scarce margins.

I am prepared to vote for a surtax. I want to vote for a surtax. But I think this is the time and this is the opportunity to have meaningful tax reform.

I have been in Congress a long time, and I have participated in many, many hearings for tax reform. Every time we have tax reform come up, we have hearings, we have discussions, we have studies and nothing happens. This time we have a real opportunity.

The Ways and Means Committee in the House, and the chairman of that committee, I believe, are dedicated to a tax reform program. We are still withholding the money. It would seem to me that the withholding took care of the need for taking the money out of the ordinary expenditures that would create inflation. At the same time, it would seem to me it would be much more beneficial psychologically, both domestically and abroad, to have a tremendous vote in the Senate for the surtax than to have just another cliff hanger vote such as we had in both committees and in the House of Representatives. Actually, in the House, the surtax failed, and it was only because Members of that body changed their votes at the end of the rollcall that they got that five-vote majority.

I cannot see why we cannot extend the surtax withholding from time to time until we have before the Senate two bills. I would be reluctant then to have my proposed tax reform measures considered as amendments to the surtax. I would like to have them considered as a part of a tax reform measure. I hope we can consider tax reform legislation immediately after passage of a bill in the House of Representatives and consider a surtax separately.

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

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

Mr. METCALF. Mr. President, may I have some time to yield? I ask unanimous consent to have an additional 5 minutes.

The PRESIDING OFFICER. Without objection, the Senator is recognized for an additional 5 minutes.

Mr. METCALF. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, the Senator points out that the bill passed the House by a very narrow margin and that it was approved by the Senate Finance Committee by only one vote as an argument that it should not be considered on its merits in the Senate. I remind the Senator that the surtax of last year, as originally proposed by President Johnson, never passed the House of Representatives at all in the beginning, because not a member of the President's party would introduce the bill. It was not introduced in the Senate until the Senator from Delaware, later joined by the Senator from Florida, introduced it. It was not reported by the Finance Committee at all. It was rejected in the committee because when offered the amendment in the Finance Committee last year we got only one member of the Democratic Party to support the surtax. This year two members of the Democratic Party supported the extension when it was voted on in the committee, twice as many. I appreciate their support. This tax bill should be considered in the same bipartisan way.

The fact that the Senate delayed and did not face up to the vote last year is no reason why it should not face up to it this year. All I am asking is to put the bill before the Senate so that Members can vote on it. If Senators want to defeat it, then defeat it. If they want to pass it in a different form, that is their privilege. But let us put it before the Senate and find out where they stand, and let those who vote accept their responsibility.

Mr. METCALF. I want to vote for a surtax bill.

Mr. WILLIAMS of Delaware. Then call the roll.

Mr. METCALF. And I am one of those who want to pass a surtax bill, but I want tax reform this session, and I believe we should wait until the tax reform bill comes over from the House of Representatives. The House of Representatives is working hard, sincerely, and conscientiously for a dedicated tax reform program.

The point I was making is that we are talking about the psychology of the surtax bill. Certainly, foreign representatives who are concerned about inflation are not going to be convinced by a one-vote or a five-vote majority for a surtax, but why can we not wait until there will be an overwhelming vote for a surtax in the Senate of the United States as a part of a reasonable and meaningful tax reform measure?

I have worked for a surtax and have supported it. As the Senator from Delaware knows, I have worked for tax reform in the Finance Committee, in the Ways and Means Committee, and elsewhere. This is an opportunity to have a substantial tax reform measure.

It seems to me completely immoral to pass a 10-percent surtax when there are hundreds of people in America with incomes of over $100,000 a year who are paying no income tax at all and who would pay no surtax at all. It seems to be immoral to place a surtax on people when there are those who would escape taxes unless we had meaningful tax reform. I think we should wait for tax reform and then place a surtax in an equitable income tax bill.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield for just 1 minute?

Mr. METCALF. I am glad to yield.

Mr. WILLIAMS of Delaware. I join the Senator in the thought that we need meaningful tax reform of our tax structure. I assure him that I will cosponsor his proposal to tax some of these millionaires who have been escaping taxes through oil depletion. I will welcome him as a cosponsor of such a proposal. I look forward to working with him in correcting some of the inequities which exist.

Mr. METCALF. I thank the Senator.

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

Mr. METCALF. I am glad to yield,

Mr. JAVITS. Mr. President, I ask that the Chair recognize me, so we do not have to fuss for extensions of time.

Mr. METCALF. Mr. President, how much time do I have left?

The PRESIDING OFFICER. One minute and a half.

Mr. JAVITS. That is enough.

Mr. President, I do not think the Senator from Montana will challenge my credentials for joining him in efforts to tax those who are not now taxpayers and should be, or for reforms, including oil depletion or anything in that sense. He knows I will be with him most of the time.

Mr. METCALF. I am convinced he will.

Mr. JAVITS. At the same time, I am one of those who, along with the Senator from Delaware (Mr. WILLIAMS), thought that we needed to have this surtax. I come from the most sophisticated financial and banking community in the world. I checked this matter, and, long before I came here, I represented all of these "moneybags," or many of them, anyway——

Mr. METCALF. I congratulate the Senator.

Mr. JAVITS. I checked that out and I found confirmation in the financial world that our determination to halt the inflationary spiral which is raging right now was paramount, in my judgment. So I tried to adopt a compromise. I do not ask the Senator to join with me; I only give him the psychology of one Senator similarly dedicated to pledging our action on meaningful tax reform this year. I believe—and I think the facts confirm my conviction—that we will lose more in the inflationary fight by doing what the Senator says is morally just than by doing—and I thought we could come close to realizing our moral obligation—what we have pledged in regard to the surtax bill.

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

Mr. METCALF. I yield.

Mr. PASTORE. What we are talking about here is the element of the confidence of the American people. The American people who are being taxed are disturbed that there are so many people with large incomes who have to pay no taxes at all; that there is a favoritism in our whole tax structure. They are saying, "If you are going to lay on our backs this burden of taking out of our weekly pay this additional 10 percent, why do you not bring about justice in the whole tax structure?"

That is the important question. Here we have involved the confidence of the American people. I realize what it means to the banking community, whether it is national or international, to make sure that we have an extension of the surtax. But who is denying the extension of the surtax? That is not the question here today.

All we are saying here is, let us extend it temporarily for a period of time, to assure the American people, not on anybody's word, not on anybody's pledge, but upon the fact that, for one time in the 19 years I have been here, we are going to bring about a tax reform.

The Senator from Delaware knows that I have stood shoulder to shoulder with him when he suggested that we lower the oil depletion allowance, which is a grab, and nothing more than a grab, for the oil industry in this country. Something needs to be done about that. If we let this occasion pass, and extend permanently this surtax without tax reform, we will never, never, never have tax reform.

Mr. JAVITS. Mr. President, will the Senator yield again?

Mr. METCALF. I am happy to yield to my colleague from New York.

Mr. JAVITS. Generally speaking, I find myself in accord with the Senator from Rhode Island, but, with all respect, I very strongly do not now, with all his implications that this is to butter up the banking community.

It is the banking community that is setting up these high interest rates. It is the banking community that is behind the idea of the price inflation moving as it is. We will not satisfy them, and we will not serve the people, with a temporary extension of the withholding. That is not an extension of the tax; they know it and we know it. It does not in any way make us extend the tax. We can still withhold and not extend the tax, and that is the reason, and I say it decisively and affirmatively, for the highest 1-month price increase reported in this morning's newspaper.

I was not paid to come here in order to be a computer for what the people want me to do. They are trusting my judgment. I am their representative; and in my judgment, in my deeply convinced and pronounced judgment, and on my qualifications as a humanitarian, or as a friend of the people, or as a person who believes in democracy, which I think equal those of anyone else on this floor, I tell you, gentlemen, that we are making a disastrous mistake in the interests of those very people.

Sure, they want tax reform, and they are going to have it. But we are holding ourselves hostage. We can get tax reform. The President will sign any bill we send him. We are holding ourselves hostage, in a manner disastrous to them, by the very extension of the debate against having an extension of the surtax.

Several Senators addressed the Chair.

Mr. METCALF. Mr. President, I yield to the Senator from Rhode Island. I hope I may have the floor soon.

Mr. PASTORE. Mr. President, the words "buttering up" did not come out of my mouth at all. I am not trying to

butter anybody up. I am not suggesting that the Senator from New York is trying to butter anybody up. But he made the assertion here about reassurance of the banking community by extending this tax, and I brought up the subject of the reassurance that is due to the American taxpayers.

I am saying it takes two to tango; and it is about time we just get ourselves into a nice, slow foxtrot, and if we do not have that foxtrot on this surtax, I am telling you we are not going to have tax reform, because that has been our experience.

I ask the Senator from Delaware, how successful has he been all these years in getting his oil depletion allowance lowered? How successful has he been in all the other tax reforms he has suggested?

I am telling you, sugar-coat this surtax with a coating of tax reform, and then we can swallow the pill.

Mr. METCALF. Mr. President, my whole point is that we may win a pyrrhic victory by putting the surtax before the Senate at the present time. I for one will vote against it until there is meaningful tax reform before the Senate.

My suggestion is that we show the people of America, that we show these bankers that the Senator is concerned about and I am concerned about, just as he is, and that we show the international financiers that we are going to control inflation by an overwhelming vote of the Senate.

They would have demonstrated that, I am sure, in the House of Representatives, had they had a tax reform bill alongside the extension of the surtax. But if I were an international banker, I would look with a skeptical eye upon a five-vote majority in the House of Representatives, or a one-vote majority in the Finance Committee, and say that that could be turned over overnight.

I think psychologically—and this is what we are talking about, because we are withholding the money, and we are doing everything that we could do under the surtax—the best thing to do would be to wait until we have both of these bills together, until we can consider them together, and vote overwhelmingly for the surtax and in approval of meaningful, across-the-board tax reforms, which the Senator from New York, the Senator from Delaware, the Senator from Rhode Island, and I, are all concerned about.

Mr. JAVITS. Mr. President, will the Senator yield me one-half minute?

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

Mr. JAVITS. I ask unanimous consent that the Senator from Montana may have 3 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. I think we have outlined the argument pretty well here now, except for one thing, and this turns to a party proposition.

The danger here is that this tax reform business, because it is a tough one—but I think its hour has come; that is the answer to Senator PASTORE—the hour has come, and even the House of Representatives has now, through its Committee on Ways and Means, acted to reduce the oil depletion allowance. That is the signal. The signal has now been flashed that there will be tax reform.

But laying that aside, I would make the Senator this proposition: Frankly, personally—and I am the author of this whole idea—I am not excited about it, though it is costly, we are paying the cost right now in this inflationary figure of a 0.6-percent increase in the cost of living in 1 month. It is a terrible cost to pay, but I am willing to pay it with the Senator if it could be confined in time, let us say, if I could have the Senator's attention, to a stated period of a few weeks or 30 days, at the most.

It is costly, but nonetheless, there must be some way out. I think what worries people like the Senator from Delaware (Mr. WILLIAMS) and myself is that this process may take us into November or December, and that could be disastrous. By then the situation could really get out of hand.

So I would turn to the Senator from Montana and say this—I am not asking him the question, but making a statement, because it would be unfair to ask the question—I would hope the Democratic Policy Committee will assume a degree of discipline itself, cognizant of that fact. This does not have to be formal; we do not have to move to discharge the Finance Committee; but I think if the Democratic Policy Committee will stay tightly together in running this risk for the country and the world, so that, when that bill gets over here, they will be ready to get it out within 2 weeks or less, if that is the case, all our judgments may merge and practicality may solve the problem for us all.

But what Senator WILLIAMS and I are concerned about, based on experience, is that this will be a matter of months, and that could be really disastrous.

Mr. METCALF. May I say to my friend, I am not a member of the Democratic policy committee nor a member of the Finance Committee. I am speaking only as a Senator, on the floor of the Senate today.

But speaking as a Senator, I wish to say we are withholding the money today. We are withholding just as much as if we had passed a surtax bill. The whole economic program is underway.

The rise in the cost of living, and so forth, that the Senator has talked about, has taken place in spite of the fact that the withholdings are being continued, and they are going to be continued, and I am sure that the Senate is going to insist that we continue to withhold, so that the ordinary rank and file worker will have his wages withheld just the same as if the surtax is passed, and he will not recognize the difference.

Mr. JAVITS. Mr. President, if the Senator will give me 30 seconds on that, I have said it many times, but I just want to say it again: It is not the same thing, in terms of its effect on inflation.

May I just point out that the withholding does not assure there will be extension of the surtax. Right now there is no surtax. It may be withheld, and then have to be returned, if there is no surtax extension.

The decisive thing—I am only replying to the Senator—the decisive thing, in terms of the monetary situation and the fiscal situation in our country and the world, I am convinced, is the juridical extension of the surtax, and the withholding will not do it, for the reasons I stated.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Montana yield me just 1 minute here?

Mr. METCALF. I yield 1 minute to the Senator from Delaware, and then I yield the floor.

Mr. WILLIAMS of Delaware. The Senator mentioned that to continue the withholding has just the same result as extending the tax. That is not correct.

The continued withholding from the standpoint of the wage earners does have the same mathematical results; the Senator is correct on that point. But there are the large taxpayers and the corporations that pay their taxes on an estimated return, and they are not covered under this extension proposal and are not required to pay this surcharge until Congress acts affirmatively on the law itself.

The Treasury pointed out the other day—and I put the report in the RECORD—that by December there would be a $1,355 million loss in withholding revenue from that group.

Mr. METCALF. By December we can pass both of the bills.

Mr. WILLIAMS of Delaware. It will involve over $600 million if we do not pass it in the month of August. What are we going to do about the investment credit? Many of the corporations file on a fiscal year basis.

I was talking with the treasurer of one company the other day. Their fiscal year closes August 1. They bought about $10 million worth of equipment that would be eligible for the investment credit if it is not repealed, and that equipment was purchased after the April date mentioned in the House bill.

If they file their return August 1, as they must do under the law, they are required to pay the taxes based on the law as of August 1. That means that they will take their investment credit and then have to file amended returns several months later.

In the meantime they can invest this amount in Treasury bills and collect 6 percent interest on money that should be in the Treasury.

Delayed action is creating a state of confusion in the financial community.

Let us act now. Let us not forget that last year while the Senate was indulging in the same semantics of whether or not it would pass the surcharge the American dollar almost went over the brink. The Senate had to adjourn one Friday about noon to avert a dollar crisis. The Senate was about to vote on the tax bill, but it was admitted the bill was scheduled for defeat. A call was received from

the Secretary of the Treasury and the Chairman of the Federal Reserve Board, who at the time was in Stockholm attending a meeting with the Central Bank of Europe. We were warned that if we did not act affirmatively on the tax bill the dollar would be gone within 48 hours. To avert this dollar crisis and to give the administration enough time to muster the necessary Democratic support for the bill, the Senate adjourned without a vote.

Let us not again gamble with the financial stability of our country in the manner in which it was done last year and the manner in which the Democratic policy committee is now doing.

Surely the Democratic policy committee does not want to be held responsible for triggering a recession in this country, yet that is what can happen if they insist upon following this course of deliberate delaying tactics.

Mr. METCALF. Mr. President, my only comment is that those large taxpayers are going to have to file adjusted estimated returns anyway. And they are on notice from the House bill as far as the investment credit is concerned. They are prepared, and they must have bookkeeping facilities to take care of it.

No one anticipates that we can pass a surcharge bill before the first of August. I will have some amendments to the surtax bill if it comes up without meaningful tax reform.

Therefore, I again reiterate that a strong Senate vote in behalf of the surtax would be the greatest psychological thing as far as a vote on domestic policy is concerned. The way to get a strong Senate vote is to consider the two measures together.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, the debate which has just transpired on the surtax is interesting and I think that it would be amusing to many people when it is recognized that the surtax has been in effect since July 1, 1968; that is, for 1 year.

Yesterday we had a report on the Consumer Price Index for the month of June, when the surtax was in effect legally and every other way. And how effective was the surtax in holding down prices? We had an enormous increase in the cost of living in June.

In the first 6 months of this year, with the surtax in effect, did it work? We had the biggest rise in the cost of living that we have had in 18 years.

The surtax just has not worked.

Senators get up on both sides of the aisle, and they seem to agree that all we have to do to cope with inflation is to extend the surtax. They may feel that way. I do not think the American housewife and taxpayer can feel that way.

I was in Wisconsin this last weekend, and I was shaking hands in a shopping center. One man came up to me and said, "Senator, I don't understand the reason behind the surtax. Do you mean to tell me that because the Government takes from my pocket part of my income so that I don't spend that income, but the Government spends that income, that this somehow is restraining inflation?"

The point that man made is absolutely correct. I think any economist would have to agree that if the Government is going to spend the sums that it raises through taxes, it has an inflationary effect, and perhaps more so, than if the funds were left with the individual taxpayer. That is what has happened.

The one logical, sensible way in which we should try to restrain inflation is to cut back Federal spending. Where do we cut? There are many areas in which we can cut it back—military, space, and other areas.

People argue that the surtax restrains inflation. Of course, if one breaks down the elements in the cost of living that have been inflationary, I think the argument that the surtax is so effective and so essential fades away.

What was the biggest element in the rising cost of living last month? It was the rise in meat prices. Meat prices skyrocketed. Does anyone argue that the surtax can have any real effect on the price of meat?

Does the surtax mean that people are not going to buy as much meat? Does it mean that the meat producer is not going to have as much meat on the market? Obviously not.

Then, when we recognize that the surtax affects less than 1 percent of the gross national product, the $10 billion surtax in a $1 trillion economy, I think it is perfectly obvious that all of the reliance that Senators on both sides of the aisle place on the surtax for restraining inflation is very badly misplaced.

I cannot believe that the moneybags, as one Senator referred to the bankers, who are so anxious, they say, for the surtax, or anyone else with any economic background or intelligence, really thinks that this 10-percent surtax has that kind of significance.

THE RETURN OF THE ASTRONAUTS

Mr. SCOTT. Mr. President, Columbia returned. The splashdown is successful. The prayers of the world have been answered. Pride in mankind's achievement is enormous.

Man has left the only planet of which he has knowledge.

Columbia has returned from tranquillity to earth. Let us hope they will bring to mankind some of the tranquillity for which we all pray and strive.

I am reminded, Mr. President, of the words of that old hymn which begins, "Eternal Father, Strong to Save," and of that verse which goes like this:

Hymns 512, 513: verse 3:
O Spirit, whom the Father sent
To spread abroad the firmament
O wind of Heaven, by Thy might
Save all who dare the eagles flight,
And help them by Thy watchful care
From every peril in the air.

THE PASSPORT IMPASSE

Mr. DODD. Mr. President, for sometime I have been watching the development of a situation which directly affects the citizens of my State, but which also affects people all over the country. I am referring to the recent difficulty which an American citizen has in obtaining a U.S. passport.

For many years the clerks of both Federal and State courts in Connecticut have accepted passport applications for citizens in the State. The applications were forwarded to the Boston Passport Agency for issuance. This was a very satisfactory procedure.

However, recently both the Federal and State courts in Connecticut began discontinuing this service. This was the result of the increasing amount of actual courtwork which must be performed by the clerks of these courts and of the increasing demand by citizens of my State for passports.

Chief Judge Timbers of the district court at New Haven reported over a 100-percent increase in passport applications in his court alone between 1961 and 1968. He advised that his court simply could not continue the passport function in addition to all its other pressing duties.

In April of this year the State Superior Court of Connecticut, which had previously accepted passport applications in Bridgeport, discontinued this service. Subsequently, passport services were discontinued in New Haven. Then, White Plains, N.Y., refused to accept applications from Connecticut residents due to the mounting volume.

As a result, only one deputy clerk in the Federal court at Hartford was accepting passport applications for the whole State of Connecticut. My office has been deluged with calls and letters from irate citizens of Connecticut concerning the situation.

While I am naturally primarily concerned with the situation in my own State, I know from some of my colleagues that similar situations are developing in Michigan, Texas, Alaska, and elsewhere.

The Passport Office of the State Department maintains 10 passport agencies, in addition to its Washington office, located in strategic cities in the United States.

A little over 50 percent of the applications the Passport Office receives are sent in by clerks of Federal and State courts who accept and execute passport applications from citizens in their immediate communities.

The Passport Office has no control over these clerks and there is nothing it can do if they refuse to continue accepting passport applications.

The blame for this situation cannot be placed on the individual courts.

Increased criminal activity and other legal work have buried the courts.

Add to this the hundreds of thousands of Americans all over the country who want to travel abroad, and are therefore applying for passports.

The courts as they are presently constituted simply cannot handle the workload.

And considering the crime situation in our country, the backlog of court cases, the varied duties of officers of the court, it is obvious that the courts are inadequately staffed now and cannot do more.

The administrative office of the U.S. courts has time and again asked for additional clerks to handle the increased workload, only to be refused.

Last year Congress denied the courts their request for 183 additional deputy clerks.

Recently, in a supplemental appropriation 83 deputy clerks were authorized for the Federal courts, but the major damage from understaffing has been done.

The additional employees were needed last year and as of today the patchwork solution is too little—too late.

The people of my State are among those who are reaping the harvest of this shortsightedness.

The blame for this deplorable situation cannot, under any circumstances, be placed on the Passport Office.

With its present inadequate complement of personnel and physical facilities, that office is unable to meet the ever-increasing demands of the public for passport services.

The Passport Office and its agencies have been required to put in long hours of overtime work 6 days a week, to keep from being inundated by thousands of applications received each day.

In the past fiscal year alone over $89,000 was spent in overtime pay for passport employees who are exhausted from overtime work pressures. There is a limit to the physical endurance of the personnel involved.

I know the Director of the Passport Office has warned her superiors for years of the growing crisis in the passport field resulting from increased travel.

She has repeatedly asked for funds to provide more flexible measures to meet this crisis.

She has made efficient and practical suggestions for coping with the crisis, but the Department of State has chosen to do nothing but "study the situation."

Year after year the Passport Office has faced arbitrary cuts from its budget despite the fact it is one of those rare organizations in our Federal Government which returns a profit or revenue to the Treasury each year.

In the past 5 years the Passport Office has returned over $33 million to the Treasury and estimates it will return in the neighborhood of over $20 million in the next 2 years.

Why is it that the Passport Office is refused the authority and the funds to open additional passport agencies and service offices which would relieve the pressure on its present agencies and on the clerks of court in our more populous areas?

Why is it continually denied the personnel it needs to maintain its fine reputation of providing efficient service to the American public?

What is the answer for the citizens of my State and for those all over the country?

All we know from answers to our inquiries is the phrase that the Department of State is studying the situation.

This has been going on for years.

Very recently under extreme public pressure and criticism two new deputy Federal clerks of court were assigned to Connecticut, on a temporary 90-day basis, to take passport applications, one to Bridgeport and one to New Haven.

But this is only a temporary solution to a problem which demands a practical and permanent solution.

How soon will it be before the courts, as presently staffed, are again unable to cope with the situation and are again forced to discontinue this service to the public?

Mr. President, there is a solution to this problem.

The Department of State has the authority to establish additional passport field agencies around the country.

It can provide adequate personnel for the Passport Office and the field agencies and further provide emergency assistance to those district courts that are so burdened with passport applicants during the height of the travel season.

Furthermore, instead of reducing the cost of a passport from $15 to $10 for a 5-year period of validity, as was done last year, the Department of State should ask Congress to reestablish the $15 rate and out of these funds which are presently deposited in the U.S. Treasury, make the necessary provision for sufficient funds to restore the efficient and expeditious public service for which the Passport Office has been noted.

These are the simple facts about an outrageous bureaucratic blunder.

The American people deserve better treatment and they should and will get it.

The American taxpayer pays for this service. He wants his money's worth.

THE RELATIONSHIP OF CHAIRMAN BUDGE TO IDS MUTUAL FUNDS

Mr. PROXMIRE. Mr. President, last Friday I wrote to Chairman Hamer Budge, Chairman of the Securities and Exchange Commission, asking for an explanation of reports that Budge was negotiating for a position with the IDS—the Investors Diversified Services—mutual funds while he was still Chairman of the Securities and Exchange Commission.

Chairman Budge has still not clarified his relationship to IDS mutual funds which have over $6 billion in assets, accounting for more than 10 percent of the entire mutual fund industry. In a statement released by Chairman Budge he indicated that he declined an offer to become the president of IDS funds. I said in my letter that I regarded this as a conspicuous and serious conflict of interest.

Although Mr. Budge says he has declined an offer to become president of IDS, the Washington Post has quoted Chairman Budge as saying that negotiations between himself and the IDS funds are still open. In my letter to Chairman Budge, I requested that he specifically affirm that these negotiations have been broken off. The current statement by Chairman Budge does not provide these assurances.

Accordingly, I have asked the Senator from New Jersey (Mr. WILLIAMS), the Chairman of the Securities Subcommittee of the Senate Banking Committee, to hold hearings on the Budge negotiations with the IDS funds. In view of the importance of getting all of the facts on the record, I believe that early congressional hearings are warranted.

I am delighted that Senator WILLIAMS has agreed to hold hearings on the Budge matter on July 30. I am confident that the hearings chaired by the able Senator from New Jersey can provide the Congress with the information it needs in this sensitive area.

S. 2691—INTRODUCTION OF A BILL TO ELIMINATE CONFLICT OF INTEREST IN GOVERNMENT PROCUREMENT

Mr. PROXMIRE. Mr. President, for myself and for Messrs. GRIFFIN, HART, MANSFIELD, MCGOVERN, MONDALE, MUSKIE, NELSON, PEARSON, SCHWEIKER, TYDINGS, WILLIAMS of Delaware, and YARBOROUGH, I introduce a bill which would bar Federal contracting or procurement officers from taking jobs with contractors or other direct beneficiaries of the contracts that they have participated personally in granting, awarding, or administering. The bill would bar such employment for a 2-year period.

Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Missouri (Mr. EAGLETON) be added as a cosponsor.

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

Mr. PROXMIRE. Mr. President, my bill broadens substantially the existing statutory provisions which apply to subsequent employment by Government employees. Generally, those provisions prohibit a former employee of the Federal Government from acting as agent or attorney for any person or corporation in whom—or in which—the United States has a direct and substantial interest, if his representation would involve a matter in which he was personally and substantially involved while he was working for the Government.

The present legislation, which my bill would amend, is so weak as to be virtually ineffectual. In fact, only one case has been brought under this very narrow proscription during the 7 years of existence.

Let me cite an example of just how weak this present law is. During the course of hearings last month, before my Economy in Government Subcommittee of the Joint Economic Committee, on the military budget and national economic priorities, it came to light that five former Air Force officers had blocked efforts to cut costs on the Minuteman missile guidance and control system. Obviously, in doing that, they helped the contractor. They blocked efforts to cut the cost the contractor was submitting. Subsequently, these officers accepted executive jobs with the system's manufacturer, the Autonetics Division, or with the parent company, North American Rockwell.

I do not know how there could be a more conspicuous and direct conflict of the interest of the taxpayer and the Government.

I urged the Attorney General, in a letter on June 23, to take immediate action on these charges. A few days ago, on July 17, the Assistant Attorney General, Will Wilson, replied that the Justice Department found no indication of a violation of the conflict of interest statutes.

Mr. President, I ask unanimous consent to have the full text of the Justice Department's letter printed in the RECORD at this point.

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

DEPARTMENT OF JUSTICE,
Washington, D.C., July 17, 1969.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in reply to your letter dated June 23, 1969, wherein you forwarded to the Department information obtained during the hearings before the Subcommittee on Economy in Government of the Joint Economic Committee concerning alleged violations of the conflict of interest statutes by five former Air Force officers who went to work for the Autonetics Division of North American Rockwell Corporation after they retired from military service. The information furnished has been carefully examined and reviewed by the Criminal Division in regard to possible violations of criminal statutes. Our review did not encompass possible infractions of the Code of Ethics or the Standards of Conduct for Government employees because the enforcement of these provisions are within the jurisdiction and responsibility of the Department of Defense and the Civil Service Commission.

There are generally four criminal statutes which concern the area of your inquiry. These statutes are Title 18, United States Code, Sections 207, 208, 281 and 283.

Section 207 is a twofold statute. Subsection (a) prohibits any former employee from *acting as agent or attorney* for anyone other than the United States in connection with any "particular matter" in which the United States is a party and in which matter he personally and substantially participated while he was a Government employee. This is a lifetime bar. It is to be noted that the former employee must act as an agent or attorney. The office of the Attorney General stated in a January 28, 1963, *Memorandum Regarding Conflict of Interest Provisions of Public Law 87–849* (which can be found in the supplement to Section 201 of Title 18, U.S.C.A., and also at 28 F.R. 985) that—

An individual who has left an agency to accept private employment may, for example, immediately perform technical work in his company's plant in relation to a contract for which he had official responsibility—or, for that matter, in relation to one he helped the agency negotiate.

Subsection 207(b) basically prohibits a former Government employee for one year from *personally appearing* before any court or Federal department or agency *as an agent or attorney* for any party other than the United States in connection with any particular matter involving a specific party in which the United States is a party and which particular matter was under his official responsibility while he was a Government employee. Official responsibility is defined in 18 U.S.C. 202(b).

It can, therefore, be readily seen that both of these subsections require some act of a representational nature on the part of the former Government employee before they are violated.

With regard to retired officers of the Armed Forces of the United States, there are two additional statutes. Section 281 of Title 18, United States Code, forbids any retired officer to "*represent* any person in the sale of anything to the Government through the department in whose service he holds a retired status." (Emphasis supplied.)

Section 283 of Title 18, U.S.C., forbids a retired officer for a period of two years after his retirement to—

. . . *act as agent or attorney for prosecuting or assisting in the prosecution of any claim* against the United States involving the Department in whose service he holds a retired status, or to allow any such retired officer to *act as agent or attorney for prosecuting or assisting in the prosecution of any claim* against the United States involving any subject matter with which he was directly connected while he was in an active-duty status. (Emphasis supplied.)

It can readily be observed that once again both of these statutes require some act of a representational nature by the retired officer. It is to be noted that these statutes are a prohibition against the retired officer selling to his former service (Section 281) and acting as agent for prosecuting or assisting in the prosecution of any claim. It is to be further noted that the term "claim" is not as broad as those particular matters set forth in Section 207 of Title 18, U.S.C.

There also exists a provision of Section 208 of Title 18, U.S.C., which requires a Government employee to notify his superiors if he is negotiating employment with any firm with which he is officially dealing as a Government employee. There are no criminal statutes which prohibit a retired military officer from being employed by a corporation or company solely because he had been dealing with that corporation or company in his official capacity as a Government employee. There is a non-criminal statute (37 U.S.C. 801(c)) which provides, in essence, that a regular retired officer shall not receive his retirement benefits if, within three years after his retirement, he engages for himself or for others in the selling or contracting for the sale or negotiating for the sale of any supplies or war materials to any agency of the Department of Defense. It can be observed that this statute also requires a representational act.

The information supplied in your letter and its enclosure is insufficient to indicate a violation of any of the aforementioned statutes. While there exists an opportunity for possible conflict of interest violations to occur when a former Government employee takes a position such as described in your letter, the employment is not, in and of itself, a violation. In view of the fact that thousands of Government employees leave Federal service for private employment each year, evidence that there is a specific allegation of a violation, and not a mere opportunity for the violation to have been committed, is needed to justify the initiation of a criminal investigation. If, however, you have additional facts sufficient to indicate the existence of a violation, I assure you that the matter will be thoroughly investigated and evaluated for possible criminal prosecution.

I hope this letter has helped clarify the existing law in this difficult area.

Sincerely,

WILL WILSON,
Assistant Attorney General.

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

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from California.

Mr. MURPHY. I am interested in the Senator's remark that Air Force officers, while in the military services, arranged to stop the cutting of the cost of an item which was to be manufactured and sold to the military. Is that correct?

Mr. PROXMIRE. That is correct. This was the Minuteman missile guidance and control system, and the contractor was the Autonetics Division of North American Rockwell.

Mr. MURPHY. Was any reason given why they did not want the cost cut?

Mr. PROXMIRE. There was some discussion and debate on that. They felt that the cost should not be cut, that it would be a burden or would be unfair to the contractor. Other officers of the Air Force testified before our subcommittee that they felt that the cost should have been cut. It is possible that the officers who felt that the cost should not be cut were right and their critics wrong.

The point I make is that the officers who helped the contractor by fighting to keep the costs up were rewarded by finding employment with the very contractor who benefited by their decision.

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

Mr. PROXMIRE. I ask unanimous consent that I may proceed for 3 additional minutes.

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

Mr. PROXMIRE. The Justice Department said that under the present law, this was not a violation of the conflict-of-interest statutes.

Mr. MURPHY. I would be very interested in reading the testimony.

It would seem to me very strange that men in the military would insist that they keep the cost up, unless they had a very good reason, unless there was some particular technical reason, unless the possibility existed that, by cutting the cost, they might in some way impair the efficiency of the guidance system. I think that is most important. Will the Senator's committee go into the details of that?

Mr. PROXMIRE. Yes, the committee did, and the witnesses did; and this is moot and debatable. It may well be that the officers who took this action were right. I do not think they were. I think the preponderance of the evidence indicated that they were wrong in taking it.

But whether they were right or wrong, I am convinced—and I think most American taxpayers and citizens would be convinced—that they were wrong in taking that position and immediately going to work for the contractor who benefited by that decision; that we should have laws that are effective enough to prevent that kind of situation.

Mr. MURPHY. If there is a conflict of interest, if they made a deal with North American Rockwell and said, "Look here, we are going to help you keep your price up, and you give us a job later on," they should go to jail. But if these are two separate and completely divided incidents in which in one case they thought the price should remain rather than be cut and thereby impair the efficiency of the guidance system, and then subsequently, because of their training or expertise and knowledge, North American Rockwell hired them, because of their background, and the two things were unrelated, I think that is an entirely different case. That is why I rose to ask my distinguished colleague the question. In one case, there should be no question that they should go to jail. In the other case, I think we must be very cautious not to say that simply, because a man was in the Air Force and now goes to work for Lockheed or someone else—we have just been through the discussion about Lockheed, in which there was an implication of all sorts of wrongdoing. At the conclusion of the hearings, I do not think that

the committee found any indication that was not known, that had not been reported to Congress, and it was not what it appeared to be.

This was my only purpose for questioning.

Mr. PROXMIRE. I undertand that.

My point in bringing this matter up is that the present conflict of interest statutes are inadequate. I am not at this time citing these men, although I did ask the Department of Justice to inquire as to whether their action was legal.

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

Mr. PROXMIRE. I ask unanimous consent that I may proceed for 3 additional minutes.

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

Mr. PROXMIRE. Mr. President, the most significant statement in the letter from the Justice Department is this sentence from the last paragraph:

> While there exists an opportunity for possible conflict of interest violations to occur when a former Government employee takes a position such as described in your letter, the employment is not, in and of itself a violation.

My view is that this employment should be a violation. It is perfectly proper for those Air Forces officials and Army and Navy officials, in my view, to work for a defense contractor, but not for the defense contractor with whom they were dealing just before they left their Federal employment.

In other words, present legislation is too weak to reach this flagrant example, this outrageous flaunting of the public interest.

The bill I am introducing today would remedy that situation, and make this type of activity a violation of Federal law, subject to criminal penalties.

My bill would bar an employee who participated personally and substantially in the granting, awarding, or administration of a contract or grant from taking a job within 2 years of terminating his Federal employment with anyone who has a direct or substantial interest in the contract or grant. The penalty for violating this bar would be a maximum fine of $10,000 and/or a maximum prison sentence of 2 years.

This legislation is designed to cut down on the incentive for Federal contracting and procurement officers to make lucrative awards to private companies and then leave the Federal Government to accept a generous job offer from one of those companies. The ultimate effect should be to cut down substantially on the tremendous cost overruns that the Federal Government has been experiencing on its contracts.

The bill will apply to those individuals who play an important role in the decisional process which confers a financial benefit upon a contractor, grantee, claimant, or any other beneficiary. However, I do not intend to prevent any Federal officer or employee who works for the procurement or grant office, or who has responsibility over it, from taking subsequent employment with any beneficiary of Federal largesse. My bill would only prevent such employees from taking jobs with those contractors or grantees who have benefited directly from some action on their part—the participation must be personal and it must be substantial. The pro forma signature of the Secretary of Defense on a procurement authorization, for example, would not, in my opinion, constitute personal and substantial involvement such as to bar subsequent employment under this bill.

Mr. MURPHY. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. MURPHY. Would the proposed legislation apply in the matter of subcontractors?

Mr. PROXMIRE. Yes, I think it would apply to subcontractors or prime contractors.

Mr. MURPHY. In other words, subcontractors might be denied for 2 years the right of applying for employment in as many as 300 different industries.

Mr. PROXMIRE. No. He would be denied only from applying for employment with the firm with which he had directly and explicitly worked on a contract or award and for which he was directly responsible.

Mr. MURPHY. My question is directed to a situation of this type. In case of a Boeing 707 probably 35 or 40 subcontractors are involved in the major contract. Suppose a man were the project officer in charge of developing, let us say, the military version, Air Force 1 or Air Force 2. Would he be denied the right to apply for employment with all subcontractors involved in that major contract?

Mr. PROXMIRE. The legislation would prohibit him from going to any company which has a direct or substantial interest. In the hypothetical example where there is a prime contractor who deals with the subcontractors, the Federal employee who had supervision over the prime contract, in most cases, would not be prohibited in going to work for a subcontractor unless he worked on that particular part of the contract with which the subcontractor was connected.

Mr. MURPHY. If he were the contract officer I would think he would be involved in all of them. In other words, if he were in charge of the development, I would think the Senator's proposed bill would then not permit him to engage with any of the subcontractors or any of the manufacturers of components that went into that aircraft. I do not think that is the Senator's intention, but I wish to point out that it might be the construction.

Mr. PROXMIRE. Mr. President, I thank the Senator.

This legislation is not solely limited to the process of negotiating, awarding, or letting a Federal contract or grant. Administration of the contract would also give rise to the statutory bar; this would encompass inspection, implementation, supervision, or any other act relating to the determination whether proper performance standards are being satisfied. Moreover, it should be noted that the bill is designed to encompass in the broadest terms the types of activity that may be involved; "personal and substantial" participation may result from decision, approval, disapproval, recommendation, the rendering of advice, investigation, or any other type of direct involvement in the decisionmaking process.

Finally, I would like to point out that the term "anyone" as used in the bill should receive the broadest possible construction. It may mean a private individual, a corporation, a partnership, a corporate subsidiary—indeed, any type of enterprise other than the United States. This is qualified only by the proviso that is to be added by the second part of my bill—section 2(c)—which permits a former Federal employee to go to work for a State or local government or an educational institution within the 2-year period if the head of his former department or agency certifies that his subsequent employment is in the national interest.

Mr. President, reform of the standards of ethics and conflict of interest for governmental officers and employees is long overdue. The problem of the Government employee who goes to work for the private sector, and what kinds of activity the law should permit him to engage in prior and subsequent to his transfer, is one of the most critical parts of this overall question; yet this is an area that has received comparatively little attention up until now.

I believe that recent reports of gigantic overruns on Federal contracts have highlighted the need for reform in this area. The bill which I am introducing today can meet this need.

Mr. President, I ask unanimous consent that the full 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. 2691) to amend Public Law 87–849, approved October 23, 1962, to strengthen provisions relating to disqualification of former Federal officers and employees in matters connected with former duties and official responsibilities, and for other purposes, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 2691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Subsection (a) of section 1 of Public Law 87–849 approved October 23, 1962 (76 Stat. 1123), pertaining to disqualification of former officers and employees in matters connected with former duties or official responsibilities, and disqualification of partners, is hereby amended by inserting after the word "responsibility" at the end of subparagraph (b) a new subparagraph (c) as follows:

"(c) Whoever, having been an officer or employee of the executive branch of the United States Government, or any independent agency of the United States, or of the District of Columbia, including a special Government employee, and who, having participated personally and substantially during the last two years of such employment as such officer or employee, through decision,

approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in the granting, awarding, or administration of any contract, bid, grant, or procurement authorization whose total value exceeds $10,000, is employed in any capacity within two years after his employment has ceased by anyone other than the United States who has a direct and substantial interest in the contract, bid, grant, or procurement authorization in which he participated personally and substantially while so employed."

SEC. 2. Subsection (a) of section 1 of Public Law 87-849 is hereby further amended by—

(a) striking, after the word "responsibility" at the end of the second subparagraph the dash "—", and inserting in lieu thereof ", or";

(b) inserting, after the words "That nothing in subsection (a) or (b)" in the third subparagraph the words "or (c)";

(c) striking the period "." after the word "employee" at the end of the third subparagraph, inserting in lieu thereof a semicolon ";", and inserting further the following additional proviso: *"Provided further,* That nothing in subsection (a) or (b) or (c) prevents a former officer or employee from becoming employed by an agency of any State or local government or any educational institution if the head of his former department or agency shall make a certification in writing, published in the Federal Register, that the national interest would be served by such employment, and that such former officer or employee may act as agent or attorney during such employment on any matter formerly within his official responsibility or in which he has personally and substantially participated if the certification shall so state."; and

(d) striking at the beginning of the fourth subparagraph the clause designation "(c)" and inserting in lieu thereof the clause designation "(d)".

THE RETURN OF APOLLO 11

Mr. PROUTY. Mr. President, in these good hours of shared joy it is well to remember that the cold, barren moon has brought men closer together than the warm, rich earth we share. For ages men have walked this planet together, but it has taken man's step on earth's satellite to create the unique oneness of these moments.

As we herald the wonders of technology and the courage of our lunar explorers, let us not overlook the triumphant harmony of a voyage shared by all mankind. This momentary accord follows the exulting realization that a dream has come true. One dream has come true. How many dreams remain unfulfilled?

Man's dream of a peaceful planet preceded his quest for knowledge of the heavens. Men envisioned a better world before they thought of traveling to another planet. Man is not a one-dream being. Mankind sustains itself on a multitude of dreams.

For 8 days men's eyes have been cast toward the heavens directed by a common aspiration. Now as we lower our eyes and glance sideward at our fellow man, hopefully we will not forget that this unity of the moment can be extended in the harmony of the ages.

All mankind has shared a dream. It has come true. All mankind still shares many dreams of a better world at peace. Today I know these dreams can come true. Tomorrow we may doubt again.

OUR NATION'S FINEST HOUR

Mr. YOUNG of Ohio. Mr. President, I join with all Americans and with men and women the world over in giving thanks for the safe return of Astronauts Neil Armstrong, Edwin Aldrin, and Michael Collins. Their fulfillment of one of mankind's most ancient dreams will be remembered as long as there is recorded history.

I am especially proud of the fact that the first man to set foot on the moon was a native son of Ohio. Two brothers from Ohio, Orville and Wilbur Wright, were the first men to fly successfully in a heavier-than-air machine more than 60 years ago. It was fitting that destiny called upon a young man from a small town in Ohio to be the first man to set foot on a celestial body.

Neil Armstrong, the son of Mr. and Mrs. Stephen Armstrong, spent most of his early life in Wapakoneta, Ohio, where he was born on August 5, 1930. Local residents recall that he rode his bicycle to a flying field outside of Wapakoneta and obtained his pilot's license on his 16th birthday, before he had a license to drive a car.

Like most other Americans of his generation, Neil Armstrong served in our Armed Forces as a naval aviator from 1949 to 1952. He flew 78 combat missions during the Korean war.

Mr. President, following his service in the Navy, this young Ohioan achieved higher education with the help of the GI bill. This forward-looking legislation helped Neil Armstrong on his climb up the ladder of success which has taken him to the moon. This points out once again the tremendous benefits that have accrued to our Nation as a result of millions of young Americans who were able to go to college under the GI bill.

The courage of the three astronauts inspired us all. However, it took the skill, talent, and industry of millions of Americans, and the tax dollars of every American, to make their achievement possible. The moon landing utilized the accumulated knowledge of all mankind. In a way it represented the sum total of all that man has learned throughout the ages. While it was a great national achievement, it also was truly a remarkable human accomplishment.

Five hundred years from now I predict that 1969 will be remembered by people the world over the same as 1492 is now remembered. Earlier this year occurrences in our country paralleled said occurrences early in 1492. In Europe then, the great plague had caused the death of one-third of the millions of men, women, and children. The Nuremberg Chronicle in a folio dated July 9, 1492, made the forecast that the world would end in fire and flood before the end of 1492. In that period men and women in Western Europe looked to the future with foreboding and dread. Institutions were decaying. Intelligent men and women were desperate, cynical. They felt hopeless and helpless. There was a fad prevalent throughout Western Europe to glorify the pagan past.

Now, in 1969, we remember those dread forecasts that California was doomed and would fall into the Pacific Ocean. In fact the date April 15, 1969, was fixed by some mystics as the exact time that California would slide into the Pacific. Hundreds of people fled from California to escape death. There is dissent and disorder wracking our society.

Yet, in 1492, very shortly after those gloomy forecasts of destruction had been made a small Spanish caravel sailed into Lisbon Harbor with news of the discovery of a new world. A historian of the Middle Ages writes that a complete and astounding change then took place. Sir Charles Oman, an Englishman, stated:

> A new envisagement of the world has begun and men will no longer talk about some imaginary golden age of the distant past.

Men and women hopeful and rejoicing were speculating as to the golden age that might lie in the oncoming future.

Our fine scientists in NASA who planned Apollo 11 and those brave astronauts who made this tremendous voyage to the moon have not made any predictions that a golden age lies ahead, but astronauts Neil Armstrong and Edwin Aldrin have made the greatest achievement in known history. It is noteworthy that when they planted the American flag on the moon, no claim of any right of conquest or territorial expansion was made. A treaty entered into in 1967 between the only two powers with the capacity to explore outer space, the Soviet Union and the United States, solemnly provides that the exploration of outer space is for purposes of peace. The orbiting or stationing of nuclear weapons in space has been specifically prohibited.

The discovery of America by Columbus in 1492 brought on a golden age. The achievement of Neil Armstrong, Edwin Aldrin, and Mike Collins, and all associated with them, now marks the advent of a golden age and the dread and forebodings of earlier this year are discarded just as were those forebodings of early 1492.

In James A. Michener's book, "The Bridges of Toko-Ri," an American admiral on the bridge of his carrier early one morning ponders the subject of his brave men, thinking to himself he asks the question of the wind. Perhaps this is the question that all of us should ask ourselves as we think of the men who finally made it to the moon and also the men who backed them up and got them there. "Why is America lucky enough to have such men? Where did we get such men?"

THERE MUST BE REAL TAX REFORM

Mr. YOUNG of Ohio. Mr. President, it is extremely important for the welfare of the American people that before this first session of the 91st Congress adjourns, we must enact into law meaningful tax reform of a far-reaching scale helpful to every family and every corporation in our Nation.

Meaningful income tax reform, in my judgment, means plugging tax loopholes such as the nortorious oil depletion allowance of 27½ percent. This was enacted years ago as a compromise between those Congressmen willing to allow at that time a 25-percent depletion allowance and those Congressmen favoring gas and oil producing corporations seeking a 30-percent depletion allowance. If there were ever any justification for an oil depletion allowance of 27½ percent, that justification no longer exists. This oil depletion allowance should be reduced to 20 percent at the most, as recommended by the Ways and Means Committee of the House of Representatives. I believe it should be reduced at this time to 10 percent.

Genuine income tax reform means legislation to provide some Federal income tax on bonds issued by municipalities and States. These bonds are now totally tax exempt. They are eagerly purchased by extremely wealthy men and women of our Nation and placed in their vaults. These individuals, although their incomes may exceed $100,000, $500,000, or a million dollars a year, pay no income taxes whatever. They enjoy cutting the coupons, receiving the interest checks, and banking the money. Of course, such bonds should be subjected to some tax so that no individual is permitted a complete tax-free shelter.

In addition, it is the duty of this Congress to consider some different formula of taxing long-term capital gains and fixing the period of long-term capital gains.

Also, it has been scandalous that special treatment has been given for stock options, accelerated depreciation on speculative real estate and payment of estate taxes by redemption of Government bonds at par.

The loophole must be closed that permits wealthy owners of so-called "Gettysburg farms" to charge off as losses thousands of dollars a year, while at the same time the land value is increasing.

All loopholes whereby some individuals receive and have been over the years receiving special privileges must be plugged.

It is essential that Congress should enact into law substantial income tax reform legislation to stabilize our economy and equalize our tax system. Families with incomes of from $3,300 per year to $14,000 per year bear an extremely heavy income tax burden. Due to tax loopholes such as depletion allowances and many tax-exempt foundations, which were really created to evade payment of taxes, the extremely wealthy evade payment of their fair share of taxes. If such private tax-exempt foundations would be subjected to but 5 percent income tax on net investments, this would bring in some additional billions of dollars.

In 1967, 21 persons with incomes exceeding $1 million, 35 with incomes exceeding $500,000, and 150 with incomes exceeding $200,000 paid no income taxes. Also, oil- and gas-producing corporations in some instances paid but 6 percent—and some paid no income taxes whatever—while a workingman receiving but $4,500 paid approximately 20 percent in Federal income taxes. This, due to the indefensible 27½-percent oil depletion allowance.

We must ease the tax burden on low- and moderate-income families. President Nixon's proposal to continue the 10-percent surtax should not be considered unless it is made part of a wide-ranging tax reform proposal effectively closing tax loopholes. Also, the personal income tax exemption must be increased from $600 to at least $1,000 a year.

Income taxes should be levied according to ability to pay. Essential tax reform must include removing tax loopholes favoring the wealthy and eliminating altogether income taxes from families with incomes under $3,300.

If the surtax is extended without substantial and equitable income tax reforms, the battle to achieve tax justice may well be lost. The allegations by administration leaders that failure to extend the surtax will result in massive inflation is pure political propaganda. The surtax has been in effect for more than a year; inflation continues to run rampant. If the surtax does in some small way reduce inflationary tendencies, then by continuing a temporary extension of the withholding rate, the same effect can be obtained.

The surtax bill, as reported by the Senate Finance Committee, is unfair to the great majority of American taxpayers. The surtax extension must be considered simultaneously with income tax reform. That is what taxpayers demand. That is what taxpayers deserve.

Mr. President, I report that for more than 10 years as a U.S. Senator, and prior to that as a member of the Ways and Means Committee of the House of Representatives, I have studied the tax structure of our country and the problem of tax loopholes. Very definitely, I know that the 27½-percent depletion allowance has enabled some of our Nation's oil and gas producing corporations to pay less than 6 percent of their net profits, and a few pay no income taxes whatever from their huge earnings.

In 1967, one of our greatest oil producing corporations, the Atlantic Refining Co., by reason of the 27½-percent depletion allowance, paid no income tax whatever upon its tremendous net profits for that year. This corporation has now been merged with the Richfield Oil Co., and last year the Atlantic-Richfield Corp., of which I am a stockholder, paid but approximately 6 percent of its net earnings to our Government as taxes. This due to the 27½-percent depletion allowance.

Mr. President, if a personal reference may be adverted to I report that I own more than 6,000 shares in oil-producing companies including 2,000 shares of Phillips Petroleum and many shares of Continental Oil, Mobil Oil, and Atlantic-Richfield and other oil producing corporations. Just recently in the envelope with a dividend check from one of the oil and gas-producing companies in which I am a stockholder, I believe it was Occidental Petroleum, came the urgent request that I, as a stockholder, immediately write to my Congressman urging that he vote to maintain the present 27½-percent depletion allowance. Frankly, Mr. President, I am not about to do that. However, this definitely explains why all of my Senate colleagues receive a large number of these letters urging them to continue this 27½-percent depletion allowance. This is an income tax loophole favoring the wealthy men and women of our country and greatly favoring huge corporations. It is a loophole which truly should be closed. Very definitely, no private selfish considerations will influence me nor cause me to change my views nor to change my vote. I will vote in the public interest to close this depletion allowance tax loophole of 27½ percent.

I report with pleasure, Mr. President, I voted and spoke out against imposing that 10-percent tax on a tax, or surcharge. In the year following its enactment there was more uncontrolled inflation than before. I am opposed to continuing this 10-percent tax on top of a tax unless accompanied by meaningful tax reform.

VOTING AGE SHOULD BE LOWERED TO 18

Mr. YOUNG of Ohio. Mr. President, youngsters who are 18 years old should have the right to vote at National and State elections. Frequently, we hear the claim that 18-year-olds, old enough to be drafted and to fight in Vietnam, are old enough to vote. This is not a valid argument. It is, in fact, a perfect example of a non sequitur. The real reason 18-year-olds are entitled to vote is that a youngster of today upon graduation from high school has attained a better education and is better informed than a college graduate of 30 or 40 years ago. Boys and girls of 18 may not be smarter than 18-year-olds of a generation past, and I do not believe they are, but they are certainly better informed, more knowledgeable about what is going on in the world, better trained and better educated and more knowledgeable on all matters, foreign and domestic, than youngsters of 10, 20, 30, or 40 years ago. With television tuned in and radios blaring, of course, youngsters acquire more knowledge than those of preceding generations.

I believe that this generation of young people is the best ever—that they are healthier, quicker of mind, and better trained than their predecessors. Also, that there is a moral energy in this generation that exceeds that of 18-year-old boys and girls of any previous generations.

There is no reason for assuming that 18-, 19-, and 20-year-olds are not capable of casting a responsible vote. Most of those young people have completed high school and more are attending college than ever before in our history. They are clearly as capable as other Americans in the effective use of the franchise.

Over the years I have met with hundreds of groups of college students and high school students and other young people. I know that today they are better informed than many others in our society. Their interest in public affairs and their potential for public service at home and abroad has been clearly shown through their participation in the Peace

Corps, VISTA, and through the active part that millions of young Americans have played in the political events of recent years.

In the midst of great ferment in our colleges and universities, we must reiterate our faith in our youth and in the ability of the great majority of them to cope with the problems which beset our society and affect the welfare of our Nation for many years to come.

SAFE RETURN TO EARTH OF APOLLO 11

Mrs. SMITH. Mr. President, I am deeply grateful for the safe return of the three astronauts. I am deeply grateful and gratified that this mission was so amazingly successful.

The commitment to which the late President John F. Kennedy pledged this Nation has been kept. Let us remember that on May 25, 1961, before a joint session of Congress then President John F. Kennedy spoke specifically on what he termed to be "urgent national needs" and stated:

> First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth.

That pledge and commitment have now been fulfilled. Two American astronauts landed on the moon on July 20, 1969, walked on the moon on that date, and returned safely to earth on July 24, 1969.

This unprecedented achievement came only after the dedicated and determined efforts of hundreds of thousands of workers in the space program. It came after not only disheartening setbacks but in spite of the derision and derogation made against the space program and its justification. Our Nation is, indeed, fortunate that the men and women in the space program were not so fainthearted and not of such little faith as to surrender to those who would have terminated the program prior to this epic achievement.

I am deeply grateful to all of the men and women who carried forth in this program. I am grateful to Lyndon B. Johnson and Richard Nixon for keeping the faith with, and the pledge of, John F. Kennedy to have this Nation land a man on the moon and safely return him to earth.

But I am most grateful of all to James E. Webb, who never lost his faith, dedication, and determination through the most trying times when he and the program were under intense attack. I hope that Americans everywhere will never forget that it was James E. Webb, who provided the primary leadership and unreservedly accepted the primary responsibility for the space program for most of its years and literally was the driving force for it until his recent retirement.

APOLLO 11 IS HOME

Mr. ANDERSON. Mr. President, Apollo 11 is home. Men have landed on the moon and have returned safely to earth. Astronauts Neil Armstrong, Michael Collins, and Edwin E. Aldrin, Jr., along with the thousands on the ground have conducted an almost flawless mission. I congratulate all those involved and thank them for their dedication. Their performance and what they have done for their country and all of mankind goes far beyond anything I might say.

Mr. President, not only is the Apollo 11 mission a triumph of man but it is also a triumph for our way of life and for our form of government which permitted it to be accomplished in full view of everyone on earth who cared to watch—and hundreds of millions of people all over the world did watch. It, therefore, is disturbing that some of our colleagues are quoted as saying that they rule out further space efforts until problems here on earth are solved; they take the position that only when we solve those problems can we consider further space efforts. It is said that it is their view that the needs of the people on earth and especially the people of this country should have priority. They sum this up by calling for a revision of national priorities to meet the problems of war, poverty, and hunger on earth.

Mr. President, what is the space program if it is not a program for the people? All of the money spent on the program is spent in the United States and if there is a program that has done more for all of the people on earth than the space program, then I would like to know what it is. I would like to know what those who want to stop further space exploration propose to provide the people with the exhilaration and togetherness that is being provided by the Apollo 11 and was provided by the earlier Apollo flights.

They talk of poverty—and there are some in this country who are poor—yet never at any time in the history of man has a nation's people lived anywhere near as well as do the people of the United States today. They call for more money to meet the problem of poverty and hunger but there is already $26.9 billion in the budget for Federal aid to the poor. According to the fiscal year 1970 budget, there are 22 million people in this country classified as poor; this means that there is well over $1,200 in this year's budget for every person in the United States classified as poor. This means that for every family of five classified as poor, there is $6,000 in the Federal budget and this does not include what is available from the State and local governments; nor does it include any private income. It seems to me that this is a substantial financial effort on the part of the Federal Government to fight poverty.

Mr. President, the fact is that we cannot solve, nor can any other nation solve, all problems simply by the expenditure of money.

If the United States is now going to wait until every urban and social problem is solved before moving ahead on other important fronts, then, of course, this country will no longer continue to move ahead because we will never solve all of our problems. The best we can do is to recognize problem areas and work as hard as we can to find and eradicate problem causes. This we must do now if we expect to erase poverty, crime, and pollution, to provide better housing, and to build better transportation systems. But, Mr. President, the solutions to these problems are not wholly financial or technical. If they were, we could solve them now. In some instances we do not understand the problem, in others, there are legal, economic, or political aspects of these problems which are simply not amenable to solution within the constraints of our present institutions. This means that the institutions must be changed, but we must go about such changes slowly because whatever the limitations of our present institutions, they are better than anything man has ever had before. So, Mr. President, I would like to say that those who speak glibly of providing for the other needs of the people have not looked around this country and those who talk of the revision of the national priorities with a suggestion that we must further limit the space program to meet some of the other problems we have, simply do not understand the needs of the American people.

The flight of Apollo 11 to the moon will rank as man's most epic journey and as one of his most noble achievements. For the first time man has journeyed to another celestial body and set foot on it. We are not able at this time to comprehend the full significance of this accomplishment, but even the historic voyages of Prince Henry the Navigator, Columbus, and Magellan hardly measure up to the epic voyage of Apollo 11. Yet, it was hundreds of years before the full significance of these earlier explorations were felt by civilization.

Mr. President, if we are to continue to advance civilization—if this country is to provide as well for its people in the future, as it does now—then we must be willing to struggle at the limits of our technological capability for only when a civilization does that, does it advance. To stop the momentum of the space program now would indeed be a tragedy—a tragedy from which we as a Nation might not recover.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

ALASKA POWER SURVEY

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a publication entitled "Alaska Power Survey," dated 1969 (with an accompanying document); to the Committee on Commerce.

REPORT OF THE ADVISORY COMMITTEE ON THE ARTS

A letter from the Chairman of the Advisory Committee on the Arts, Department of State, transmitting, pursuant to law, a report on the Cultural Presentations Program of the Department of State for the fiscal year 1968, dated January 1969 (with an accompanying tabulation and report); to the Committee on Foreign Relations.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting a report on the effectiveness and administration of the Albuquerque Job Corps Center for Women under the Economic Opportunity Act of 1964,

Albuquerque, N. Mex., Office of Economic Opportunity dated July 24, 1969 (with an accompanying report); to the Committee on Government Operations.

REPORT MADE TO CONGRESS OF MICRONESIA

A letter from the Chairman, The Future Political Status Commission, Saipan, Mariana Islands, transmitting, for the information of the Senate, a report made to the Congress of Micronesia, by that Commission (with an accompanying report); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Rockland County School Board of Supervisors, New York City, N.Y., remonstrating against the inclusion of municipal bonds within the present tax reform proposal; to the Committee on Finance.

RESOLUTION OF CITY COUNCIL OF STORM LAKE, IOWA

Mr. MILLER. Mr. President, I send to the desk a resolution from the city council of Storm Lake, Iowa, on the subject of tax reform, and ask that it be printed in the RECORD and referred to the Finance Committee.

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

The resolution, presented by Mr. MILLER, is as follows:

RESOLUTION

Whereas a number of bills are under consideration in the United States House of Representatives concerning Federal Income Tax Reform, and

Whereas some of said tax reform measures provide for taxation and interest on state and municipal bonds that are presently exempt from federal taxation; and

Whereas any proposal to tax interest on state and municipal government bonds would make it most difficult and expensive to finance various city projects by the sale of municipal bonds: Now therefore be it hereby

Resolved, That the City Council, City of Storm Lake, Iowa, go on record as being opposed to any tax reform legislation that would alter the present tax exempt status on interest from municipal bonds and do hereby direct that the City Clerk certify a copy of this Resolution to Representative Wiley Mayne, Senator Harold Hughes, and Senator Jack Miller and ranking members of the House Ways and Means Committee.

Passed and adopted this 2nd day of July, A.D. 1969.

JOHN L. EVANS,
Mayor.

Attest:

CLAUDE M. THOMPSON,
City Clerk.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mrs. SMITH, from the Committee on Armed Services, without amendment:

S. 59. A bill to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Army National Guard Facility, Ethan Allen, and the United States Army Materiel Command Firing Range, Underhill, Vermont (Rept. No. 91-335).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. CANNON, from the Committee on Armed Services:

Gen. John P. McConnell (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of general; and

Gen. John D. Ryan (major general, Regular Air Force), U.S. Air Force, to be appointed as Chief of Staff, U.S. Air Force.

By Mrs. SMITH, from the Committee on Armed Services:

Adm. Thomas H. Moorer, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy.

Mr. STENNIS. Mr. President, from the Committee on Armed Services I report favorably the nominations of 21 general and flag officers in the Army, Navy, and Air Force. I ask that these names be placed on the Executive Calendar.

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

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

Vice Adm. Kleber S. Masterson, U.S. Navy, and Rear Adm. Robert J. Stroh, U.S. Navy, for appointment to the grade of vice admiral when retired;

Lt. Gen. Seth J. McKee (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President, in the grade of general while so serving;

Lt. Gen. John C. Meyer (major general, Regular Air Force), U.S. Air Force; and Lt. Gen. Jack J. Catton (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President, in the grade of generals while so serving;

Maj. Gen. Harry E. Goldsworty, Regular Air Force; Maj. Gen. John W. Vogt, Jr., Regular Air Force; Maj. Gen. Timothy F. O'Keefe, Regular Air Force; Maj. Gen. George S. Boylan, Jr., Regular Air Force; Maj. Gen. George B. Simler, Regular Air Force; Maj. Gen. David C. Jones, Regular Air Force; and Maj. Gen. Paul K. Carlton, Regular Air Force; to be assigned to positions of importance and responsibility designated by the President, in the grade of lieutenants general while so serving;

Col. Clarence E. Atkinson, Delaware Air National Guard; Col. William J. Crisler, Mississippi Air National Guard; Col. Jack Motes, California Air National Guard; and Col. Earl G. Pate, Jr., Tennessee Air National Guard, for appointment as Reserve commissioned officers in the U.S. Air Force, in the grade of brigadiers general;

Rear Adm. C. Edwin Bell, Jr., U.S. Navy, for commands and other duties determined by the President, for appointment to the grade of vice admiral while so serving;

Maj. Gen. William Joseph McCaffrey, U.S. Army, to be assigned to a position of importance and responsibility designated by the President, in the grade of lieutenant general while so serving;

Lt. Gen. Richard Giles Stilwell, Army of the United States (major general, U.S. Army), for appointment as senior U.S. Army member of the Military Staff Committee of the United Nations;

Lt. Gen. Harry William Osborn Kinnard, Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of lieutenant general; and

Maj. Gen. George Irvin Forsythe, Army of the United States (brigadier general, U.S. Army), to be assigned to a position of importance and responsibility designated by the President, in the grade of lieutenant general while so serving.

Mr. STENNIS. Mr. President, in addition to the above I report favorably 2,326 nominations for appointment and promotion in the Army in the grade of colonel and below; 817 appointments in the Air Force in the grade of lieutenant colonel and below; and 108 appointments in the Marine Corps in the grade of captain and below. Since these names have already been printed in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

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

Claude W. Abate, and sundry other officers, for promotion in the Regular Army of the United States;

Garland S. Bishop, and sundry other staff noncommissioned officers, for temporary appointment in the Marine Corps;

Hugh E. Loftin, and sundry other officers, for permanent appointment in the Marine Corps;

Laverne F. Huston, for reappointment to the active list of the Regular Air Force;

Robert J. Balint, and sundry other persons, for appointment in the Regular Air Force;

Col. William R. Jarrell, Jr., for appointment as Registrar, U.S. Air Force Academy;

Richard H. White, cadet of the U.S. Air Force Academy, for appointment in the Regular Air Force;

Jimmie B. Kinder, and sundry other persons, for appointment in the Regular Army of the United States;

Otrie B. Barrett, and sundry other persons, for appointment in the Regular Army of the United States;

Glenn E. Nida, for reappointment in the active list of the Regular Army of the United States; and

Gerald D. Cox, scholarship student, for appointment in the Regular Army of the United States.

By Mr. TYDINGS, from the Committee on the District of Columbia:

William S. Thompson, of the District of Columbia, to be an associate judge of the District of Columbia court of general sessions.

BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. FONG:

S. 2686. A bill for the relief of William Phillips;

S. 2687. A bill for the relief of Kwan Yuen Leung; and

S. 2688. A bill for the relief of Horacio P. Monzon, Jr., and wife, Avelina Ramos Monzon; to the Committee on the Judiciary.

By Mr. INOUYE (for himself, Mr. FONG, Mr. HOLLINGS, Mr. MANSFIELD, Mr. MATHIAS, Mr. METCALF, Mr. MUSKIE, Mr. MAGNUSON, Mr. RANDOLPH, Mr. THURMOND, and Mr. PROUTY):

S. 2689. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam; to the Committee on Finance.

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

By Mr. DODD:

S. 2690. A bill to authorize and request the President to proclaim April 11 of each year as "National Submarine Day"; to the Committee on the Judiciary.

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

By Mr. PROXMIRE (for himself, Mr. EAGLETON, Mr. GRIFFIN, Mr. HART, Mr. MANSFIELD, Mr. MCGOVERN, Mr. MONDALE, Mr. MUSKIE, Mr. NELSON, Mr. PEARSON, Mr. SCHWEIKER, Mr. TYDINGS, Mr. WILLIAMS of Delaware, and Mr. YARBOROUGH):

S. 2691. A bill to amend Public Law 87-849, approved October 23, 1962, to strengthen provisions relating to disqualification of former Federal officers and employees in matters connected with former duties and official responsibilities, and for other purposes; to the Committee on the Judiciary.

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

By Mr. DOMINICK (for himself and Mr. MCINTYRE):

S. 2692. A bill to provide additional benefits for optometry officers of the uniformed services; to the Committee on Armed Services.

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

By Mr. EAGLETON (by request):

S. 2693. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as heretofore amended, so as to provide that income subject to tax for District income tax purposes shall conform as closely as possible to income subject to Federal income tax, and for other purposes;

S. 2694. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries and for other purposes; and

S. 2695. A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and of certain officers and members of the U.S. Secret Service, and for other purposes; to the Committee on the District of Columbia.

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

By Mr. MUSKIE:

S. 2696. A bill to provide for continuation of authority for the regulation and expansion of exports, and for other purposes; placed on the calendar.

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

By Mr. JAVITS (for himself and Mr. BROOKE):

S. 2697. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the States to adopt firearms information legislation; to the Committee on the Judiciary.

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

By Mr. YARBOROUGH:

S. 2698. A bill to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces; to the Committee on Armed Services.

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

By Mr. BENNETT (by request):

S. 2699. A bill to amend sections 701 and 702 of the Housing Act of 1954 to insure that assistance furnished thereunder to State, metropolitan, regional, and other areawide planning agencies, or to certain other public agencies, will not be used to provide local governments with services which they could reasonably obtain through private business channels; to the Committee on Banking and Currency.

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

S. 2700. A bill to amend chapter 3 of title 38, United States Code, in order to provide for a Veterans Outreach Services Program in the Veterans Administration to assist eligible veterans, especially those recently separated, in applying for and obtaining benefits and services to which they are entitled, and education, training, and employment, and for other purposes; 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.)

By Mr. DODD:

S.J. Res. 140. A joint resolution to provide for the striking of medals in honor of American astronauts who have flown in outer space; to the Committee on Banking and Currency.

(The remarks of Mr. DODD when he introduced the joint resolution appear later in the RECORD under the appropriate heading.)

S. 2689—INTRODUCTION OF A BILL RELATING TO TAX EXEMPTION FOR SERVICEMEN IN AND AROUND KOREA

Mr. INOUYE. Mr. President, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam. The bill will amend section 112 by adding a new subsection exempting from Federal taxation servicemen's pay earned in the Korean combat area.

This bill is a companion to H.R. 9636, which was introduced by Congressman LESTER WOLFF, of New York. The measure has already gathered more than 200 cosponsors in the House who feel that the legislation is necessary because of "the unhappy fact that Korea continues to be a hostile area." Fighting near the demilitarized zone and in adjacent waters has increased considerably in the last few years, as North Koreans send trained infiltrators across demarcation lines. Outside of Vietnam the members of our armed services stationed in Korea are subjected to a degree of immediate danger greater than any in the world.

It is because of our great concern that Representative WOLFF, his bill's cosponsors, and I feel that this exemption is justified as a small form of financial compensation for those men who are risking their lives in a zone where combat activities are being carried on.

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

The bill (S. 2689) to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam, introduced by Mr. INOUYE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

S. 2690—INTRODUCTION OF A BILL TO MAKE APRIL 11 "NATIONAL SUBMARINE DAY"

Mr. DODD. Mr. President, I introduce, for appropriate reference, a bill which calls upon the President to proclaim April 11 of each year as National Submarine Day. April 11 marks the anniversary of the founding of the submarine service in 1900.

The men and ships of the U.S. Navy's submarine service are a continuing tribute to valor in the past. They are a source of hope for the future.

The gallant history of the submarine service began when the Navy purchased the U.S.S. *Holland*, which was built by the Electric Boat Co. of Groton, Conn.

Since then, the submarine service has upheld a tradition of courage and devotion to duty. Nowhere are these traits more clearly visible than in the amazing record compiled by the submarine service in World War I and II. At the outset of World War II, the Navy had only 51 submarines in the Pacific. But the skeletal remains of millions of tons of sunken enemy wreckage attest to the performance of these valiant men.

The submarine service comprised only 2 percent of the Navy's manpower. Nevertheless, despite heavily guarded convoys, and, in the early days of the war, erratic and misfiring torpedoes, it was responsible for sinking 60 percent of all enemy ships destroyed in World War II.

The selfless devotion to duty of the men of the submarine service has continued in recent years. Two submarines, *Thresher* and *Scorpion* have been tragically lost in peacetime. And at this very moment, the most effective weapon we possess is the ability of the Polaris submarine fleet to respond instantly to an enemy attack. The men of the Polaris fleet absent themselves from their homes and families for months each year in the active defense of our Nation. We all are thankful for their service and dedication.

Defending our Nation is a priority task for the present. The future, however, may bring the most important contributions of all. As we expand our horizons to outer space, we must not forget that three-quarters of our own planet is as mysterious and unexplored as space. Submarines, such as the nuclear research submarine built in Groton, Conn., will soon be leading the descent into the ocean to begin exploring its massive resources.

I am proud to introduce this legislation as a Senator from Connecticut. Connecticut has pioneered research in nuclear submarines and built most of the World War II fleet. As the home of our largest mainland submarine base, Connecticut is truly the submarine capital of the world.

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

The bill (S. 2690) to authorize and request the President to proclaim April 11 of each year as "National Submarine Day," introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on the Judiciary.

S. 2692—INTRODUCTION OF A BILL TO PROVIDE INCENTIVE PAY FOR OPTOMETRISTS IN MILITARY SERVICE

Mr. DOMINICK. Mr. President, on behalf of myself and the Senator from New Hampshire (Mr. McINTYRE), I introduce a bill to provide special incentive pay for optometry officers of the uniformed services. This bill corrects a serious inequity which exists in our laws relating to armed services pay.

This bill is essentially the same as S. 2037, which I introduced in the 90th Congress for myself and Mr. McINTYRE. The bill provides an incentive pay of $100 per month for optometry officers. Hearings were not held at that time. Now, 2 years later, the need for optometrists in the uniformed services is just as great as it was then. There are four health professions recognized by the U.S. Office of Education. These are physicians, dentists, veterinarians, and optometrists. Only the optometrist does not receive incentive pay. Until, recently, the optometrist entered the military service at a lower rank than the other three professions. But presently, this distinction has been eliminated so that all four categories call for the rank of captain upon entering the service. There is no reason that optometrists should not receive special incentive pay equal to veterinarians. Medical doctors and dentists receive a graduated scale of incentive pay.

Mr. President, we all recognize the vital importance of vision to an individual. This is especially true for our military forces. Visual needs are essential whether one is an infantry soldier, a monitor of a radar screen, a pilot of a high-speed jet, an underwater demolition expert or a tank driver making a night time advance, the vision of this individual is vital to the performance of his duties. The optometrist serves our country and our armed services by providing this necessary service. Well over a million men in our Armed Forces wear glasses. And in fiscal year 1968, the Armed Forces had approximately 600 optometrists to meet the needs of these servicemen. In 1969, over 260 additional optometrists will be required.

Mr. President, it is important that this Congress take action to give optometrists the same consideration as given to the other health professions by providing the necessary inducement to overcome the shortage of optometrists in our military forces. The legislation which I introduce today will provide the same $100 per month incentive pay as we provide for our veterinarians who enter military service.

I ask unanimous consent that the bill be printed at this point in the RECORD.

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. 2692) to provide additional benefits for optometry officers of the uniformed services, introduced by Mr. DOMINICK (for himself and Mr. McINTYRE), was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 2692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(a) of title 37, United States Code, is amended as follows:

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and";

(3) by adding at the end thereof the following new clause:

"(4) a commissioned officer of the Army, Navy, Air Force, or the Public Health Service who is designated as an optometry officer, who is on active duty on the effective date of this clause for a period of at least one year or who, after that date and before July 1, 1971, is called or ordered to active duty for a period of at least one year."

SEC. 2. The catchline of section 303 of title 37, United States Code, and the corresponding item in the analysis of chapter 5 of that title, are each amended by adding "and optometry officers" after "veterinarians".

SEC. 3. The amendments made by this Act shall become effective on the first day of the second calendar month following the month in which enacted.

S. 2693, S. 2694, AND S. 2695—INTRODUCTION OF THREE BILLS RELATING TO THE DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, I introduce, by request, and ask that they be referred to the appropriate committee, three bills:

A bill to amend the District of Columbia Income and Franchise Tax Act of 1947 to provide that income subject to tax for District of Columbia income tax purposes shall conform as closely as possible to income subject to Federal income tax, and for other purposes.

A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries and for other purposes.

A bill to amend the basic Retirement Act to provide additional retirement and disability benefits for District of Columbia Police and Firemen.

I ask unanimous consent that the texts of these bills be printed 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, introduced by Mr. EAGLETON, by request, were received, read twice by their titles, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

S. 2693

A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as heretofore amended, so as to provide that income subject to tax for District income tax purposes shall conform as closely as possible to income subject to Federal income tax, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) Except as otherwise expressly provided, whenever in this Act an amendment, addition, or repeal is expressed in terms of an amendment to, addition to, or repeal of, a title, section, or other provision, such reference shall be deemed to be a reference to the applicable title, section, or other provision of the District of Columbia Income and Franchise Tax Act of 1947, as heretofore amended.

(a) The District of Columbia Revenue Act of 1947, as amended (61 Stat. 328, ch. 258, D.C. Code, sec. 47–1551, et seq.) is amended by striking from the enacting clause the words "District of Columbia Income and Franchise Tax Act of 1947," and by inserting in lieu thereof the words "District of Columbia Income Tax Act."

SEC. 2. Section 4 of title I (D.C. Code, sec. 47–1551c) is amended as follows:

(a) Subsection (b) of said section is amended to read:

"(b) The word 'Commissioner' means the Commissioner of the District of Columbia as established under Reorganization Plan Number 3 of 1967, and his duly authorized representative or representatives."

(b) Subsection (c) of said section is amended to read as follows:

"(c) The word 'Council' means the District of Columbia Council as established under Reorganization Plan Number 3 of 1967, and its duly authorized representative or representatives."

(c) Said section 4 is further amended by striking therefrom subsection (d), (j), (k), (l), (m), (n), (o), (p), (r), (s), (u), (v), (w), (x), (y), and (z); by redesignating subsections (e), (f), (g), (h), (i), (q), and (t) as subsections (d), (e), (f), (g), (h), (i), and (j), respectively, and by adding to said section the following subsections:

"(k)(1) The term 'resident' means every individual: (A) who is domiciled in the District at any time during the taxable year, or (B) who maintains a place of abode in the District for an aggregate of more than ninety days during the taxable year, whether or not consecutive and whether or not such individual is domiciled in the District. In determining whether an individual is a resident, absence of such individual from the District for temporary or transient purposes shall not be regarded as changing his domicile or place of abode. If an individual was domiciled in the District for less than the entire taxable year or maintained a place of abode in the District for less than the entire taxable year (but for an aggregate of more than 90 days) he shall be considered a resident for only that portion of the taxable year during which he maintained in the District such domicile or place of abode.

"(2) An individual shall not be considered to be a resident of the District for any portion of the taxable year during which he is not domiciled in the District and is an elective officer of the Government of the United States.

"(l) The term 'employee' shall have the same meaning as when used in a comparable context in the Internal Revenue Code, but shall apply only to individuals having a place of abode or who are domiciled within the District at a time a tax is required to be withheld by an employer. The term 'employee' shall not include any individual described in subsection (k)(2) of this section.

"(m) The words 'wages' and 'employer' shall have the same meaning as when used in a comparable context in the provisions of the Internal Revenue Code relating to collection of income tax at source on wages.

"(n) The words 'resident estate' mean the estate of a decedent who, at his death, was domiciled in the District, and the words 'nonresident estate' mean the estate of a decedent who, at his death, was not domiciled in the District. The residence or situs of the fiduciary shall not control the classification of an estate as resident or nonresident.

"(o) The words 'resident trust' mean a trust created by will of a decedent who, at his death, was domiciled in the District; a trust created by, or consisting of property of, a person domiciled in the District; or a trust resulting from dissolution of a corporation organized under the laws of the District. The words 'nonresident trust' shall mean a trust

other than a resident trust. The residence or situs of the fiduciary shall not control the classification of a trust as resident or nonresident.

"(p) Unless a different meaning is clearly required, any term used in this article which is not defined herein shall have the same meaning as when used in a comparable context in the Internal Revenue Code. The term 'Internal Revenue Code' means the Internal Revenue Code of 1954, as heretofore or hereafter amended, and as in effect for Federal income tax purposes for the same taxable year beginning on or after January 1, 1969, or, if the Internal Revenue Code of 1954 is repealed or replaced, such term means the statute or statutes in effect for the same taxable year for Federal income tax purposes after such repeal or replacement.

"(q) The term 'final determination' means an irrevocable determination or adjustment of a taxpayer's Federal tax liability from which there exists no further right of appeal either administrative or judicial."

SEC. 3. Title II (D.C. Code, sec. 47–1554) is amended to read as follows:

"TITLE II—EXEMPT ORGANIZATIONS

"SEC. 1. The following organizations shall be exempt from taxation under this article:

"(a) Any organization which for the taxable year is entitled to be exempt under the Internal Revenue Code from Federal income taxes by reason of its purposes or activities.

"(b) Any organization which, by another Act of the Congress of the United States, is entitled for the taxable year to exemption from District income taxes.

"(c) Banks, trust companies, building and loan associations, insurance companies, companies which guarantee the fidelity of any individual or individuals, such as bonding companies, and companies which furnish abstracts of title or which insure titles to real estate, all of which pay taxes on their gross earnings, premiums, or receipts under existing laws of the District.

"(d) Any foreign corporation authorized to invest in loans secured by real estate, which does not maintain any office, officer, agent, representative, or employees for the purpose of making, maintaining, or liquidating such investments, in the District of Columbia, provided that the only activities of such foreign corporation in the District of Columbia, other than those of a liaison employee are one or more of the following:

"(1) the acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property, including leaseholds, situated in the District of Columbia pursuant to commitment agreements or arrangements made prior to or following the origination or creation of such loans: *Provided, however,* That nothing herein shall be deemed to permit servicing other than as permitted by paragraph (4) of this subsection;

"(2) the physical inspection and appraisal of property in the District of Columbia as security for mortgages of deed or trust;

"(3) the ownership, modification, renewal, extension, transfer, or foreclosure of such loans, or the acceptance of substitute additional obligors thereon;

"(4) the making, collecting, and servicing of loans solely through a person authorized to engage in the District of Columbia in the business of servicing real estate loans for investors;

"(5) maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of such loans;

"(6) the acquisition of title to property which is the security for such a loan in the event of default on such loan, either by foreclosure, sale, or agreement in lieu thereof;

"(7) pending liquidation of its investment within such period, not to exceed one year, as the Council may by regulation prescribe, operating, maintaining, renting or otherwise dealing with, selling or disposing of, real property acquired by foreclosure, sale, or by agreement in lieu thereof: Provided, That if, upon the expiration of the period prescribed by the Council such property has not been sold or otherwise disposed of, such foreign corporation shall be subject to tax on all of the income derived by the corporation arising out of its ownership of such property, but such liability shall not be construed as affecting the exemption from tax provided herein for income from other loans made or acquired by it in accordance with this paragraph unless the corporation chooses not to liquidate the property but holds it for investment purposes.

"Income derived from the ownership of real property and not subject to tax as provided in this paragraph shall be reported to the Commissioner by the person servicing the corporation's loans in the District of Columbia or by a participating bank in the District of Columbia at such times and in such manner, together with such information, as the Council may by regulation require, and if there be no such person servicing loans or participating bank, then the corporation shall itself make such report of income including any other income derived from District of Columbia sources which is subject to tax under this article. Any person or corporation who shall fail to report such income to the Commissioner, as herein provided, shall be guilty of a misdemeanor and shall be fined not more than $500.

"As used herein, the term 'liaison employee' shall mean a person who does not engage in or make, maintain, or liquidate any investment of the foreign corporation and who is engaged by the foreign corporation solely for the purpose of establishing and maintaining contacts with governments and international bodies and agencies thereof; arranging conferences for, receiving and furnishing legislative publications and other information or material of interest to, transmitting information or material of interest to, transmitting information for, and arranging transportation or other accommodations for, officers or other personnel of such foreign corporation within, or to and from, the District of Columbia."

SEC. 4. Title III (D.C. Code, sec. 47–1557 through 47–1557b) is hereby repealed.

SEC. 5. Title IV (D.C. Code, sec. 47–1561 through 1561e) is amended to read as follows:

"TITLE IV—ACCOUNTING PERIODS AND METHODS

"SEC. 1. GENERAL RULE.—A taxpayer's taxable year and accounting method for purposes of this article shall be the same as his taxable year and accounting method for Federal income tax purposes. If the taxable year or accounting method of a taxpayer is changed for Federal income tax purposes, the taxable year or accounting method of such taxpayer for purposes of this article shall be similarly changed. In the absence of any accounting method for Federal income tax purposes, or if the method does not clearly reflect taxable income for District purposes, the taxpayer shall use such method as in the opinion of the Commissioner clearly reflects taxable income for District purposes.

"SEC. 2. CHANGE FROM ACCRUAL TO INSTALLMENT METHOD.—If a taxpayer's method of accounting is changed from an accrual to an installment method, any additional tax for the taxable year of such change of method and for any subsequent taxable year which is attributable to the receipt of installment payments properly accrued in a prior taxable year shall be reduced by the portion of tax for any prior taxable year attributable to the accrual of such installment payments, in accordance with regulations of the Council.

"SEC. 3. OTHER CHANGES OF METHOD.—If a taxpayer's method of accounting is changed, other than from an accrual to an installment method, any additional tax for the taxable year of change which results from adjustments determined to be necessary solely by reason of the change shall not be greater than if such adjustments were ratably allocated and included for the taxable year of change and the preceding taxable years, not in excess of two, during which the taxpayer used the method of accounting from which the change is made."

SEC. 6(a). Title V (D.C. Code, sec. 47–1564 through 47–1564c) is amended by striking therefrom the word "Assessor", wherever it appears, and by inserting in lieu thereof the word "Commissioner."

(b) Section 2 of said title (D.C. Code, sec. 47–1564a) is amended as follows:

(1) By striking all of said section from the commencement thereof to the end of subsection (b) of said section, and by inserting in lieu thereof the following:

"SEC. 2. REQUIREMENT.—Each of the following persons shall file a return for each taxable year stating such information as the Commissioner shall deem necessary to reflect accurately the taxes required to be paid under this article:

"(a) RESIDENTS.—Every resident as defined in title I of this article who is required to file a return for Federal income tax purposes.

"(b) FIDUCIARIES.—Every fiduciary for every resident estate and resident trust for which he acts and for which a return is required to be filed for Federal income tax purposes. An estate or trust which is subject to the unincorporated business tax imposed by title VIII of this article shall also be required to file the unincorporated business return."

(2) By striking therefrom subsection (d); by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f); by striking from subsection (e) as redesignated the sign and figure "$10,000" and by inserting in lieu thereof the sign and figure "$5,000"; and by adding at the end of such section the following new subsection:

"(g) TAXPAYER UNABLE TO MAKE OWN RETURN.—If the taxpayer is unable to make his own return for any taxable period, it shall be made and filed by the person or persons authorized or required to make and file the taxpayer's Federal return for such taxable period."

(c) Section 3 of said title (D.C. Code, sec. 47–1564b) is amended to read as follows:

"SEC. 3. (a) TIME AND PLACE FOR FILING RETURN.—Except as provided in subsection (b) of this section, all returns of income required to be filed under this article shall be filed with the Commissioner on or before the date prescribed for the filing of the taxpayer's Federal income ta return (without regard to any Federal extension). In the case of an unincorporated business the tax return required under this article shall be filed on or before the date prescribed for filing a Federal partnership return or such other Federal income tax return as is required to be filed reflecting the income of such unincorporated business (without regard to any Federal extension). The provisions of the Internal Revenue Code relating to the treatment of timely mailed returns or other documents as being timely filed shall apply to returns or other documents required to be filed under the provisions of this article.

"(b) EXTENSION OF TIME.—The Council is authorized to promulgate regulations governing reasonable extensions of time for the filing of any returns, declarations, reports, or other documents required by this article.

"(c) PERIOD COVERED BY RETURNS OR OTHER DOCUMENTS.—Where not otherwise provided for in this article, the Council may by regulations prescribe the period for which, or the date as of which, any return or other document required by this article or by regulations shall be made and filed.

"(d) IDENTIFYING NUMBERS.—Any person

required under the authority of this article to make a return, statement, or other document, on his own behalf or on behalf of any other person, shall include in such return, statement, or other document such identifying number as may be prescribed by the Commissioner for securing proper identification of such person or other persons.

"(e) WHOLE DOLLAR AMOUNTS.—The provisions of the Internal Revenue Code relating to the use of whole dollar amounts for any amounts required to be shown on any Federal return or other document shall apply with respect to amounts required to be shown on any return or other document required to be filed under this article."

(d) (1) Subsection (b) of section 4 of said title (D.C. Code, sec. 47–1564c(b)) is amended by striking from said subsection the last sentence thereof, and by inserting in lieu thereof the following sentence:

"The Internal Revenue Service of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Commissioner relative to any person subject to the taxes imposed by this article."

(2) Subsection (e) of said section 4 is amended to read as follows:

"(e) PENALTY FOR VIOLATION OF THIS SECTION.—Any violation of the provisions of this section shall be a misdemeanor and shall be punishable by a fine not exceeding $1,000 or imprisonment for six months, or both, in the discretion of the Court. All prosecutions under this section shall be brought in the District of Columbia Court of General Sessions on information by the Corporation Counsel of the District of Columbia or any of his assistants in the name of the District of Columbia."

SEC. 7. Title VI (D.C. Code, sec. 47–1567 through 47–1567d) is amended by striking therefrom sections 1, 2, 3, 4, and 5 and by inserting in lieu thereof the following:

"SECTION 1. DISTRICT TAXABLE INCOME OF INDIVIDUALS, RESIDENT ESTATES, AND RESIDENT TRUSTS.—(a) Except as provided in subsection (b) of this section, the 'District taxable income' of a resident individual or a resident estate or resident trust for any taxable year means the same as the taxable income of such individual, estate, or trust for Federal income tax purposes for such taxable year.

"(b) (1) Subject to the provisions of paragraph 2 of this subsection, the 'District taxable income' of an individual who is a resident for less than the taxable year consisting of twelve months means that portion of the individual's taxable income which he received while a resident or, if he is on the accrual basis, which accrued to him while a resident, and there shall be included in determining the District taxable income of such individuals the following:

"(A) PARTNERS.—In the case of a partner, if the taxable year of the partnership ends while he maintains a place of abode in the District or is domiciled in the District, the entire distributive share of the partnership income for the partnership's taxable year (whether or not actually distributed), or in the case of partnership loss, his share thereof, to the extent that such income or loss is includible in determining the partner's Federal income tax liability.

"(B) ESTATES AND TRUSTS.—In the case of income or deductions from an estate or trust, if the taxable year of the estate or trust ends while the beneficiary maintains a place of abode in the District or is domiciled in the District, such amounts of income or deduction from the state or trust as are, for Federal income tax purposes, properly includible in the determination of the taxable income of the beneficiary, for the taxable year of the beneficiary in which or with which the taxable year of the estate or trust ends.

"(C) SMALL BUSINESS CORPORATION.—In the case of a small business corporation electing not to be subject to tax under Chapter 1 of the Internal Revenue Code of 1954, as amended, the entire amount which, for Federal income tax purposes, he is, as a shareholder of the corporation, required to include in determining his taxable income, or if there is a loss, is authorized to deduct from taxable gross income, provided that the taxable year of the corporation ends while he maintains a place of abode in the District or is domiciled in the District.

"(2) The allowable deductions for personal exemptions shall be reduced to amounts which bear the same ratio as the number of months during which the individual is a resident bears to twelve months, and for the purpose of prorating such exemptions, residence in the District for more than one-half of a calendar month shall constitute a month. If the individual used a standard deduction in arriving at his Federal taxable income he shall use the standard deduction in arriving at his District taxable income, and if he itemized his deductions on his Federal return he shall itemize his deductions on his District return. The standard deduction shall be limited to the lesser of $1,000 or ten per centum of the portion of his Federal adjusted gross income which he received while a resident, and if he itemizes his deductions they shall be limited to those deductions paid or accrued (dependent upon his method of accounting) while a resident of the District.

"(c) In applicable cases the District taxable income shall be decreased and increased by amounts of adjustments required under section 1 of Title X of this article.

"SEC. 2. IMPOSITION AND RATES OF TAX.—(a) RATES OF TAX.—There is hereby annually levied and imposed for each taxable year on the District taxable income of every resident (other than a head of household to whom subsection (b) applies) and every resident estate and resident trust, a tax at the following rates:

"2 per centum on the first $1,400 of taxable income;

"3 per centum on the next $1,400 of taxable income;

"4 per centum on the next $1,400 of taxable income;

"5 per centum on the next $1,400 of taxable income;

"6 per centum on the taxable income in excess of $5,600.

"(b) RATES OF TAX ON HEADS OF HOUSEHOLDS.—There is hereby annually levied and imposed for each taxable year on the District taxable income of every resident who is a head of a household (as defined for Federal income tax purposes) a tax at the following rates:

"2 per centum on the first $2,100 of taxable income;

"3 per centum on the next $2,100 of taxable income;

"4 per centum on the next $2,100 of taxable income;

"5 per centum on the next $2,100 of taxable income;

"6 per centum on the taxable income in excess of $8,400.

"SEC. 3. TAX IN CASE OF JOINT RETURN OR RETURN OF SURVIVING SPOUSE.—In the case of a joint return of a husband and wife, the tax imposed by section 2(a) shall be twice the tax which would be imposed if the District taxable income were cut in half. For the purposes of this section a return of a surviving spouse (as defined for Federal income tax purposes) shall be treated as a joint return.

"SEC. 4. RESIDENTS PAYING FEDERAL OPTIONAL TAX.—

"(a) (1) COMPUTATION BY TAXPAYER.—The Council, by regulations, shall prescribe tables which shall set forth a tax for each taxpayer which will approximate as nearly as practicable the taxes imposed in sections 2 or 3 of this title, based on the taxpayer's Federal adjusted gross income, standard or minimum standard deduction, and personal exemptions. Notwithstanding the provisions of sections 2 and 3 of this title every resident who has properly elected for the taxable year to pay the Federal optional tax, shall determine his tax according to the table applicable to him.

"(2) This subsection shall not apply to any person claiming credit for income tax paid to any other State, territory, or possession; to any fiduciary; to any individual filing a return for a period of less than twelve months; or for any taxable year other than a calendar year; or to any married individual living with husband or wife at any time during the taxable year whose spouse files a return and computes the tax without regard to this section.

"(b) COMPUTATION BY COMMISSIONER.—Except where, under section 5(c), a joint Federal return is filed and except as to the individuals referred to in section 5(d) and section 5(e) if any resident has properly elected for the taxable year to have his Federal income tax computed by the Secretary or his delegate, he shall report on his District return for such taxable year such information as the Commissioner shall deem necessary to determine the tax imposed under this title and the Commissioner shall compute the tax for such resident as the Secretary or his delegate is required to compute the tax under the comparable provisions of the Internal Revenue Code and mail to the taxpayer a notice stating the amount of tax. Such tax shall be be paid within thirty days after such mailing.

"SEC. 5. RETURN OF HUSBAND AND WIFE.—(a) If for the taxable year a husband and wife file separate Federal returns, they shall file separate District returns for the taxable year and their District income tax liabilities shall be separate.

"(b) If for the taxable year a husband and wife (other than a husband and wife described in subsection (c) or (d) file a joint Federal return, they shall file a joint District return for the taxable year and their District income tax liability shall be joint and several.

"(c) If either husband or wife is a resident for all of a taxable year consisting of twelve months and the other is not a resident for any part of that taxable year, the resident spouse shall file a separate District income tax return for the taxable year and, in the event they filed a joint Federal return, the District tax of the resident spouse shall be determined in the same manner as provided in this title under either section 2(a) or section 4(a), as the taxpayer may elect, as if such resident spouse was required to file a separate Federal return.

"(d) Except as otherwise provided in subsection (e) of this section, if either husband or wife, or both, are residents for less than a taxable year consisting of twelve (12) months, each shall file a separate return.

"(e) In the case of the death of a husband or wife, or of both, the requirements for the filing for District tax purposes of a joint return shall be the same as the requirements for the filing of a joint return as provided under the Internal Revenue Code, except that, in the case of the filing of a joint return by a surviving spouse, no such return shall be permitted unless both the surviving spouse, no such return shall be permitted unless both the surviving spouse and the deceased spouse were residents at the beginning of the taxable year in which the death occurred, which taxable year began for both on the same day, and the surviving spouse was a resident for the entire taxable year consisting of twelve (12) months; and except, further, that in the case of the death of both husband and wife, a joint return may not be filed unless each was a resident at the beginning of the taxable year, which taxable year began for both

on the same day, and each was thereafter continuously a resident during the taxable year until the time of death.

"SEC. 6(a) (1). CREDIT AGAINST TAX.—The amount of tax payable under this title by an individual domiciled in the District during the taxable year shall be reduced by the amount of individual income tax such individual is required to pay, and, in fact, pays to any State, Territory or possession of the United States or political subdivision thereof, for such taxable year or portion thereof that he physically resides therein while concurrently domiciled in the District. The credit provided under this section shall not exceed the portion of the tax otherwise due under this article that the amount of the individual's adjusted gross income received by him or accrued to him if on an accrual basis while he resided in the other jurisdiction bears to his entire adjusted gross income received by him or accrued to him while he was concurrently in the District. The Commissioner may require satisfactory proof of payment of such income taxes. The credit provided for by this section shall not be allowed against any tax imposed under title VIII of this article.

"(2) The amount of tax payable under this title by a resident or by a resident trust or resident estate shall be reduced by the amount of any income tax such resident or resident trust or resident estate is required to pay as income tax for such taxable year to any State, Territory, or political subdivision thereof on income derived from any unincorporated trade or business (including any unincorporated business electing to be taxed as a corporation) carried on or engaged in within such State, Territory, or political subdivision thereof. The credit provision under this subsection shall not exceed the proportion of the income tax otherwise payable by a resident, resident estate or resident trust to the District which the taxpayer's net income from the unincorporated trade or business, upon which the tax was imposed by such other jurisdiction, bears to the entire net income upon which the tax imposed by this title is computed. The Commissioner may require satisfactory proof of payment of such income tax to such other jurisdiction. The credit provided for by this subsection shall not be allowed against any tax imposed under title VIII of this article.

"(b) CREDIT FOR TAX WITHHELD ON WAGES.—The amount deducted and withheld as tax under this article during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by this article, for taxable years beginning in such calendar year. If more than one taxable year begins in such calendar year such amount shall be allowed as a credit against the tax for the last taxable year so beginning."

SEC. 8. Section 2 of title VII (D.C. Code, sec. 471–571a) is amended to read as follows:

"SEC. 2. IMPOSITION AND RATE OF TAX.—There is hereby levied for each taxable year an income tax at the rate of 6 per centum upon the taxable income of every corporation, whether domestic or foreign (except those expressly exempt under title II of this article), which carries on or engages in any trade or business within the District or receives income from sources within the District, provided that the minimum tax payable shall be $25.00. For the purposes of this article, any unincorporated business which for the taxable year properly elects to be taxed as a corporation for Federal income tax purposes shall be considered and taxed as a corporation for such taxable year and shall be subject to the tax imposed by this section."

SEC. 9(a). Section 1 of title VIII (D.C. Code, sec. 47–1574) is amended by striking therefrom the last sentence thereof, and by inserting in lieu thereof the following sentence:

"For the purposes of this article a small business corporation, which for the taxable year properly elects not to be subject to the Federal income tax, shall be considered and taxed as an unincorporated business for such taxable year."

(b) Section 2 of said title (D.C. Code, sec. 47–1574a) is amended by striking therefrom the words "in excess of the exemption granted by section 4 of this title."

(c) Section 3 of said title (D.C. Code, 1967, sec. 47–1574b) is amended to read as follows:

"SEC. 3. IMPOSITION AND RATE OF TAX.—There is hereby levied for each taxable year an income tax at the rate of 6 per centum upon the taxable income of every unincorporated business, whether domestic or forign (except those expressly exempt under title II of this article), which carries on or engages in any trade or business within the District or receives income income from sources within the District provided that the minimum tax payable shall be $25.00."

(d) Section 4 of said title (D.C. Code, sec. 47–1574c) is amended to read as follows:

"SEC. 4. EXEMPTION AND SALARY ALLOWANCE.—Before computing the tax upon the taxable income of an unincorporated business, there shall be deducted from taxable income an exemption of $5,000 and a reasonable allowance for salaries or other compensation for personal services actually rendered by the individual owners or members actively engaged in the conduct of the unincorporated business. The aggregate deduction for such services shall not exceed 20 per centum of the taxable income of the unincorporated business before deduction of the salary allowance and exemption. Where the period covered by a return is less than a year, or where the return shows that an unincorporated business has been carried on for less than twelve (12) months, the $5,000 exemption shall be prorated on the ratio the number of days of the taxable year it was engaged in trade or business in the District bears to 365. An unincorporated business which carries on or engages in more than one trade or business or receives income from more than one source shall be entitled to only one unincorporated business exemption."

(d) Section 6 of said title (D.C. Code, sec. 47–1574e) is amended by striking therefrom the last sentence.

SEC. 10. Title IX (D.C. Code, sec. 47–1577 through 1577i) is hereby repealed.

SEC. 11. Title X (D.C. Code, sec. 47–1580 through 47–1580b) is amended as follows:

"(a) By redesignating sections 2 and 3 as sections 3 and 4.

"(b) By striking from said sections the word 'Assessor', wherever it appears, and by inserting in lieu thereof the word 'Commissioner.'

"(c) By striking from section 3, as redesignated, the word 'Commissioners', wherever it appears, and by inserting in lieu thereof the word 'Commissioner.'

"(d) By striking all of said title from the commencement thereof to the end of section 1 thereof, and by inserting in lieu thereof the following:

"TITLE X—ADJUSTMENTS; MEASURE OF TAX; ALLOCATION OR APPORTIONMENT

"SEC. 1. ADJUSTMENTS.—The District taxable income of residents, resident estates, and resident trusts and the net income of corporations and unincorporated businesses shall be decreased and increased by the following amounts:

"(a) DECREASES.—(1) The amount necessary to prevent the taxation of any amount of income or gain which was properly included in income or gain under this article for any taxable year beginning prior to January 1, 1969, by the taxpayer, or by a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain;

"(2) The amount of any trust distribution to the taxpayer included in his Federal taxable income for the taxable year, but only to the extent that each amount was previously taxed to the trust by the District;

"(3) The amount of gain included therein which was realized from the sale or exchange prior to January 1, 1969, of any capital asset, as defined in this article on December 31, 1968;

"(4) The portion of any taxable gain, from the sale or other disposition of property having a proper higher adjusted basis for District income or franchise tax purposes than for Federal income tax purposes on the last day of the last taxable year beginning prior to January 1, 1969, that does not exceed such difference in basis. In the case of any taxpayer other than a corporation, if such gain is considered a long-term capital gain for Federal income tax purposes, the adjustment shall be limited to 50 per centum of such portion of the gain;

"(5) The owner's or member's share of the taxable income of an unincorporated business after deduction of the exemption and any salary allowance permitted under section 4 of title VIII of this article.

"(b) INCREASES.—(1) The amount of any loss incurred in any taxable year beginning prior to January 1, 1969, to the extent deductible in determining Federal taxable income for any taxable year beginning after December 31, 1968;

"(2) In the case of a corporation or an unincorporated business, the amount of taxes imposed under this article and any income tax or any franchise tax measured by income imposed by any other taxing jurisdiction to the extent deductible in determining Federal taxable income.

"SEC. 2. MEASURE OF THE TAX.—In the case of corporations and unincorporated businesses the measure of the tax imposed under this article shall be that portion of the net income of the corporation and unincorporated business which is fairly attributable to any trade or business carried on or engaged in within the District and such other net income as is derived from sources within the District. Income derived from the sale of tangible personal property by a corporation or unincorporated business not carrying on or engaging in trade or business within the District as defined in title I of this article shall not be considered as income from sources within the District for purposes of this article. For the purposes of this article the term 'net income' means—

"(1) CORPORATIONS.—In the case of a corporation, its taxable income for Federal income tax purposes: Provided, That in the case of a regulated investment company or a real estate investment trust such term shall mean the sum of its investment company taxable income or real estate investment trust taxable income (as the case may be) and its capital gains which are subject to Federal income tax.

"(2) UNINCORPORATED BUSINESSES.—In the case of an unincorporated business, the portion of its income which would be taxable income for Federal income tax purposes if the unincorporated business were a partnership."

SEC. 12. Title XI (D.C. Code, sec. 47–1583 through 1583e) is hereby repealed.

SEC. 13. Title XII (D.C. Code, sec. 47–1586 through 47–1586n) is amended as follows:

(a) By striking therefrom the word "Assessor", wherever it appears, and by inserting in lieu thereof the word "Commissioner"; by striking therefrom the word "Collector", wherever it appears, and by inserting in lieu thereof the word "Commissioner"; by striking therefrom the words "District Court of the United States for the District of Columbia", wherever they appear, and by inserting in lieu thereof the words "United States District Court for the District of Columbia"; by striking therefrom the words "Municipal Court of the District of Columbia", wherever

they appear, and by inserting in lieu thereof the words "District of Columbia Court of General Sessions"; by striking therefrom the word "Commissioners", wherever it appears, and by inserting in lieu thereof the word "Council"; and by striking therefrom the words "Board of Tax Appeals for the District of Columbia", wherever they appear, and by inserting in lieu thereof the words "District of Columbia Tax Court."

(b) Section 1 of said title (D.C. Code, sec. 47–1586) is amended to read as follows:

"SEC. 1. ASSESSMENT AUTHORITY—(a) AUTHORITY TO DETERMINE TAX.—In determining the correct amount of any taxpayer's tax under this article, the Commissioner is authorized to determine the taxpayer's Federal taxable income and each item entering into the computation thereof. Any assessment made or proposed on the basis of such determinations shall be deemed prima facie correct. Any assessment, compromise, closing agreement, settlement, adjustment, ruling, or other determination of the taxpayer's taxable income or status for Federal income tax purposes made or proposed by the Internal Revenue Service, or other competent Federal authority, shall not be binding or deemed controlling on the Commissioner, the courts, or taxpayers in determining a taxpayer's taxable income for District income tax purposes.

"(b) MODE OR TIME OF ASSESSMENT.—If the mode or time for the assessment of any tax (including interest, additions to the tax, and assessable penalties) imposed by this article is not otherwise stated in this article, the Council may establish the same by regulations.

"(c) SUPPLEMENTAL ASSESSMENTS.—The Commissioner may, at any time within the period authorized for assessment of any tax under this article, make a supplemental assessment (whether as a deficiency or otherwise) whenever it is ascertained that any assessment is incorrect, imperfect, or incomplete."

SEC. 14(a). Section 2 of title XII (D.C. Code, sec. 47–1586a (is amended by inserting "(a)" before *"Statements and Special Returns."* and by adding the following new subsections:

"(b) CHANGE OF FEDERAL TAX AND AMENDED RETURN.—If the amount of a taxpayer's Federal taxable income for any taxable year beginning after December 31, 1968, as reported in any Federal income tax return is for Federal tax purposes changed or corrected, so as to increase the taxpayer's Federal taxable income, such taxpayer shall, without being called upon to do so, report such changed or corrected taxable income, and the details thereof, to the Commissioner within ninety days after the final determination of such change or correction, or at such other time as otherwise may be required by the Commissioner, and shall concede the accuracy of such final determination or state wherein it is erroneous. Any taxpayer filing an original or amended Federal income tax return for any taxable year beginning after December 31, 1968, setting forth any item, election, or other matter which increases income or tax previously reported on a District return filed under this article shall, within ninety days after filing such original or amended Federal income tax return, file an amended District return under this article, and with such filing pay any additional tax (including any penalties and interest) due under this article.

"(c) For the purpose of determining the liability of any person under this article and the extent of such liability, the Commissioner may require the furnishing of a true and correct copy of such person's Federal income tax return for any taxable year and a reconciliation of such return with such person's District return for such taxable year."

(b) Section 5 of said title (D.C. Code, sec. 47–1586d) is amended by inserting "(a)" before *"Determination and Assessment of Deficiency."* and by adding the following new subsection:

"(b) MATHEMATICAL ERRORS AND OVERSTATEMENT OF TAX CREDITS NOT DEFICIENCIES.—If a taxpayer is notified by the Commissioner that the amount of tax shown on the return is insufficient because of a mathematical error appearing in the return or because of an overstatement of any credit allowed against the tax shown on the return, the amount of additional tax due as a result of such error or overstatement shall not be regarded as a deficiency in tax. The amount of additional tax due as a result of such error or overstatement together with appropriate interest thereon may be collected in the same manner as a balance of tax due."

(c) Section 6(b) of said title (D.C. Code, sec. 47–1586e(b)) is amended to read as follows:

"(b) BOND TO STAY COLLECTION.—The collection of the whole or any part of the amount of such assessment may be stayed by filing with the Commissioner a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such surety or sureties as the Commissioner deems necessary, or, in the alternative, by depositing with the Commissioner such other security, in such form and in such amount, as is acceptable to the Commissioner, which such bond or security shall be conditioned upon the payment of the amount the collection of which is stayed, at the time at which, but for this section, such amount would be due." (d) Subsections 7 (a)(6), (7), and (8)) of said title (D.C. Code, sec. 47–1586f(a)(6), (7), and (8)) are hereby repealed.

(e) Section 7 of said title is further amended by adding at the end thereof the following new subsection:

"(d) DATE FIXED FOR PAYMENT OF TAX.—In any case in which a tax is required to be paid on or before a certain date, or within a certain period, any reference in this article to the date fixed for payment of such tax shall be deemed a reference to the last day fixed for such payment (determined without regard to any extension of time for paying the tax)."

(f) Section 8(e)(1) of said title (D.C. Code, sec. 47–1586g(e)(1)) is amended to read as follows:

"(1) An employee shall on any day be entitled to the same number of District withholding exemptions as the number of exemptions to which he is entitled for Federal withholding tax purposes. Notwithstanding the remaining provisions of this subsection an employer may rely upon the number of Federal withholding exemptions claimed by the employee on his Federal exemption certificate, except where the employee claims a different number of District withholding exemptions, in which case the employee shall furnish the employer with a separate District exemption certificate."

(g) Section 8(f) of said title (D.C. Code, sec. 47–158g(f)) is amended by adding at the end thereof the following new paragraph:

"(3) If an employer fails to deduct and withhold tax as required, and thereafter the tax against which such tax would be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer, but the employer shall not be relieved from liability for any penalties, interest, or additions to the tax otherwise applicable in respect of such failure to deduct and withhold."

(h) Section 8 of said title (D.C. Code, sec. 47–1586g) is further amended by striking therefrom subsections (i), (j), and (k) and inserting in lieu thereof the following new subsections:

"(i) ESTIMATED TAX.—(1) INDIVIDUALS.—Every individual who, at the time prescribed for filing a Federal declaration of estimated tax, resides or is domiciled in the District (except individuals excluded from the definition of the term 'resident') shall, whether or not such individual is required to file a Federal declaration of estimated tax, make and file with the Commissioner a declaration of estimated District tax for the taxable year if his estimated District tax for such taxable year can reasonably be expected to exceed $40. The term 'estimated District tax' means the amount which an individual estimates to be his income tax imposed for the taxable year by this article less the amount which he estimates to be the sum of any credits allowable against such tax.

"(2) MISCELLANEOUS REQUIREMENTS.—Unless otherwise prescribed by the Council, the provisions of the Internal Revenue Code shall apply with respect to amendments of declarations, declarations of husband and wife, return as declaration or amendment, time of filing, time of payment, and penalty for underpayment.

"(3) CREDIT FOR PAYMENT.—Payment of the estimated tax, or any installment thereof, shall be considered payment on account of the tax for the taxable year.

"(j) WITHHOLDING OF INCOME TAX AND PAYMENT TO D.C. TREASURER BY THE UNITED STATES.—(1) The Secretary of the Treasury of the United States, pursuant to regulations promulgated by the President, is authorized and directed to enter into an agreement with the Commissioner, within one hundred and twenty days of the request for agreement from the Commissioner. Such agreement shall provide that the head of each department or agency of the United States shall comply with the requirements of this article in the case of employees of such agency or department who are subject to income taxes imposed by this article, and whose regular place of employment is within the Metropolitan Area of the District of Columbia as defined in Public Law 85–1, An Act establishing Inauguration Day as a holiday in the Metropolitan Area of the District of Columbia. No such agreement shall apply with respect to compensation for service as a member of the Armed Forces of the United States, or with respect to compensation of an employee who is not a resident of the District of Columbia as defined in this article.

"The Secretary of the Senate, The Clerk of the House of Representatives, and the Administrative Officer of the United States Courts are hereby authorized and directed to comply with the requirements of this article in the case of employees paid by them who are subject to income taxes imposed by this article and whose place of employment is within the District of Columbia.

"(2) Nothing in this subsection shall be deemed to consent to the applicability of any provision of law which has the effect of imposing more burdensome requirements upon the United States than it imposed upon other employers, or which has the effect of subjecting the United States or any of its officers or employees to any penalty or liability by reason of the provisions of this subsection."

(i) Section 10(a)(1) of said title (D.C. Code, sec. 47–1586i(a)(1)) is amended by striking the semicolon at the end thereof and inserting in lieu thereof a colon; and by adding after the colon the following:

"Provided, That—

"if the amount of a taxpayer's Federal taxable income for any taxable year beginning after December 31, 1968, is for Federal tax purposes changed or corrected by a final determination so as to increase the taxpayer's Federal taxable income, or

"if an amended Federal income tax return reporting any increase in the taxpayer's Federal taxable income is filed by or on behalf of the taxpayer for any taxable year.

(whether such change or correction is made,

or such amended return is filed before or after the expiration of the three-year period of limitation set forth herein) the amount of taxes imposed by this article shall be assessed within the later of (A) the period prescribed in this section, or (B) six months after the taxpayer either (i) notifies the Commissioner of such change or correction, or (ii) files an amended District return. If the Commissioner is not so notified, or if no such amended District return is filed, the taxes may be assessed at any time."

(j) Section 10(a)(3) of said title (D.C. Code, sec 47–1586i(a)(3)) is amended to read as follows:

"(3) If for any taxable year the taxpayer understates taxable income for District purposes by an amount reflecting an omission of 25 per centum or more of his gross income, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within five years after the filing of the taxpayer's District income tax return reflecting such understatement."

(k) Section 10(d) of said title (D.C. Code, sec. 47–1586i(d)) is amended by striking therefrom the word "income".

(l) Section 11(a) of said title (D.C. Code, sec. 47–1586j(a)) is amended by striking the last sentence thereof and inserting in lieu thereof the following:

"Subject to the provisions of subsection (a) of section 1 of this title, and notwithstanding the foregoing period of limitations prescribed in this subsection, where there is a final determination of any overpayment of the taxpayer's Federal income tax for any taxable year beginning after December 31, 1968 (including any overpayment resulting from a net operating loss carryback), the overpayment, if any, of taxes imposed by this article for such taxable year (other than an amount of tax assessed as a deficiency) shall be credited or refunded upon the filing by the taxpayer of a claim for refund within six months after such final determination of an overpayment of the taxpayer's Federal income tax. The foregoing sentence shall not apply to any part of an overpayment for a taxable year if any part of the tax for that year has been finally determined by a court proceeding in which the District was a party, except for that part of the overpayment, if any, attributable to a net operating loss carryback which was not litigable in that court proceeding. The amount of such credit or refund shall not exceed the amount of the reduction in District tax attributable to such Federal change, correction, or items amended in determining the taxpayer's Federal income for the taxable year. All claims for refund shall be in such written form and filed in such manner as the Commisioner may prescribe."

(m) Section 11(c)(3) of said title (D.C. Code, sec. 47–1586j(c)(3)) is amended by striking therefrom the last three sentences and by inserting in lieu thereof the following:

"Such refunds shall be made from moneys collected pursuant to the provisions of this article."

(n) The first sentence of section 12 of title XII (D.C. Code, sec. 47–1586k) is amended by striking therefrom the words "income tax" and inserting in lieu thereof the words "tax imposed under this article."

(o) Said title is further amended by redesignating sections 14 and 15 thereof as sections 15 and 16, and by adding the following new section:

"SEC. 14. DECLARATIONS OF ESTIMATED INCOME TAX BY CORPORATIONS AND UNINCORPORATED BUSINESSES.

"(a) Every corporation and unincorporated business required to make and file an income tax return under this article shall make and file a declaration of estimated tax at such time or times, and in such amounts, and under such conditions, as the Council shall by regulations prescribe.

"(b) FAILURE BY CORPORATION OR UNINCORPORATED BUSINESS TO PAY ESTIMATED INCOME TAX.

"(1) ADDITION TO THE TAX.—In the case of any underpayment of estimated tax by a corporation or unincorporated business, there shall be added to the tax for the taxable year an amount determined at the rate of 6 percent per annum upon the amount of the underpayment (determined under subsection (2)) for the period of the unerpayment (determined under subsection (3)).

"(2) AMOUNT OF UNDERPAYMENT.—For purposes of subsection (1), the amount of the underpayment shall be the excess of—

"(A) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the tax shown on the return for the taxable year or, if no return was filed, 80 percent of the tax for such year, over

"(B) The amount, if any, of the installment paid on or before the last date prescribed for payment.

"(3) PERIOD OF UNDERPAYMENT.—The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier.

"(A) The 15th day of the fourth month following the close of the taxable year.

"(B) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes, of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subsection (2)(A) for such installment date."

"(c) OVERPAYMENT-CREDIT OF TAX.—Overpayment resulting from the payment of estimated tax in excess of the amount determined to be due upon the filing of a return for the same taxable year may be credited against the amount of estimated tax determined to be due on any declaration filed for the next succeeding taxable year or for any deficiency or nonpayment of tax for any previous taxable year. No refund shall be made of any estimated tax paid unless a complete return is filed.

SEC. 15. Title XIII (D.C. Code, sec. 47–1589e) is amended as follows:

(a) By striking therefrom the word "Collector", wherever it appears, and by inserting in lieu thereof the word "Commissioner", and by striking therefrom the words "Municipal Court of the District of Columbia", wherever they appear, and by inserting in lieu thereof the words "District of Columbia Court of General Sessions."

(b) Section 1(a) of said title (D.C. Code, sec. 47–1589a) is amended to read as follows:

"(a) FALURE TO FILE A RETURN, WITHHOLD TAX, OR REMIT TAX WITHHELD.—In the case of any failure, within the time prescribed by law or by the Council in pursuance of law, to file a return required by this article (other than a declaration of estimated tax), to withhold taxes on wages, or to remit amounts of such withholding tax collected, 5 per centum of the tax required to be shown on the return, or required to be withheld or required to be remitted shall be added to such tax or amounts not withheld or not remitted for each month or fraction thereof that such failure continues, not to exceed 25 per centum in the aggregate of such tax or amount not withheld or not remitted, except if it is shown that the failure to file, withheld, or remit was due to reasonable cause and not due to willful neglect, no such addition shall be made. For purposes of this subsection, the tax required to be shown on the return shall be reduced by the amount of any District tax credits to which the taxpayer is entitled."

(c) Section 1 of said title is further amended by striking therefrom subsections (b) and (c) and by redesignating subsection (d) as subsection (b).

(d) Section 6 of said title (D.C. Code, sec. 47–1589e) is amended as follows:

"(a) By striking from subsection (a) of said section the word 'refuses' and by inserting in lieu thereof the word 'fails.'

"(b) By redesignating subsection (b) as subsection (c).

"(c) By adding a new subsection (b) reading as follows:

"(b) NEGLIGENCE.—Any person required under this article to pay or collect any tax, or required by law or regulations made under authority therof to make a return, keep any records, or supply information, who fails to pay or collect such tax, to make such return, to keep such records, or supply such information, at the time or times required by law or regulations shall, upon conviction thereof (in addition to other penalties provided by law), be fined not more than $300 for each and every such failure, and each and every day that such failure continues shall constitute a separate and distinct offense. All prosecutions under this section shall be brought in the District of Columbia Court of General Sessions on information by the Corporation Counsel or any of his assistants in the name of the District."

SEC. 16. Title XIV (D.C. Code, sec. 47–1591 through 47–1591f), is amended to read as follows:

"SEC. 1. Any person who, pursuant to the provisions of subsection (b) of section 1 of title XIV of the District of Columbia Income and Franchise Tax Act of 1947, as heretofore amended, (D.C. Code, sec. 47–1591(b)) was issued a trade, business, or professional license for the calendar year 1969, shall, upon filing a claim therefor in the manner provided by subsection (a) of section 11 of title XII of said Act (D.C. Code, sec. 47–1586j(a)), be entitled to a refund without interest of the amount of the fee paid by him for such license. No such refund shall be allowed after ninety (90) days from the date of enactment of this Act unless before the expiration of such period a claim therefor is filed by the licensee. The remedy provided by this section shall be exclusive of any other remedy authorized or provided by law."

SEC. 17. Section 1 of title XV (D.C. Code, sec. 47–1593) is amended by striking therefrom the word "Assessor" and by inserting in lieu thereof the word "Commissioner"; and by striking therefrom the words "Board of Tax Appeals for the District of Columbia", and by inserting in lieu thereof the words "District of Columbia Tax Court."

SEC. 18(a). Title XVI is amended by striking therefrom the word "Commissioners", and by inserting in lieu thereof the word "Council."

(b) Section 1 of said title (D.C. Code, sec. 47–1595) is amended by adding at the end thereof the following sentence:

"The Council is authorized to adopt in whole or in part any rule or regulation prescribed by the Secretary of the Treasury or his delegate pursuant to the Internal Revenue Code."

SEC. 19. EFFECTIVE DATES.—(a) Except as provided in subsection (b) the provisions of this Act shall be effective with respect to all taxable years beginning after December 31, 1968, and ending after the date of enactment of this amendatory Act.

(b) The amendments made by subsections (d), (f), and (h) of section 14 of this Act shall become effective January 1, 1970.

SEC. 20. EFFECT OF REPEAL OR AMENDMENT.—(a) EXISTING RIGHTS AND LIABILITIES.—The repeal or amendment of any provision of the District of Columbia Income and Franchise Tax Act of 1947, as heretofore amended, shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before such repeal or amendment, but all rights and liabilities under such Act shall continue, and may be enforced in the same manner and to the same extent, as if such repeal or amendment had not been made.

(b) CRIMES AND PENALTIES.—All offenses committed, and all penalties incurred, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this Act had not been enacted.

SEC. 21. SEPARABILITY CLAUSE.—If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 22. DELEGATION.—The performance of any function vested by this Act in the Commissioner of the District of Columbia or in any office or agency under his jurisdiction and control, or in the District of Columbia Council, may be delegated by the Commissioner or by the Council, as the case may be.

S. 2694

A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, Sec. 4–823) is amended to read as follows:

"SALARY SCHEDULE

"Salary class and title	Service steps						Longevity steps		
	1	2	3	4	5	6	A	B	C
Class 1:									
Subclass (a)	$8,500	$8,755	$9,180	$9,605	$10,285	$10,965	$11,390	$11,815	$12,240
Fire private.									
Police private.									
Subclass (b)	9,095	9,350	9,775	10,200	10,880	11,560	11,985	12,410	12,835
Private assigned as:									
Technician.									
Plainclothesman.									
Station clerk.									
Motorcycle officer.									
Class 2:									
Subclass (a)	9,775	10,265	10,755	11,245			12,085	12,575	13,065
Fire inspector.									
Subclass (b)	10,200	10,690	11,180	11,670			12,510	13,000	13,490
Fire inspector assigned as technician.									
Class 3	10,625	11,155	11,685	12,215			12,745	13,275	13,805
Assistant marine engineer.									
Assistant pilot.									
Detective.									
Class 4:									
Subclass (a)	11,475	12,050	12,625	13,200			13,775	14,350	14,925
Fire sergeant.									
Police sergeant.									
Subclass (b)	11,900	12,495	13,090	13,685			14,280	14,875	15,470
Detective sergeant.									
Subclass (c)	12,070	12,645	13,220	13,795			14,370	14,945	15,520
Police sergeant assigned as motorcycle officer.									
Class 5	13,300	13,965	14,630	15,295			15,960	16,625	
Fire lieutenant.									
Police lieutenant.									
Class 6	14,500	15,280	16,010	16,740			17,470	18,200	
Marine engineer.									
Pilot.									
Class 7	15,800	16,590	17,380	18,170			18,960	19,750	
Captain.									
Class 8	18,500	19,425	20,350	21,275			22,200	23,125	
Battalion fire chief.									
Police inspector.									
Class 9	21,500	22,575	23,650	24,725			25,800	26,875	
Deputy Fire Chief.									
Deputy Chief of Police.									
Class 10	23,800	24,990	26,180	27,370			28,560	29,750	
Assistant Chief of Police.									
Assistant Fire Chief.									
Commanding officer of the White House Police.									
Commanding officer of the U.S. Park Police.									
Class 11	28,500	29,925	31,350	32,775					
Fire Chief.									
Chief of Police.									

"

SEC. 2. The rates of basic compensation of officers and members to whom the amendments made by the first section of this Act apply shall be adjusted as follows:

Each officer and member receiving basic compensation immediately prior to the effective date of this Act at one of the scheduled service or longevity rates of a salary class or subclass in the salary schedule in Section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 shall receive a rate of basic compensation at the corresponding scheduled service or longevity rate in effect on and after the effective date of this Act, except that:

(a) Each officer or member who immediately prior to the effective date of this Act was assigned as technician I or plainclothesman in subclass (b) of Class I or as technician II, station clerk, or motorcycle officer in subclass (c) of Class I shall, on the effective date of this Act be assigned as and receive basic compensation as technician, plainclothesman, station clerk or motorcycle officer in subclass (b) of class I at the service step or longevity step in which he was serving immediately prior to the effective date of this Act.

(b) Each officer or member who immediately prior to the effective date of this Act was serving as a fire inspector assigned as technician I or technician II in subclass (b) or (c) of Class 2 shall, on the effective date of this Act, be placed and receive basic compensation as fire inspector assigned as technician in subclass (b) of Class 2 at the service step or longevity step in subclass (b) corresponding to that service step or longevity step in which he was serving immediately prior to the effective date of this Act.

(c) Each officer or member who on the effective date of this Act was serving in subclass (b) of class 9 shall, on the effective date of this Act be placed in and receive basic compensation in class 10 at the service step or longevity step corresponding to that service step or longevity step in which he was serving immediately prior to the effective date of this Act.

(d) The Fire Chief or Chief of Police who on the effective date of this Act was serving in class 10 shall on the effective date of this Act be placed in and receive basic compensation in class 11 at the service step in which he was serving immediately prior to the effective date of this Act.

(e) Each officer or member of the Metropolitan Police Force who is performing the duty of a dog handler on or after the effective date of this Act shall receive in addition to his basic compensation an additional $595 per annum, except that if a police private is classed as technician in subclass (b) of salary class I in the salary schedule in section 101 of the District of Columbia Police and Firemen's Salary Act of 1958 solely on account of his duties as a dog handler, such police private shall not be entitled to the additional compensation authorized by this paragraph.

SEC. 3. Section 303(c) of the District of Columbia Police and Firemen's Salary Act of 1958, as amended (D.C. Code, sec. 4–829 (c)), is amended by deleting ", (b), or (c)" and inserting in lieu thereof "or (b)."

SEC. 4. The first sentence of section 304 of the District of Columbia Police and Firemen's Salary Act of 1958, as amended (D.C. Code, sec. 4–830), is amended to read as follows:

"Any officer or member who is promoted or transferred to a higher class or subclass of a higher class shall receive basic compensation at the lowest scheduled rate of such higher class or subclass which exceeds his existing rate of compensation by not less than one step increase of the next higher step of the class or subclass from which he is promoted or transferred."

SEC. 5. (a) Retroactive compensation or salary shall be paid by reason of this Act only in the case of an individual in the service of the District of Columbia Government or of the United States (including service in the Armed Forces of the United States) on the date of enactment of this Act, except that such retroactive compensation or salary shall be paid (1) to an officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the

United States Park Police force, or the White House Police force, who retired during the period beginning on the first day of the first pay period which began on or after July 1, 1969, and ending on the date of enactment of this Act for services rendered during such period, and (2) in accordance with the provisions of the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after July 1, 1969, and ending on the date of enactment of this Act by an officer or member who dies during such period.

(b) For the purpose of this section, services in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the federal government or the municipal government of the District of Columbia.

SEC. 6. For the purpose of determining the amount of insurance for which an officer or member is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this Act shall be held and considered to be effective as of the date of enactment of this Act.

SEC. 7. The provisions of this Act shall take effect on the first day of the first pay period beginning on or after July 1, 1969.

S. 2695

A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended (D.C. Code, sec. 4–521), is amended as follows:

(1) Paragraph (4) of subsection (a) of such section is amended to read as follows:

"(4) The term 'widower' means the surviving husband of a member who was married to such individual while she was a member."

(2) Paragraph (5) of subsection (a) of such section is amended to read as follows:

"(5) (A) The term 'child' means an unmarried child, including (i) an adopted child, and (ii) a stepchild or recognized natural child who lives with the member in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who, because of physical or mental disability incurred before the age of eighteen, is incapable of self-support.

"(B) The term 'student-child' means an unmarried child who is a student between the ages of eighteen and twenty-two years, inclusive, and who is regularly pursuing a full-time course of study or training in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.".

(3) Subsection (d) of such section is amended as follows:

(A) Paragraph (1) of such subsection is amended to read as follows:

"(1) On and after the first day of the first pay period which begins on and after the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1969 there shall be deducted and withheld from each member's basic salary an amount equal to 7 per centum of such basic salary. Such deductions and withholdings shall be paid to the Collector of Taxes of the District of Columbia, and shall be deposited in the Treasury to the credit of the District of Columbia.".

(B) Subsection (d) is amended by adding at the end thereof the following new paragraph:

"(4) In order to facilitate the settlement of the accounts of each former member coming under the provisions of this section who dies after retirement (1) leaving no survivor entitled to receive an annuity under the provisions of this section and (2) before the aggregate amount of the annuity paid to such former member equals the total amount deducted and withheld for retirement from his salary as a member, the Commissioner shall pay the difference to the person or persons surviving at the time of death in the following order of precedence, and such payment shall be a bar to recovery by any other person of the amount so paid:

"First, to the beneficiary or beneficiaries designated in writing by such former member, filed with the Commissioner and received by him prior to the death of such former members;

"Second, if there be no such beneficiary, to the child or children of such deceased former member and the descendants of deceased children by representation;

"Third, if there be none of the above, to the parents of such former member, or the survivor of them;

"Fourth, if there be none of the above, to the duly appointed legal representative of the estate of the deceased former member, or if there be none to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased former member."

(4) Subsection (f) of such section is amended by striking out "2 per centum" and inserting in lieu thereof "2½ per centum".

(5) Subsection (g) of such section is amended by deleting "2 per centum" wherever it appears therein and inserting in lieu thereof "2½ per centum".

(6) Subsection (h)(3) of such section is amended by deleting "70 per centum" and inserting in lieu thereof "80 per centum".

(7) Subsection (j) of such section is amended by deleting "fifty-five" wherever it appears therein and inserting in lieu thereof "fifty".

(8) Subsection (k) of such section is amended to read as follows:

"(k) (1) In the event that any member dies in the performance of duty, and such death is determined by the Commissioner to have occurred as a direct result of an accidental or a violent disastrous act, leaving a widow or widower, such widow or widower shall be entitled to receive an annuity equal to such member's basic salary at the time of death.

"(2) In the case of the death of any member before retirement, other than as provided in paragraph (1) of this subsection, or of any former member after retirement, leaving a widow or widower, such widow or widower shall be entitled to receive an annuity in the greater amount of (A) 40 per centum of such member's basic salary at the time of death, or 40 per centum of the salary on the basis upon which the annuity, relief or retirement compensation being received by such former member at the time of death was computed, or (B) 40 per centum of the salary for Step C, Subclass (a), Class 1 of the District of Columbia Police and Firemen's Salary Act salary schedule at the time of such member or former member's death: *Provided,* That such annuity shall not exceed the current rate of compensation of the position occupied by such member at the time of death or by such former member immediately prior to retirement.

"(3) Each surviving child or student-child of any member who dies in the performance of duty as provided in paragraph (1) of this subsection, and who is not survived by a wife or husband, shall be paid an annuity equal to the smaller of (1) 25 per centum of such member's basic salary at the time of death; or (2) such member's basic salary at the time of death, divided by the number of eligible children.

"(4) Each surviving child or student-child, of any member who dies before retirement, and whose death was other than as provided in paragraph (1) of this subsection, or of any former member who dies after retirement, shall be entitled to receive an annuity in the greater amount of (A) 10 per centum of such member's basic salary at the time of death, or 10 per centum of the salary on the basis upon which the annuity, relief, or retirement compensation being received by such former member at the time of death was computed, divided by the number of eligible children, or (B) 10 per centum of the salary for Step C, Subclass (a), Class 1 of the District of Columbia Police and Firemen's Salary Act in effect at the time of such member or former member's death, salary schedule/or 30 per centum of such salary divided by the number of eligible children, whichever is the smaller: *Provided,* That such member or former member is survived by a wife or husband: *Provided further,* That such annuity shall not exceed the current rate of compensation of the position occupied by such member at the time of death, or by such former member immediately prior to retirement. If such member or former member is not survived by a wife or husband, each surviving child or student-child shall be paid an annuity in the greater amount of (i) 15 per centum of such member's basic salary at the time of death, or 15 per centum of the salary on the basis upon which the annuity, relief, or retirement compensation being received by such former member at the time of death computed, divided by the number of eligible children, or (ii) 15 per centum of the salary for Step C, Subclass (a), Class 1 of said salary schedule in effect at the time of such member or former member's death, or 45 per centum of such salary divided by the number of eligible children, whichever is the smaller: *Provided,* That such annuity shall not exceed the current rate of compensation of the position occupied by such member at the time of death, or by such former member immediately prior to retirement.

"(5) Each widow, widower, or child who, on the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1969, was receiving relief or an annuity under the provisions of subsection (k) of this section, shall be entitled to have such benefits recomputed in accordance with the provisions of paragraph (2), (3), or (4) of this subsection, as amended. For the purposes of such recomputations, the term 'salary' as used in subsection (k)(2)(A), (k)(3), or (k)(4)(A) shall mean the salary provided for the position occupied by the member at the time of his death or by the retiree at the time of his retirement, as the case may be, increased by any statutory increases relative to such position which have occurred subsequent to such death or retirement, and the term 'salary' as used in subsection (k)(2)(B) or (k)(4)(B) shall mean the salary for the step referred to therein in effect on the date of such recomputation.

"(6) In the case of the death of any former member after retirement, leaving a widower, such widower shall be entitled to receive an annuity equal to 40 per centum of the full annuity such former member was entitled to receive at the time of death: *Provided,* That such former member, at the time of retirement, elected to receive a reduced annuity in lieu of such full annuity: *Provided further,* That the annuity payable to such former member after retirement was reduced by 10 per centum of the annuity computed as provided in subsection (f), (g),

or (h). If, at any time after such former member's retirement, the husband dies, and is survived by such former member, the annuity payable to such former member shall be increased to the amount computed as provided in subsection (f), (g), or (h).

"(7) The annuity of any widow or widower under this subsection shall begin on the first day of the month in which the member or former member dies, and such annuity or any right thereto shall terminate upon the survivor's death or remarriage: *Provided*, That any annuity terminated by remarriage may be restored if such remarriage is later terminated by death, annulment or divorce. The annuity of any child under this subsection shall begin on the first day of the month in which the member or former member dies, and such annuity of such child or any right thereto shall terminate upon (A) his attaining age 18, unless incapable of self-support, (B) his becoming capable of self-support after age 18, (C) his marriage, or (D) his death. The annuity of any student-child after this subsection shall begin on the first day of the month in which the member or former member dies, and such annuity of such child or any right thereto shall terminate upon (i) his ceasing to be a student, (ii) his attaining age 22, (iii) his marriage, or (iv) his death. Such student-child whose birthday falls during the school year (September 1–June 30) shall be considered not to have reached age 22 until July 1 following his actual 22nd birthday.

"(8) Upon the death or remarriage of the surviving wife or husband of any member who is killed in the performance of duty as provided in paragraph (1) of this subsection, each surviving child or student-child of such member shall be paid an annuity computed as provided in paragraph (3) of this subsection. Such annuity shall begin on the first day of the month in which such wife or husband dies or remarries, and such annuity or any right thereto shall terminate (A) upon restoration of the annuity of a remarried wife or husband whose remarriage was later terminated, or (B) as provided in paragraph (7) of this subsection. Upon the death of the surviving wife or husband of any member whose death was other than as provided in paragraph (1) of this subsection, or of any former member, or termination of the annuity of a child or student-child, the annuity of any other child, student-child, or children shall be recomputed and paid as though such wife, husband, child, or student-child had not survived the member or former member.

"(9) Any member retiring under subsection (f), (g), or (h) of this section, may, at the time of such retirement, elect to receive a reduced annuity in lieu of the full annuity, and designate in writing the person to receive an increased annuity after the retired annuitant's death: *Provided*, That the person so designated be the surviving spouse or child of the retiring member. Whenever such an election is made, the annuity of the designee shall be increased by an amount equal to the amount by which the annuity of such retiring member is reduced. The annuity payable to the member making such election shall be reduced by 10 per centum of the annuity computed as provided in subsection (f), (g), or (h). Such increase in annuity payable to the designee shall be reduced by 5 per centum for each full five years the designee is younger than the retiring member, but such total reduction shall not exceed 40 per centum. The increase in annuity payable to the designee pursuant to this paragraph (9) shall be paid in addition to the annuity provided for such designee pursuant to paragraph (2), (4), or (8) of this subsection and shall be subject to the same limitations as to duration and other conditions as the annuity paid pursuant to paragraphs (2), (4), (7), and (8) of this subsection. If, at any time after such former member's retirement, the designee dies, and is survived by such former member, the annuity payable to such former member shall be increased to the amount computed as provided in subsection (f), (g), or (h).

"(10) Each person entitled to benefits computed in accordance with the provisions of this subsection shall be entitled to receive, without making application therefor, with respect to each increase in the salary upon which such benefits were computed hereafter granted by law, an increase in his relief or annuity. Such increase shall be in an amount which bears the same ratio to such relief of annuity in effect on the day next preceding such salary increase as such salary increase bore to such salary in effect on the day next preceding such salary increase. Each increase in relief or annuity under this paragraph (10) resulting from a salary increase shall take effect as of the first day of the first month following the effective date of such salary increase."

SEC. 2. This Act may be cited as the "Policemen and Firemen's Retirement and Disability Act Amendments of 1969".

S. 2696—EXPORT EXPANSION AND REGULATION ACT REPORTED—MINORITY, SUPPLEMENTAL, AND INDIVIDUAL VIEWS (REPT. NO. 91–336)

Mr. MUSKIE. Mr. President, from the Committee on Banking and Currency, I report favorably an original bill (S. 2696) to provide for continuation of authority for the regulation and expansion of exports, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators BENNETT and TOWER, the supplemental views of Senators MONDALE, HUGHES, and PERCY, and the individual views of Senator GOODELL.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Maine.

S. 2697—INTRODUCTION OF A BILL TO AMEND THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. JAVITS. Mr. President, I introduce on behalf of the Senator from Massachusetts (Mr. BROOKE) and myself a bill that would amend the Omnibus Crime Control and Safe Streets Act of 1968 by making 50 percent of a State's allocation under the law enforcement assistance program conditional upon the enactment of firearms informations legislation.

I am joined in introducing the bill by the distinguished junior Senator from Massachusetts (Mr. BROOKE), who has been a leader in the effort to achieve the enactment of firearms' control legislation over the past few years.

Last year, Congress enacted both the Omnibus Crime Control and Safe Streets Act, and the Gun Control Act. These measures represented the first concerted national effort to curtail the violence associated with the unrestricted availability of firearms. However, it has long been clear that further action is required if we are to counteract the rise in crimes of violence; and we would be deluding ourselves if we did not relate this increase in crimes of violence in our society with the easy availability of guns in many sections of the country.

There were more than 6,000 gun murders in the United States in 1967 compared to 12 in Great Britain, a nation with strong gun control legislation. As the Senator from Nebraska (Mr. HRUSKA) noted in introducing the administration's bills on crime in the District of Columbia, the 1968 preliminary annual uniform crime reporting statistics states that crime increased by 17 percent nationally in 1968 over 1967. Violent crimes increased by 19 percent, with murders up 19 percent, robbery up 29 percent and assault up 12 percent. The Federal Bureau of Investigation reports that crime, as measured by the crime index, increased 10 percent during the first 3 months of 1969 over the same period in 1968. Murders were up 7 percent, assault 8 percent and robbery up 22 percent. As a group, the crimes of violence—murder, forcible rape, robbery, and aggravated assault—rose 15 percent.

The bills passed in 1968—title IV of the Omnibus Crime Control and Safe Streets Act and the Gun Control Act—prohibited the interstate transfer of and mail-order business in firearms. This legislation was designed to enhance the successful prospects of States to develop meaningful firearms control legislation, for the easy availability of guns through interstate commerce had detracted from the effectiveness of such State legislation.

The Congress last year thus made it possible for the States to undertake programs of comprehensive gun control. A few States now have such legislation, including New Jersey, which has perhaps the most comprehensive of such acts dealing with both the registration and licensing of long guns and handguns, and New York, which has legislated only with regard to handguns.

It is interesting to note that 39 percent of murders committed in New Jersey and 32 percent in New York between 1962 and 1965 were with guns. This compares with about 70 percent of murders committed with guns in States with minimal or no gun controls.

To the extent that the 1968 legislation can make the laws of States like New Jersey more effective—and it is perhaps too soon to make judgments about that—than it has been an important and successful contribution to the effort to control firearms. But we must recognize that effective gun control is still dependent upon effective and constructive State action and that there exists in Federal law neither an incentive nor a requirement that States move in this direction. It is to this shortcoming to which the Senator from Massachusetts (Mr. BROOKE) and I have directed this bill.

We have debated the merits of firearms control many, many times over the past few years. There are several polls that make indisputably clear that the people of the United States over-whelmingly favor firearms' control. We have attempted to deal with crime and violence in the past and will again in this Congress, I am sure, but we have not yet fully met the problem caused by the unrestricted and often unknown presence

of firearms in our midst—particularly, in our densely populated and crime-prone urban areas.

We live in troubled and violent times. We have seen violent urban disorders and assassinations, and, in the past year, a dangerous new element—the presence of firearms—has been introduced into the student unrest which has gripped some of our campuses.

The bill which the Senator from Massachusetts (Mr. BROOKE) and I introduce today is a very modest measure. Hopefully, it will help raise this issue before the Senate once again and give the public a chance to be heard on it. Hopefully, the Committee on the Judiciary will seriously consider this bill as a modest attempt to face this issue. Hopefully, this bill has some chance of enactment and, therefore, of making some contribution to the national effort to control firearms and crimes of violence.

As I have noted, this bill would amend the Omnibus Crime Control and Safe Streets Act of 1968 by requiring any State which seeks its full Federal grant for an approved law enforcement project or program to enact legislation requiring the owner of a firearm—including rifles and shotguns, as well as pistols—to furnish to an appropriate State agency information as to his name, address, and social security number, as well as information on the manufacture, type, model, and serial number of the weapon.

It should be emphasized that no State would be required to establish such an information system. Any State legislature could refuse to enact such a bill, but such failure to act would result in the loss of 50 percent of the State's allocation—to which it would otherwise be entitled—under the program of Federal grants for law enforcement assistance.

Every State would have sufficient time to comply with this condition—until the completion of the first session for general legislative purposes following the enactment of this bill. The bill also provides that the Law Enforcement Assistance Administration would be authorized to enter into agreements with any State having such legislation to pay 75 percent of the cost of forwarding this information to the U.S. Department of Justice.

This bill merely seeks to provide an incentive for the establishment of firearms information systems at the State level. It does not establish a national system of firearms' registration and licensing. It does not require licensing at the State or local level. It would not hinder the hunter or the sportsman in any way, nor would it stop any decent, law-abiding citizen from owning a gun. It will merely provide an incentive to the States to obtain minimal information on the presence of firearms among their citizens. It would provide an incentive to the States to begin to bring some order out of the chaos of unfettered traffic in deadly weapons.

The Senator from Massachusetts (Mr. BROOKE) and I fully appreciate that the enactment of this bill would place a condition—though only a partial one—on a program which to date has been an unrestricted program of bloc grants to the States. I cosponsored the original legislation, and I support it. I will seek full funding of the programs it establishes. However, it seems to me that there is an overriding national interest in moving forward in the area of firearms' information. Moreover, it is perfectly consistent with the purposes and the objectives of the Safe Streets Act and of the program of the Federal law-enforcement assistance grants which established that any State which would benefit fully from this program should take some small step toward obtaining information about the existence of firearms within its borders. Without at least this minimal action, I believe that it can be neither accurately assumed nor validly accepted that the State has a comprehensive and balanced program of law enforcement, deserving of full Federal support.

This issue cannot be allowed to fade away, to be brought to the attention of the Congress again only as a result of more tragedy and violence. I urge the Committee on the Judiciary to give this matter the most serious and favorable consideration in its current hearings on gun control legislation, so that the Senate may have before it the opportunity to take one more step forward in gun control legislation.

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

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. 2697) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the States to adopt firearms information legislation, introduced by Mr. JAVITS (for himself and Mr. BROOKE) was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 2697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting immediately after section 522 the following new section:

"SEC. 523. (a) Notwithstanding any other provision of law, not more than 50 percent of a State's allocation determined under section 306 to carry out part C of this title may be made available for grants to such State unless the Attorney General has determined that such State has enacted legislation of general applicability within such State—

"(1) requiring the owner of a firearm within such State to furnish to an appropriate State agency the following information:

"(A) the name, address, and social security number, if any of the owner of the firearm; and

"(B) the manufacturer, type, model, and serial number or other identifying characteristics of each such firearm;

"(2) specifying civil penalties designed to insure compliance with the firearms information collection provisions of such legislation; and

"(3) permitting units of general local government the authority to enact firearms information ordinances more stringent than the provisions of such legislation.

"(b) No grant, and no portion of any grant, shall be denied because of the failure of any State to comply with the requirement of this section until the legislature of such State has completed the first session for general legislative purposes convened after the date of enactment of this Act.

"(c) (1) The Administration is authorized to enter into agreements with any State having legislation in compliance with the provisions of this section, to pay 75 percent of the cost of forwarding to the Department of Justice the information collected pursuant to paragraph (1) of subsection (a) of this section.

"(2) There are authorized to be appropriated such sums for each fiscal year as may be necessary to carry out the provisions of this subsection.

"(d) As used in this section the term 'firearm' has the same meaning as prescribed in section 921 of title 18, United States Code."

Mr. JAVITS. Mr. President, I ask unanimous consent that a statement prepared by the junior Senator from Massachusetts (Mr. BROOKE), who has joined me in sponsoring the bill, may be printed in the RECORD.

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

STATEMENT OF SENATOR BROOKE

Mr. BROOKE. Mr. President, I rise today with a sense of disappointment and urgency over a continuing problem of national dimensions. My concern is directed to the inadequate development of responsible and effective firearms controls.

The debate over which approach to adopt on the federal level has been clouded at times by emotional arguments advanced in the heat of controversy. Nevertheless, certain basic facts have emerged which demonstrate the relationship between the irresponsible use of firearms and the increasing rate of crime. For instance, we know that since 1965, armed robberies by gun have increased 58 percent and aggravated assaults by gun have increased 76 percent. We also know that the United States is by far the leader of the free industrial countries of the world in both the rate per capita and the absolute number of homicides, suicides and accidents by firearms.

More important than what we know is what we do not know. In light of the inherent danger of firearms, it seems incredible that there has been no comprehensive count of firearms sales by the Government since 1963 when the last study was conducted by the Bureau of the Census. The result is that in the absence of adequate data as to the number of firearms outstanding, estimates range from 100 million to 200 million. Sufficient information is also unavailable as to the number of firearms currently being sold to residents of each State or city and the number of firearms stolen or transferred annually. The importance of complete and adequate information is undeniably basic to an effective form of control. Without it, the only improvement possible is the more rapid transmission of inadequate information.

With these thoughts and concerns in mind, I am very pleased to join my distinguished colleague, the senior Senator from New York, in the introduction of a measure that is specifically designed to encourage the individual States to enact firearms information legislation. It is important to note that while the States are given strong incentive to adopt their own inventories and to share the collected information with the Federal Government, they are not compelled to do so. However, the efficiency of any central system will be directly proportional to the amount of State cooperation and participation elicited.

Every American citizen has a vested interest in the formulation of effective and responsible firearms control legislation. The improper use of firearms is not limited to

any one part of the country nor is it peculiar to any one ethnic group or race. I am hopeful that this measure will be considered favorably this session in an atmosphere of constructive debate and positive action.

It is a promising fresh approach to a chronic problem, and represents yet another option in the growing list of reasonable proposals to deal with this grave blight in our national life.

S. 2698—INTRODUCTION OF A BILL TO PROVIDE FOR THE PROCUREMENT AND RETENTION OF JUDGE ADVOCATES AND LAW SPECIALIST OFFICERS FOR THE ARMED FORCES

Mr. YARBOROUGH. Mr. President, I introduce for appropriate reference, a bill to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces. This bill would provide retention incentives for legal officers similar to those presently provided to other professionals such as doctors, dentists, and veterinarians.

This bill would provide the following retention incentives for legal officers: $50 per month through grade O–3, captain; $150 per month for grades O–4 and O–5, major and lieutenant colonel; $200 per month for grades O–6 and above, colonel and above.

Also, a continuation bonus payable at the rate of 2 months' basic pay for each year for which the judge advocate agrees to remain in active service beyond any then outstanding active-duty service obligation or service commitment. The contract would be for a minimum of 3 additional years and a maximum of 6 years. Judge advocates would be eligible for this bonus on two occasions: first, upon the completion of 4 years' active service; and second, at the time when they become eligible for voluntary retirement with pay. A provision is included which would allow the judge advocate to receive the bonus either at the beginning of the period, or to have it prorated.

Mr. President, there can be little doubt about the need for this bill. The seriousness of the retention problem was highlighted in a feature article contained in the April 8, 1967, edition of the Journal of the Armed Forces entitled "Career Legal Billets Go Begging."

At the outset, Journal Editor Lou Stockstill placed the problem in proper perspective:

> The armed forces are having a tough time filling "lawyer" billets in their career ranks.
>
> As a result much of the legal workload of the Services is being handled by young and relatively un-tried officers whose diplomas still smell of wet ink.
>
> In response to a Journal survey, all four Services say the problem is not one of obtaining sufficient numbers of law specialists and judge advocates—but to keeping them. The turn-over rate is extremely high and the retention rate is very low.

In the intervening year and a half since the Journal article, the retention problem has worsened.

For example, within the Army during the 14-year period from 1951 through 1964, of the 3,020 military lawyers who entered active duty, only 380 remained as of 1968. This represents an overall retention rate of 12½ percent. Since 1960, in the Navy, the number of career lawyers has steadily declined to the point where the situation is now critical. As recently as last October, the Navy had only 38 regular lieutenants out of some 630 lawyers on active duty. This amounts to an average yearly retention of 12 lawyers per year. To assure experienced lawyers in the overall career structure, the Navy must retain 30 lawyers in each year group. Without remedial action, it is anticipated that by July 1972, 75 percent of all uniformed Navy lawyers will have had less than 5 years' legal military experience.

The situation in the Air Force is likewise distressing. Since 1956, that service has been able to retain only 19 percent of its judge advocates, including recallees. If the recallees are excluded the percentage drops to 14 percent. The Air Force estimates that between 40 and 45 percent retention is necessary to maintain the JAG Department at the desired level.

Experienced lawyers in the armed services will give the armed services better justice for all personnel, greater stability, and prove an effective aid to an efficient command.

Mr. President, I think that this situation deserves our careful attention. I ask unanimous consent that the bill be printed at this point in the RECORD.

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. 2698) to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the Armed Forces, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 2698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended by inserting the following new sections and corresponding items in the analysis:

"§ 302a. Special pay: judge advocates and law specialists

"(a) In addition to any other basic pay, special pay, incentive pay, or allowances to which he is entitled, each judge advocate of the Army, Navy, Air Force, or Marine Corps, or law specialist of the Coast Guard, as defined in section 801 of title 10, other than one ordered to active duty for less than one year, is entitled to special pay at the rates set forth below while he is performing judge advocate duties—

"(1) $50 a month for each month of active duty, if he is in pay grade O–1, O–2, or O–3;

"(2) $150 a month for each month of active duty if he is in pay grade O–4 or O–5; or

"(3) $200 a month for each month of active duty, if he is in a pay grade above O–5.

"(b) The amounts set forth in subsection (a) of this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.

"§ 311a. Special pay: continuation pay for judge advocates and law specialists who extend their service on active duty

"(a) Under regulations to be prescribed by the Secretary concerned, a judge advocate of the Army, Navy, Air Force, or Marine Corps, or a law specialist of the Coast Guard, who—

"(1) is entitled to special pay under section 302a of this title;

"(2) has completed his initial active duty service commitment as a judge advocate or law specialist; and

"(3) executes a written agreement to remain on active duty for a period of at least three, but not more than six, additional years;

may be paid not more than two months' basic pay at the rate applicable to him when he executes that agreement for each additional year that he agrees to remain on active duty. Pay under this section may, at the election of the officer, be paid to him in a lump sum at the beginning of the additional period or be prorated.

"(b) An officer who has received special pay under subsection (a) of this section may—

"(1) qualify for a second payment of that pay when he becomes eligible for voluntary retirement, with pay, upon completion of twenty years of active service, by executing a written agreement to remain on active duty for a period prescribed in that subsection; and

"(2) be paid on the same basis as prescribed in that subsection and at the rate of basic pay applicable to him at the time he executes the agreement.

"(c) An officer who does not serve on active duty for the entire period for which he was paid under this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made."

S. 2700—INTRODUCTION OF A BILL TO PROVIDE FOR VETERANS OUTREACH SERVICES TO ASSIST RECENTLY DISCHARGED VETERANS IN OBTAINING BENEFITS AND SERVICES TO WHICH THEY ARE ENTITLED AND EDUCATION, TRAINING AND EMPLOYMENT

Mr. CRANSTON. Mr. President, today, I introduce S. 2700, a bill to amend chapter 3 of title 38, United States Code, in order to provide for a veterans outreach services program in the Veterans' Administration to assist eligible veterans, especially those recently separated, in applying for and obtaining benefits and services to which they are entitled, and education, training and employment, and for other purposes.

The Veterans' Administration has been operating a system of veterans assistance centers at 71 points around the country under what could be called, at best, very scanty statutory authority. This bill would provide a very clear congressional mandate for a veterans outreach services program as well as a major new emphasis and design for that program.

Two phrases buried in rather obscure sections of title 38, United States Code, are currently seen as authorizing the Veterans' Administration's veterans assistance centers and other outreach programs which the VA administers and in which it employs 1,200 persons. I will describe these activities and their evolution in greater detail later in my remarks. The authority for most of this VA activity is found, largely by implication, in section 3311, entitled "Authority

to issue subpenas," under a subchapter entitled, "Investigations." The statutory language in question is:

"For the purposes of the laws administered by the Veterans' Administration, the Administrator . . . shall have the power to . . . aid claimants in the preparation and presentation of claims.

The second piece of pertinent language is found under section 231, "Placement of employees in military installations," which provides:

The Administrator may place officers and employees of the Veterans' Administration in such Army, Navy, and Air Force installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Armed Forces who are about to be discharged or released from active military, naval, or air service.

These two provisions seem a very slim legislative base for such an important program, almost entirely devoid of congressional direction and statutory guide lines. It has thus been the responsibility of the executive branch to develop the parameters and emphases of the outreach program. The measure I propose today would offer the Congress the opportunity to provide these guidelines and establish some major new directions.

Before describing the provisions of this bill, I wish to relate the general history of the Veterans' Administration's contact activities.

The contact activities of the Veterans' Administration were originated in 1919 to provide veterans and their dependents an opportunity to secure information and assistance on veterans' benefit matters administered by the VA. Prior to World War II the program was not known as the contact program and its total staff was comprised of some 350 personnel located in field offices and hospitals.

With the passage of the Servicemen's Readjustment Act of 1944, the contact program was formally established and contact offices were opened in 1,049 additional population centers. Contact representatives were also then stationed at the large military separation centers and military hospitals where servicemen were being separated from active duty. During the period of mass demobilization these facilities were established to advise veterans of their entitlement to VA benefits and to assist them in applying for them. The peak of this expanded activity was reached during the latter part of 1946 and early in 1947 when nearly 7,000 persons—as compared with only 1,200 today—were employed in contact activities.

In time the need for the large dispersion of offices and contact personnel diminished. Delimiting dates of statutory benefits were reached, and for the most part veterans had received the benefits in which they were interested and to which they were entitled. By the end of 1962 practically all of the offices opened in the mid-1940's had been closed. Contact personnel had likewise dropped from over 7,000 to approximately 1,000.

During the Korea conflict, the VA still maintained a number of smaller offices to meet requests for assistance from veterans of that conflict. Services to military installations was also reinstated during the Korean conflict.

With the passage of the Veterans' Readjustment Benefits Act of 1966, and with the increased military activity in Vietnam, it became apparent that the VA would again need to provide service to an increasing recently discharged veteran population. Accordingly, personnel were assigned to military hospitals and to military installations separating large groups of servicemen. At the present time, service on benefit matters is available at 184 miiltary hospitals and at 311 separation points.

Since November of 1966 over 158,000 servicemen awaiting separation for reasons of disability have been assisted by VA representatives. Since May of 1967 well over a million men have been oriented on VA benefits at the time of separation. The VA currently has nine representatives assigned at the following locations in Vietnam: Army—Long Binh and Cam Ranh Bay; Air Force—Da Nang, Cam Ranh Bay, Bien Hoa and Tan Son Nhut Air Base; Marine Corps—Da Nang.

I wish to interpolate at this point that the counseling now available at these military installations is not nearly so broad and varied as would be provided for in the bill I am introducing

Concurrently, as a further step toward meeting the increasing requests for assistance, the VA in 1967 extended itinerant service to community locations not having full-time VA installations. Special telephone service, where feasible, has been installed between some large communities and the parent regional office so that veterans can talk toll-free with a specialist on benefit matters.

By early 1968 it was abundantly apparent that these steps were not adequate for the assistance needs of today's veterans. A somewhat dramatic change was dictated in the posture of contact assistance by the sociological and economic needs of Vietnam era servicemen.

A task force on veterans assistance centers had been established by the White House on November 18, 1967. The task force was composed of representatives of the Veterans' Administration; the Department of Health, Education, and Welfare; Department of Labor; Civil Service Commission; Office of Economic Opportunity; Department of Justice; Department of Housing and Urban Development; and Small Business Administration. Based on the detailed plans developed by that task force, the President in his January 30, 1968, message to Congress on servicemen and veterans directed the establishment of an initial group of 20 U.S. veterans assistance centers—termed USVAC's. These centers combined the full capabilities of Government agencies in providing one-stop service to veterans on all Federal benefits. The initial 10 USVAC's were opened in February and the next 10 in March. Later, beginning on July 1, 1968, USVAC activities were extended to an additional 51 locations. Insofar as the VA was concerned, the most skilled of contact personnel were assigned to these centers.

Strong Presidential direction was provided for this program in 1968. In his January 30, 1968, message to the Congress, President Johnson said:

The ultimate effectiveness of our (veterans) programs turns on these conditions:

The veteran must be aware of them.

He must be able to choose among them.

He must know that the help he needs will be there when he needs it.

We have tried to make certain that men leaving the service become familiar with the benefits that await them as veterans.

Last year, at my direction, the Veterans Administration took its services to the battlefield for the first time. VA teams counseled 220,000 fighting men in Vietnam, before they left their posts to return home.

I have asked the Administrator of Veterans' Affairs to step up this program.

Late in 1966, the Veterans Administration began visiting sick and wounded servicemen at their bedsides in our military hospitals.

Since then, over 17,000 applications for special training and disability payments have been processed on the spot.

This program now operates in 110 military hospitals.

I have directed the Administrator of Veterans' Affairs immediately to expand the program to the entire system of military hospitals.

Veterans Administration counseling is also now in operation at 150 military separation points.

I have directed the Administrator to extend this program to all 257 such centers.

Through these expanded services in hospitals and separation centers, the Veterans Administration can reach more than 70,000 servicemen each month.

The remaining task is to make certain all veterans are reached once they have returned to their communities.

Consider the man who comes home today. His Government has made a vast array of programs available to him. But what effect are the programs if he cannot find them? And in our major cities, where facilities are often scattered across widely-separated areas, this is a serious problem—particularly for those who need the programs the most.

The answer, I believe, lies in an effort we have never tried before for our veterans—the one-stop center. I believe we should locate in one place the offices where a veteran can receive personal attention and counsel on all the benefits the law provides him—from housing to health, from education to employment.

I have today ordered that U.S. Veterans Assistance Centers be opened in 10 major cities within the coming month. These cities are New York, Chicago, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, D.C., San Francisco, Boston and Atlanta.

I propose to have one-stop centers in 10 other cities as soon as possible—Baltimore, Milwaukee, Houston, St. Louis, Pittsburgh, San Antonio, New Orleans, Indianapolis, Phoenix and Newark.

Based on the experience gained in these 20 pilot locations, we look forward to establishing one-stop centers in other cities.

We will seek and welcome participation in these centers by State and local officials, and by community organizations engaged in helping the veteran.

This new program has made a hopeful beginning, and I believe that the executive branch is to be commended for taking the initiative in this vitally important undertaking. I think there is a great need, especially among those recently separated veterans who are high school dropouts—23 percent of all those being discharged—for reaching out to locate the veteran, to inform him of the benefits and services to which he may be entitled, to motivate and assist him to use his educational and training entitle-

ments, to help him resolve and remove impediments to his pursuit of higher education, and to aid him in finding employment.

Veterans' Administration literature describes the USVAC program as follows:

To provide for recently separated veterans an integrated Federal and other agency assistance program in order to:

a. Promote the highest possible educational achievement.

b. Facilitate rapid social and economic readjustment to civilian life.

c. Further the achievement of a high standard of living and a productive, satisfying life.

d. Receive and channel appropriate actions on discrimination complaints concerning Civil Rights.

The Veterans' Administration characterizes the main thrust of its USVAC efforts as having been directed toward the educationally disadvantaged. Yet only two or three of these centers are located in neigbhorhoods or communities where the educationally disadvantaged veterans, whom we seek to reach, actually reside and where the outreach services should be most accessible to them. And, to my knowledge, there has been no concerted effort on the part of the VA to seek out and to employ in the outreach program recently returned Vietnam veterans who themselves come from educationally disadvantaged backgrounds. Often the most effective and meaningful counseling is done by those who know through firsthand experience the problems and have met and resolved them.

The Veterans' Administration's own statistics indicate to me that it has been only marginally successful in reaching the educationally disadvantaged veteran. Again, I stress that, according to Defense Department figures, 23 percent of enlisted personnel being separated at this time were high school dropouts. The stakes are very high for society and for these veterans themselves that they be channeled to education and training to give them the means of competing in today's ever-constricting job market for the high school dropout. I need not dwell at length on the very few opportunities for work open to the high school dropout and what his street corner alternatives as one of the unemployables then become.

VA figures show that during fiscal year 1969 there were a total of 232,125 initial interviews at its 71 USVAC's. Of these, only 37,179, that is, about 16 percent, were with the educationally disadvantaged. This does not even approach the 23 percent figure that a random sampling of recently discharged veterans would presumably turn up. Surely, this is not an acceptable result, especially for a program purportedly designed to seek out and reach the educationally disadvantaged.

Furthermore, if we look at this number of educationally disadvantaged veterans receiving initial interviews during fiscal year 1969—37,179—we see that during a year when 940,000 servicemen separated from the Armed Forces, of whom 23 percent, or 216,200 were high school dropouts, the VA outreach program made personal contact with only about 17 percent of that target population. And it should be stressed that this refers only to those contacted, not those successfully motivated or otherwise assisted.

If we focus on the number of educational applications filed by these 37,179 educationally disadvantaged veterans who were interviewed, we find it was 16,331. That is, arguably, not a bad record percentagewise: 44 percent of those contacted as compared with 36 percent of those veterans with above high school educations who were interviewed and filed applications. But even this is very slight reassurance.

First, the VA estimates that of all applications filed by veterans during the last 3 fiscal years slightly more than 17 percent were never used by the applicants.

Second, one would expect that there would be a somewhat higher natural tendency on the part of the educationally disadvantaged, once opportunities and lack of job potential are made clear to them, to try to take greater advantage of the available education and training benefits. But there might also be a greater tendency to file applications and not follow up on the application.

Third, failing to motivate more than half of those interviewed to even file applications is just not acceptable. We must do better.

And fourth, since it can be fairly assumed that about 20 percent of the educationally disadvantaged applicants never followed through on education and training, we end up with only 14,065 of them pursuing education or training out of a target population of 216,200 last fiscal year. That is 6.5 percent.

If we take the overview of these statistics, they become even more alarming. Total post-Korean conflict GI bill participation figures show that only approximately 10 percent of the high school dropouts have taken advantage of GI bill training or education since 1966. It is true that the USVAC's have had only 1½ years to improve this figure dramatically, but 10 percent is a sorry performance.

I must admit that the Veterans' Administration's analysis of its USVAC statistics differs markedly from my own. It would seem from reading some of the VA's literature describing this program that it feels that it has been reasonably successful in reaching and assisting the educationally disadvantaged veteran. For example, it states in one publication that it has been successful in conducting interviews with 69 percent of the educationally disadvantaged veterans residing in areas serviced by the 71 USVAC's.

However, the number of such veterans which the VA identifies as within the areas served by its USVAC's would appear to be less than one-third of the servicemen separated in fiscal year 1969 who were high school dropouts. Such a narrowly constricted definition of the target population leads to a very misleading skewing of statistics on program success. More fundamentally, this failure to be in the position to reach the vast majority of the educationally disadvantaged veterans indicates that a substantial expansion and relocation of the Assistance Centers is most necessary.

In describing veterans outreach activities, I do not wish to overlook the valuable contribution that is being made by the veterans' service organizations and other voluntary organizations in attempting to contact educationally disadvantaged veterans. VA statistics show that some 15,200 such interviews, largely in rural areas not served by USVAC's, were held by these organizations in fiscal year 1969. This is nearly half the total that the entire USVAC program reached.

But, whereas I wish to commend these organizations on their participation in the veterans outreach program, at the same time I think that the statistics which I have just cited indicate that there is a long way to go. And I ask these organizations to rededicate themselves to a massive increase in their participation in the veterans outreach services program which would be authorized by the bill I am introducing.

It is for the purpose of providing the incentive for the educationally disadvantaged to participate fully in GI bill benefits that I introduced S. 2668 on July 18. This bill would provide for and finance, among other programs, a Pre-Discharge Educational Program—PREP—during a serviceman's last year of active duty. I also have cosponsored the bill (S. 338) and an amendment to it proposed by the distinguished chairman of the Labor and Public Welfare Committee, Senator RALPH W. YARBOROUGH, which would increase educational and training assistance allowances 46 percent across-the-board. Such increases should help make it more financially feasible for the disadvantaged veteran to take advantage of training and education under the GI bill.

I am dedicated to doing all I can to achieve enactment of both these measures—S. 338 and S. 2668—as well as the one I introduce today.

Now, I would like to describe the provisions of the bill.

This bill would charge the Veterans' Administration with a congressionally sanctioned obligation of seeking out and offering a wide range of assistance to our recently discharged veterans, especially those who are educationally disadvantaged. The aim would be to aid these veterans in obtaining the maximum benefits and services to which they are entitled under VA programs or any other Federal, State, or local governmental program.

This emphasis upon non-VA benefits and services would be a new one, and I believe that it is a much needed part of the theory of a one-stop assistance center. It is an old saw that those who most need assistance are usually the ones who by virtue of their disadvantages are least aware of and least equipped to learn about the availability of—and indeed their entitlements to—governmental benefits and services. In many ways this is unequal protection of the law, and I believe the Government has an affirmative obligation to establish vigorous programs to provide this information and assistance.

The bill would require the Administrator of Veterans' Affairs to provide specified outreach services to all eligible veterans and eligible dependents—who de-

rive educational benefits from deceased or totally disabled veterans, under the War Orphans' and Widows' Educational Assistance Act in chapter 35 of title 38, United States Code—but especially to recently discharged veterans and those who are educationally disadvantaged. The term "educationally disadvantaged" would generally mean the veteran without a high school diploma—that is the meaning of that term in section 1678 which S. 2668 would amend. But, the term would not be so statutorily defined, leaving the Administrator discretion to broaden that category for the purposes of providing intensive outreach services.

The outreach services specified in the bill for eligible veterans and eligible dependents are:

First, distributing full information about all benefits and services to which they may be entitled under VA laws and to which they are entitled under any other governmental program—Federal, State, or local.

Second, arranging for and conducting, to the maximum extent possible, person-to-person interviews to explain these benefits and services and to plan individual programs of education, training or employment best suited to the veteran or dependent concerned.

Third, providing job and other appropriate referrals and job placement assistance. These services would include not only referral to prospective employers for those seeking jobs but also guidance in interview techniques and provision of direct assistance in securing those jobs. Referrals could also be made to other governmental programs, such as State employment offices, U.S. Employment Service offices and Civil Service Commission offices, as well as referral to those programs responsible for other benefits and services to which the veteran or dependent may be entitled. This latter category would include; for example, the local public assistance program or the community action agency; the neighborhood legal services program or the public defender's office; the Social Security office; or the agency distributing surplus food or food stamps.

It should be stressed also that the referral would not pass along program responsibility to someone else, for the VA would be charged with a very important followup function. Under this bill the Veterans' Administration could not fulfill its responsibilities merely by giving a veteran another address. Rather the contact representative would assist in placing necessary phone calls and arranging appointments as well as finding out basic information and passing it along to the veteran in terms most meaningful to him.

Fourth, providing social and other special services necessary to aid in obtaining maximum assistance from the benefits and services available. This would include a broad range of counseling services, including health care and health benefit counseling, some of which I have already described in discussing referrals.

Fifth, providing aid and assistance in the preparation and presentation of claims. The claims concerned would be not only those under title 38 but also those in connection with any other governmental program. Although some of this language is contained elsewhere in title 38—section 3311—it is included, and broadened here, so as to be set forth together with the other outreach services.

The bill would require the VA to maintain full records of all outreach services offered and to conduct periodic followup contacts to determine the success of the assistance offered. For example, although the VA is apparently attempting to remedy this situation, it presently has no data to show how many interviewed veterans who apply for GI educational benefits actually follow through and return to school, or to determine how many stay in school.

The bill would specifically charge the Administrator to locate veterans assistance centers with due regard for areas where educationally disadvantaged veterans and other recently separated veterans reside and to provide appropriate outreach services for veterans in the less populated areas. It would specifically require that every effort be made to locate assistance centers in communities where large numbers of educationally disadvantaged veterans reside rather than in business district office buildings which are often inaccessible or unattractive to many disadvantaged veterans. This provision would require substantial relocations of USVAC's, since only two or three—in the District of Columbia, for example—are located in neighborhood communities.

Along the same lines, the bill would mandate that every effort be made to assign to assistance centers veterans who themselves reside in the community served—or a similar community—and, where possible, who themselves have received assistance from these centers. It would also require strong emphasis in hiring on the ability to relate directly and effectively to educationally disadvantaged veterans. In this regard, information available to me indicates that, for example, minority representation among present VA contact personnel is substantial only in the District of Columbia and Los Angeles and that even there most all the contact representatives are long-time VA employees rather than Vietnam era veterans.

The bill would require that the Veterans' Administration coordinate with and use the services and facilities of other Federal agencies and governmental or service organizations. At the same time, as I have already indicated, this would not in any way discharge the Veterans' Administration's overall responsibility for the effectiveness of the full outreach services program, which this bill would authorize.

The bill would require the VA to conduct studies to determine the most effective program design to carry out the purposes of this bill with respect to the educationally disadvantaged veteran. These studies would be made in consultation with the Federal agencies with most experience in dealing with disadvantaged persons: The Department of Health, Education, and Welfare; the Office of Economic Opportunity; the Department of Defense; the Department of Labor; the Department of Housing and Urban Development; and the Urban Affairs Council.

Finally, in order that the Congress may be kept fully involved in the outreach services program, the bill would require semiannual reports on the effectiveness of the program and the degree of coordination with other agencies and programs, particularly with respect to reach the educationally disadvantaged veteran, and on recommendations for improvement of the program.

I believe that enactment of this bill, the PREP program in S. 2668, the educational services program in S. 2361—introduced by Senator KENNEDY with cosponsorship by Senator YARBOROUGH and myself—S. 2506, and S. 338 as it would be amended by Senator YARBOROUGH's amendment, which I am cosponsoring, and effective implementation of these new programs by the Veteran's Administration would make a substantial beginning toward increasing GI bill participation by Vietnam era veterans, especially those who are educationally disadvantaged. I believe we owe our Nation and these veterans no less than the programs these bills would authorize.

Mr. President, I ask unanimous consent that this bill, which I introduce for myself and the Senator from Massachusetts (Mr. KENNEDY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Texas (Mr. YARBOROUGH), 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. 2700) to amend chapter 3 of title 38, United States Code, in order to provide for a veterans outreach services program in the Veterans' Administration to assist eligible veterans, especially those recently separated, in applying for and obtaining benefits and services to which they are entitled, and education, training, and employment, and for other purposes, 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. 2700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 38, United States Code, is amended by adding at the end thereof a new subchapter:

"SUBCHAPTER IV—VETERANS OUTREACH SERVICES PROGRAM

"§ 240. PURPOSE; DEFINITION

"(a) The Congress of the United States declares that the outreach services program authorized by this subchapter is for the purpose of insuring that all veterans, especially those who are recently separated and those who are eligible for readjustment or other benefits and services under laws administered by the Veterans Administration and under other governmental programs receive personalized educational, vocational, social services and job placement assistance with respect to their entitlement to those benefits and services in order to aid them in applying

for and obtaining such benefits and services and further education and training or employment and, in the case of veterans, achieving a rapid social and economic readjustment to civilian life and a higher standard of living for them and their dependents. The Congress further declares that the outreach services program authorized by this subchapter is for the purpose of charging the Veterans Administration with the affirmative duty of seeking out eligible veterans and providing them such necessary assistance in, to the maximum extent possible, one integrated Federal and other agency program through personnel who will be able to communicate with and provide such assistance to the veteran concerned in the most effective and meaningful manner and with the greatest emphasis upon personal contact.

"(b) For the purposes of this subchapter, the term 'other governmental programs' shall include all programs under state or local laws as well as all programs under Federal law other than those authorized by this title.

"§ 241. VETERANS ASSISTANCE CENTERS AND OUTREACH SERVICES

"(a) The administrator shall establish and maintain Veterans Assistance Centers at such places throughout the United States, its Territories, Commonwealths, and possessions, as he determines to be necessary to carry out the purposes of this Subchapter, with due regard for the geographic distribution of recently separated veterans and the special needs of educationally disadvantaged veterans and for providing appropriate outreach services in less populated areas.

"(b) Veterans Assistance Centers shall seek especially to provide the outreach services to educationally disadvantaged veterans and shall, to the maximum practicable extent, be located in communities where large numbers of these veterans reside rather than in Federal or other business-district office buildings.

"(c) Special efforts shall be made to employ at Veterans Assistance Centers veterans who themselves reside in the community served or similar communities and, where possible, who themselves have received assistance from such centers. Personnel assigned to such centers shall be selected with major regard to their ability to communicate with and provide the outreach services authorized in this subchapter directly to educationally disadvantaged veterans in the most effective and meaningful manner.

"(d) In carrying out the purposes of this subchapter, the Administrator shall provide all eligible veterans and eligible dependents outreach services, including but not limited to—

"(1) distributing full information regarding all benefits and services to which they may be entitled under laws administered by the Veterans Administration and to which they are entitled under other governmental programs;

"(2) arranging for and conducting, to the maximum extent possible, person-to-person interviews to explain the above benefits and services and to planning an individual program of education, training or employment as may be best suited, in the case of a veteran, for rapid social and economic readjustment to civilian life, to the eligible veteran or eligible dependent concerned;

"(3) providing job and other appropriate referrals and job placement assistance when appropriate;

"(4) providing social and other special services necessary to aid them in obtaining maximum assistance from the benefits and services to which they are entitled;

"(5) providing aid and assistance in the preparation and presentation of claims under this title and in connection with any other governmental programs; and

"(6) maintaining full records of the outreach services offered and conducting periodic follow-ups to determine the success of this assistance.

"(e) To the maximum extent possible, the Administrator shall initiate the provision of the outreach services authorized in this subchapter to servicemen prior to discharge at military installations, especially those overseas, pursuant to the authority of Section 231 of this title.

"§ 242. COODINATION WITH FEDERAL AND OTHER AGENCIES

"In carrying out the purposes of this subchapter, the Administrator shall—

"(1) utilize the facilities and services of any other Federal department or agency pursuant to proper agreement with the Federal department or agency concerned;

"(2) cooperate with and use the services of any State or local governmental agency or recognized national or other organizations;

"(3) where appropriate, make referrals to any Federal department or agency or State or local governmental unit or recognized national or other organization;

"(4) at his discretion, make payment to cover the cost of services either in advance or by way of reimbursement as may be provided by agreement with any such Federal department or agency, State or local governmental unit or other organization; and

"(5) at his discretion, furnish available space and office facilities for the use of authorized representatives of such governmental unit or other organization providing services under contract or agreement;

"(6) conduct studies, in consultation and coordination with the Department of Health, Education, and Welfare, the Office of Economic Opportunity, the Department of Defense, the Department of Labor, the Department of Housing and Urban Development and the Urban Affairs Council, to determine the most effective program design to carry out the purposes of this suchapter with respect to locating educationally disadvantaged veterans and assisting and motivating them to pursue education and training under this title.

"§ 243. REPORTS TO CONGRESS

"The Administrator shall submit to the Congress not later than September 1 and March 1 each year a report on the activities carried out under this subchapter, each report to include (1) an appraisal of the effectiveness of the programs authorized herein and the degree of cooperation from other Federal departments, agencies, other governmental programs, and service organizations, with particular reference to sections 241(d)(6) and 242(6) of this title, and (2) recommendations for the improvement or more effective administration of such programs."

SEC. 2. The table of headings at the beginning of chapter 3 of title 38 is amended by inserting immediately after—

"236. Administrative settlement of tort claims arising in foreign countries."

The following:

"SUBCHAPTER IV—VETERANS OUTREACH SERVICES PROGRAM

"240. Purpose; Definition.
"241. Veterans Assistance Centers and Outreach Services.
"242. Coordination with Federal and other agencies.
"243. Reports to Congress.

SENATE JOINT RESOLUTION 140—INTRODUCTION OF A JOINT RESOLUTION AUTHORIZING THE SECRETARY OF THE TREASURY TO STRIKE A GOLD MEDAL FOR EACH ASTRONAUT

Mr. DODD. Mr. President, the successful and safe return this afternoon of Apollo 11 from her fantastic exploration of the moon's surface is an event for which we all should be deeply thankful. In a journey covering 500,000 miles, brave men have performed flawlessly, and I am truly grateful that they are safely back.

There is a great joy in counting successes. It is especially gratifying because in 1961, when President Kennedy declared that the first man on the moon would be an American, the outlook was grim. Our space program was running a poor second in the world competition, and to many, the goal seemed unattainable. But because of the tireless dedication of thousands of men of NASA, because of the support of the Congress and the leadership of Presidents Kennedy, Johnson, and Nixon, that commitment has been realized.

Today man has again successfully completed a journey to a new horizon. But today world opinion is clearly one of unrestrained happiness for man's newest triumph.

Centuries ago, explorers also dreamed, wondering what lay beyond their oceans. Like the pragmatic technicians of our space program, they relentlessly pursued a vision. Through courage and persistence, a new continent was discovered, and with it came a new way of life.

However, these early voyages were not universally celebrated as events which would open a new world. Columbus died in disgrace and dishonor because "visionaries" determined that the benefits of the new world would be insignificant.

So, there is no precedent for the enthusiasm which greeted our lunar voyage. Mankind has often been united by great crises, but never has all the world so joyously and spontaneously hailed the success of one Nation.

Perhaps our world has learned the lessons of history.

Just as all of Europe was benefited by the discovery of the new world, all men will benefit from these lunar explorations. The unrestrained praise and shared exhilaration all over the world are wonderfully gratifying.

I am deeply moved and encouraged at witnessing this turning point in man's history.

Because I wish to commemorate this momentous occasion, which has generated new hope for peace and cooperation, I introduce today a joint resolution authorizing the Secretary of the Treasury to strike a gold medal for every astronaut, and to establish a scholarship fund to insure a continuing flow of talent into our space program.

After being presented to every astronaut of the Gemini, Mercury, and Apollo missions, bronze replicas of this medal will be sold to the public. The proceeds of this sale are to be allocated to a scholarship fund. These scholarships will enable deserving young men and women to undertake studies in aerospace and related sciences.

Of course, these funds will only be the beginning of what I hope will become a full scale commitment to recruiting excellence and talent for the continuing needs of our space program.

I believe the events of the past days have brought our Nation two great treasures.

The first is tangible, for our astronauts are with us, back from the moon. With them are lunar samples for scientists to examine and evaluate.

The second, however, is a more intangible gift. For one brief moment, national boundaries, disputes, and ideologies disappeared.

The inhabitants of the planet earth celebrated together with unrestrained zeal.

To honor the men who performed this outstanding feat and to permanently remind us of man's universal triumph, I urge early consideration and passage of this joint resolution.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 140) to provide for the striking of medals in honor of American astronauts who have flown in outer space, introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on Banking and Currency.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2315

Mr. BIBLE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Idaho (Mr. JORDAN) be added as a cosponsor of S. 2315, to restore the golden eagle program to the Land and Water Conservation Fund Act.

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

S. 2506

Mr. CRANSTON. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Georgia (Mr. TALMADGE), and the Senator from Texas (Mr. YARBOROUGH), be added as cosponsors of S. 2506, to reduce the number of semester hours that a veteran must carry at an institutional undergraduate course offered by a college or university in order to qualify for full-time benefits under chapter 34 of title 38, United States Code.

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

S. 2636

Mr. MILLER. Mr. President, at the request of the junior Senator from Delaware (Mr. BOGGS), I ask unanimous consent that, at the next printing, the name of the Senator from Nebraska (Mr. HRUSKA) be added as a cosponsor of S. 2636, to make provisions of the Vocational Education Act of 1963 applicable to individuals preparing to be volunteer firemen.

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

S.J. RES. 87

Mr. BIBLE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Colorado (Mr. DOMINICK) be added as a cosponsor of Senate Joint Resolution 87, proposing an amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age or older.

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

S.J. RES. 139

Mr. DOLE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Illinois (Mr. DIRKSEN) be added as a cosponsor of Senate Joint Resolution 139, providing for the establishment of an annual "Day of Bread" and "Harvest Festival" Week.

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

REMOVAL OF NAME OF SENATOR COOK AS COSPONSOR

S. 1560

Mr. MILLER. Mr. President, at the request of the junior Senator from Kentucky (Mr. COOK), I ask unanimous consent that, at the next printing, his name be removed as a cosponsor of the bill (S. 1560) to amend the Internal Revenue Code of 1954.

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

SENATE RESOLUTION 223—RESOLUTION RELATING TO ESTABLISHMENT OF AT LEAST ONE STANDARD METROPOLITAN STATISTICAL AREA IN EACH STATE

Mr. STEVENS. Mr. President, I today submit a resolution which would declare it to be the sense of the U.S. Senate that the Bureau of the Budget establish at least one standard metropolitan statistical area in any State which at present has none.

Mr. President, only three States in the Union have not a single standard metropolitan statistical area within their boundaries. My own State of Alaska is one; the others are Wyoming and Vermont.

An SMSA is needed in Alaska. One of the major purposes of the SMSA concept is to promote and facilitate commerce among the several States and to facilitate the movement of people, goods, and industries from one part of the Nation to another.

In the words of the Bureau of the Budget: Standard metropolitan statistical areas definitions are used in presenting data from the censuses of business, manufacturers, and mineral industries; the census of population and housing; and the census of governments; in presenting current economic and social data; and in analysis of local area problems. And, the data are used in many market analyses.

Mr. President, my State is entering a new era of development and growth. The problems of crowded urban centers, packed population and traffic jams are unknown to Alaska. As stated by Congressman WOLD, when he introduced House Resolution 482, the companion measure to this resolution:

> It behooves us to encourage the development of outlying portions of this vast country. While the industries concentrated in the great metropolitan complexes overload the air and water of those areas with pollutants, it makes little sense to continue policies which have the practical effect of channeling yet more factories into the same places.

I look forward to the development of Alaska's industries within the guidelines of commonsense conservation practices. In my State, 25 percent of the population have been termed the poorest of the poor. Industry is needed in Alaska, as well as the continued development of Alaska's vast mineral resources. The decision of industry to move to Alaska is being retarded by the arbitrary Bureau of the Budget requirement that a State must have a city area with a population greater than 50,000 persons before an SMSA is established.

Alaska is the largest State in the Union but cannot have an SMSA because Anchorage, its most populous city, had a population of 45,000 in 1960. However, the Greater Anchorage area borough has 113,522 residents. Alaska is not an area consisting solely of villages and farms. It is an exciting place with a potential for an increase in commerce hitherto unknown in our Union. The development of this potential is in part constrained by the lack of information made available to the Nation's industries.

My resolution does not call for the Bureau of the Budget to relax its guidelines regarding the establishment of an SMSA. It merely recognizes the inequity of having three sovereign States of the Union without any SMSA, and requires that this inequity be corrected. I ask unanimous consent that this resolution be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD.

The resolution (S. Res. 223), which reads as follows, was referred to the Committee on Government Operations:

S. RES. 223

Whereas standard metropolitan statistical areas are among the statistical standards developed for use by Federal agencies in compiling and presenting statistical data on a comparable basis for general purpose use; and

Whereas, under criteria developed under the sponsorship of the Bureau of the Budget, only Alaska, Vermont, and Wyoming do not have within their boundaries at least one standard metropolitan statistical area; and

Whereas the statistical data of standard metropolitan statistical areas gathered by various Federal agencies are highly useful in the establishment of meaningful economic and industrial profiles of metropolitan areas; and

Whereas standard metropolitan statistical areas are frequently used as market areas by business and industry because they represent a uniform basis for presentation of statistics; and

Whereas some of the Nation's two hundred and thirty-one standard metropolitan statistical areas are composed of population areas more than double the minimum population listed in officially published criteria which indicates that population alone is more a benchmark than a prerequisite for the effective functioning of the standard metropolitan statistical area concept; and

Whereas the majority of the criteria other than minimum population of the central city in the standard metropolitan statistical area can be met by cities in the only three States not now having at least one standard metropolitan statistical area; and

Whereas the presence of a standard metropolitan statistical area in a State can be considered as helpful to the economic development of the State and region as well as the standard metropolitan statistical area itself: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that in any case in which any State of the United States does not have within its boundaries at least one standard metropolitan statistical area, under criteria used by the Bureau of the Budget in establishing any such area, the Bureau of the Budget should establish within such State without delay at least one standard metropolitan statistical area comprised of the largest city or cities within such State, together with such part of the immediate environs of such city or cities as the Bureau of the Budget may deem appropriate.

CONTINUANCE OF INCOME TAX SURCHARGE AND EXCISE TAXES ON CERTAIN AUTOMOBILES AND COMMUNICATION SERVICES FOR TEMPORARY PERIODS—AMENDMENTS

AMENDMENTS NOS. 102, 103, AND 104

Mr. STEVENS. Mr. President, I am submitting amendments, intended to be proposed by me, to H.R. 12290, that would continue tax credits for investments in depressed areas. In so doing I would like to raise the question of the wisdom of abolishing the income tax credit in total. As you are aware, Mr. President, I am in general support of this administration's efforts to alleviate the increasing problems of inflation and the devaluing of the consumers' and investors' dollars. However, I would not concur in the policy of erasing the tax credit as an instrument to stimulate growth in selected segments of our economy. For millions of Americans in depressed areas inflation is a particularly harsh and cruel fact of life that threatens their very existence every day. Yet it is in these very areas where the jobs are scarce and industry does not invest to create more jobs. If we were to abolish tax credits for investments across the board there would be less and less incentive for potential employers to invest in these areas. I firmly believe that if we continue to allow investors—potential employers—the 7-percent tax credit for investments in depressed areas along with the general abolition of the tax credit for other areas of our country we will simultaneously strike a blow against inflation and a blow against the poverty of these areas of high unemployment. By doing so we would effectively reassert our national policy of combating poverty that has been vigorously pursued by the last three administrations. We would effectively channel investment money into these areas that need it the most.

It is the general intent of an investment tax credit to stimulate investment. Because of the dangerous trend of inflation in this country as a whole, it is unwise to stimulate general investments in this manner any longer. However, it is equally dangerous to continue to permit the areas of high unemployment to continue to be a drag on our society and economy. It is a mistake to treat these areas with the same remedy that we apply to the healthy sector of our Nation. As a stimulus for investment the investment credit would stimulate investments in depressed areas and would not stimulate investments in other areas. It would not contribute to inflation, as it would be stimulating that part of our economy that is deflated. It would also mitigate the effects of the general inflationary trend of the country in those areas that suffer the most—low-income and poverty areas—by directing available investment moneys into these areas rather than into the healthier part of our economy that is suffering from too much influx of dollars. In addition, it would be a positive incentive for the private sector of the economy to help bring these areas up to the standards of economic and social life of the vast majority of this Nation.

It should be pointed out that by using the tax credit for investment stimulus in a particular segment of the economy it is a much more rational approach to fighting the dual ills of inflation and poverty in depressed areas than by establishing a uniform policy for all segments of the economy and treating them all as if they had the same problems and the same diseases.

It is not, and should not be, the policy of this country to have or not have income tax credits for investment. Rather, it is the policy of this Nation to use tolls such as investment credits to obtain desirable effects in our economy. One end or desirable effect of using tax credits in the manner provided for by my amendment would be to provide income, as a direct result of investment, in depressed areas which will bring to parity with the remainder of the Nation those areas that are suffering from poverty. In my own State of Alaska, the dual problems of inflation and unemployment take on even more dramatic extremes than they do in the rest of the country.

I cannot overstate the desperate need for increased employment opportunities in my State. The annual unemployment rate in Alaska is 9.1 percent of the total work force during the summer months and 12 percent during the fall and winter months. These figures are approximately 300 percent greater than the national average. The traditional rural areas of the State with unemployment rates of 80 to 100 percent are not included in this compilation. Some 12,000 Alaskan natives are not even attached to the work force. The true statistic of the annual adjusted unemployment rate in Alaska is approximately 25 percent. During the critical fall and winter months in my State, this unemployment statistic can be doubled. The unemployment rate in winter months for Alaska's native population alone runs between 50 and 60 percent.

This situation is dramatically underscored by the fact that urban Alaskan Indians with any income at all had a per capita income of $1,863 a year in 1959. This can be contrasted with an urban nonnative income of $4,768 per capita for the same period. Most startling is the disparity that exists between urban and rural native incomes. No exact figures have been compiled but it is extremely common for a rural native family of five to have a yearly cash income of less than $1,000.

The harshness of the situation in Alaska is delineated even more clearly when one considers that prices in Anchorage run 25 percent above the Seattle base; Seattle itself is much higher than the national average.

These statistics can only serve to point out the particular need for the effects promised by these amendments in Alaska. But more than just in Alaska, all areas of high unemployment in this country need an influx of investments that will create jobs, jobs that will help the residents of these areas meet the ever pressing harshness of inflation.

To continue with problems that particularly affect my home State, we are beset with problems of attracting industry for a myriad of reasons. However, if industry can expect to benefit from a tax credit for investment in our State, or other depressed areas, then we will begin to have a better expectation of attracting industry. As it is, no depressed area has any advantage in attracting industry to help it alleviate its problems of unemployment and poverty. By abolishing the tax credit we would indeed be striking a blow at inflation. By simultaneously allowing a tax credit for depressed areas we would be making a continued commitment to combat poverty. The extent to which the tax credit would combat poverty would be of incalculable value and the extent that it would be contributing to inflation would be insignificant.

I ask unanimous consent that the amendments be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments, submitted by Mr. STEVENS, are as follows:

AMENDMENT NO. 102

On page 8, line 15, after "property" insert "and property to which subsection (e) applies."

On page 20, line 11, strike out the closing quotation marks, and after line 20 insert the following:

"(e) INVESTMENTS IN DEPRESSED AREAS.—

"(1) IN GENERAL.—In the case of section 38 property which is located in a depressed area, the provisions of subsections (a), (b), (c), and (d) of this section and of section 46(b)(5) shall not apply.

"(2) DEPRESSED AREA.—For purposes of paragraph (1), the term 'depressed area' means section 38 property which is in a state or political jurisdictional subdivision of a state in which the Department of Labor certifies that the unemployment rate for the preceding calendar year was at 6 percent or greater.

"(3) STATE.—For the purposes of paragraph (2) state shall include the fifty states, the District of Columbia, the Virgin Islands, Guam, and Puerto Rico."

AMENDMENT NO. 103

On page 8, line 15, after "property" insert "and property to which subsection (e) applies".

On page 20, line 11, strike out the closing quotation marks, and after line 20 insert the following:

"(e) INTRASTATE PIPELINE PROPERTY.—In the case of section 38 property which is an

intrastate pipeline property, the provisions of subsections (a), (b), (c), and (d) of this section and of section 46(b)(5) shall not apply."

AMENDMENT No. 104

On page 8, line 15, after "property" insert "and property to which subsection (e) applies".

On page 20, line 11, strike out the closing quotation marks, and after line 20 insert the following:

"(e) SMALL BUSINESS PROPERTY.—

"(1) IN GENERAL.—In the case of section 38 property which is small business property, the provisions of subsections (a), (b), (c), and (d) of this section and of section 46(b)(5) shall not apply.

"(2) SMALL BUSINESS PROPERTY.—For purposes of paragraph (1), the term 'small business property' means section 38 property which is placed in service by a taxpayer which (at the time such property is placed in service) is a small business concern within the meaning of the Small Business Act, and those regulations established by the Administrator of that Act in defining small business concerns."

REDUCTION OF HOURS A VETERAN MUST CARRY AT AN INSTITUTIONAL UNDERGRADUATE COURSE—AMENDMENT

AMENDMENT NO. 105

Mr. CRANSTON. Mr. President, on June 30 I introduced S. 2506, a bill to reduce the number of semester hours that a veteran must carry at an institutional undergraduate course offered by a college or university in order to qualify for full-time benefits under chapter 34 of title 38, United States Code. That bill, which is now cosponsored by five of my colleagues—my three immediate predecessors as chairmen of the Veterans' Affairs Subcommittee (Mr. KENNEDY, Mr. RANDOLPH, and Mr. YARBOROUGH), the ranking minority member of that subcommittee (Mr. SCHWEIKER) and the chairman of the Veterans' Legislation Subcommittee of the Finance Committee (Mr. TALMADGE)—would reduce from 14 to 12 the minimum number of semester credit hours that an eligible veteran must carry in order to qualify for a full-time educational assistance allowance under the G.I. bill.

Since introducing that bill I have received considerable support for it and indications that many colleges and universities charge full-time tuition to undergraduate students carrying less than 14 hours. Although the most widespread minimum number of hours for a full-time charge is probably 12, I now believe that the equation between full-time tuition charge and receipt of a full-time educational assistance allowance should not be limited to any particular hourly minimum.

Thus, I intend to offer an amendment to S. 2506, which I am submitting for printing at this time, in order to make two things very clear about the purposes of S. 2506: First, the amendment would make an exception to the present 14-hour requirement for payment of a full-time allowance by providing that a full-time allowance may be paid to an eligible veteran enrolled at a school which certifies to the Administrator of Veterans' Affairs that all undergraduate students at that particular school are required to pay full-time tuition for the number of hours—or more—that that veteran is carrying.

Second, it would make clear that S. 2506 is not aimed at reducing the minimum hourly requirement for veterans at schools which charge tuition on the credit-hour basis. I have no evidence at this time that such a reduction might be appropriate in that situation, although it might possibly be. The theory of S. 2506 is that a veteran who is paying full-time costs should receive a full-time educational assistance allowance from the VA. And that theory applies only at schools charging tuition on the term basis, since the veteran being charged tuition by the credit hour does not find himself being charged tuition on one basis and being reimbursed, loosely speaking, on a different basis.

Mr. President, I ask unanimous consent that the amendment I intend to offer be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 105) was referred to the Committee on Labor and Public Welfare, as follows:

AMENDMENT No. 105

On page 1, beginning on line 4, strike out all that follows after the word "amended" and insert in lieu thereof the following: "by inserting immediately before the period at the end thereof the following: '; except that where such college or university certifies, upon the request of the Administrator, that full-time tuition is charged to all undergraduate students carrying a minimum of less than fourteen semester hours or its equivalent then such certified minimum shall be considered a full-time course' ".

APPOINTMENTS AND PROMOTIONS IN THE POST OFFICE DEPARTMENT — "REMOVING POLITICS FROM THE POSTMASTER SELECTION PROCESS"—AMENDMENT

AMENDMENT NO. 106

Mr. YARBOROUGH. Mr. President, I am submitting an amendment intended to be proposed by me to S. 1583 designed to insure not only that politics will be removed from the postmaster selection process, but also that experienced and deserving postal employees will have the first opportunity to apply for and be appointed to these leadership positions in the postal service.

My amendment would provide two basic methods of filling postmaster vacancies; the first means, being by promotion from within the career postal service. Second, in case there was no qualified career employee present or available for such a promotion, the appointee would be obtained from a register of eligibles determined by competitive civil service examination.

These past few months we have heard a great deal about elimination of politics from the post office, and a great deal about merit promotion. But as it now stands S. 1583 does not provide for merit promotion—it simply permits the Postmaster General to handle this matter anyway he may desire. Having noted the lack of merit promotion entailed in the filling of major positions in the headquarters office of the Post Office Department and in the respective regional offices, I have some reservations about giving any Postmaster General such carte blanche authority. The present Postmaster General seems to regard prior private corporate service only in determining eligibility for postal service promotion, wholly ignoring the faithful postal force. History, I feel, would not look favorably on a Congress which eliminated so-called "political considerations" from this appointment process and then merely substituted a form of corporate favoritism in its place.

Mr. President, there are now over 700,000 dedicated employees in our postal service. Experience is one of the major attributes a prospective postmaster should possess. I would hope that those who truly believe in a merit selection process and in merit promotion from within the postal service will support my amendment to S. 1583.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

ANNOUNCEMENT OF HEARINGS ON VETERANS' EDUCATION TRAINING AND MANPOWER BILLS BEFORE VETERANS' AFFAIRS SUBCOMMITTEE BY SENATOR CRANSTON

Mr. CRANSTON. Mr. President, for the information of Senators, I wish to announce at this time that the Veterans' Affairs Subcommittee, of which I am chairman, of the Labor and Public Welfare Committee, will hold hearings on August 4 and 5 at 9:30 a.m. on the following bills pertaining to veterans' education, training, and manpower: S. 1088, introduced by the Senator from New York (Mr. JAVITS); S. 2506, which I introduced on June 30, 1969, and a proposed amendment to that bill which I introduced today; S. 2668, which I introduced on July 18; and S. 2700, which I introduced today.

The subcommittee expects to receive testimony from a broad range of witnesses in addition to the Administrator of Veterans' Affairs, and I consider these hearings to be of the utmost importance in attempting to come to grips with how the Nation can best offer education, training, and manpower assistance to veterans, particularly those from disadvantaged backgrounds, so as to increase substantially their current very low rate of participation in the GI bill programs.

NOTICE OF HEARINGS

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Banking and Currency will hold a hearing on Monday, July 28, 1969, on the following nominations:

Carter L. Burgess, of New York, to be an incorporator of the corporation authorized by section 902(a) of the Housing and Urban Development Act of 1968, vice Edgar F. Kaiser.

Thomas Hal Clarke, of Georgia, to be a member of the Federal Home Loan Bank Board for the term expiring June

30, 1973, vice Michael Greenebaum, term expired.

The hearing will commence at 10 a.m. in room 5302 New Senate Office Building.

NOTICE OF HEARINGS

Mr. WILLIAMS of New Jersey. Mr. President, I wish to announce that on Wednesday, July 30, 1969, the Subcommittee on Securities of the Committee on Banking and Currency will hold a hearing pertaining to possible conflicts of interest by Hamer H. Budge, Chairman of the Securities and Exchange Commission.

The hearing will commence at 10 a.m. in room 5302 New Senate Office Building.

NOTICE OF HEARING ON NOMINATION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 31, 1969, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nomination:

Almeric L. Christian, of the Virgin Islands, to be judge of the district court of the Virgin Islands for a term of 8 years, vice Walter A. Gordon, resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The Subcommittee consists of the Senator from North Dakota (Mr. BURDICK), chairman; the Senator from Michigan, (Mr. HART), and the Senator from Nebraska (Mr. HRUSKA).

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:

Harry D. Berglund, of Minnesota, to be U.S. marshal for the district of Minnesota for the term of 4 years, vice William F. Malchow.

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 Thursday, July 31, 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.

TRIBUTE TO ALL WHO PLAYED AN IMPORTANT ROLE IN APOLLO 11 ACHIEVEMENT

Mr. ANDERSON. Mr. President, as we so rightfully pay tribute today to the three brave Americans who have successfully completed the Apollo 11 mission, Neil Armstrong, Edwin Aldrin, and Michael Collins, we should also pause to honor others who have played an important role in bringing success to this most ambitious goal.

Starting with Dr. Thomas O. Paine, Administrator, there are, of course, thousands of NASA employees and industry personnel without whose diligent and persistent efforts the flight could not have been accomplished. You know the names—Dr. George Mueller, Gen. Sam Phillips, Dr. Robert Gilruth, Dr. George Low, Dr. Wernher von Braun—and many, many others.

But there are a few, whose names have not been so prominently mentioned, that I should like to recall for you today.

First, of course, was President John F. Kennedy, who admonished us, in 1961, to accept this challenge.

Then there is Lyndon B. Johnson who, as first Chairman of the Space Committee and later Chairman of the National Aeronautics and Space Council, and then as President has done as much as any man to see us on this course.

I would like to mention the charming Senator from Maine, MARGARET CHASE SMITH, ranking minority member of the Space Committee, and all the other Senators who have served on this committee and the Appropriations Committee through the years, without whose support we could not have funded this program.

We should not forget the late Robert S. Kerr and Styles Bridges who were chairman and ranking minority member, respectively, through the formative years of the program.

It is unlikely that we would have accomplished this goal today without the driving leadership of Jim Webb, Administrator of NASA through the critical period and his predecessor, T. Keith Glennan, who was the first Administrator of NASA.

We must certainly not forget the late Dr. Hugh Dryder, who was longtime Director of NACA and Deputy Administrator of NASA, whose wise and experienced counsel was invaluable to the program.

Dr. Robert C. Seamans, now Secretary of the Air Force, was Associate and then Deputy Director of NASA at the time when critical decisions were being made.

We surely must mention Edward H. White, Virgil Grissom, and Roger Chaffee who gave their lives in the tragic Apollo 204 accident, and Astronauts Charles Bassett II, Theodore Freeman, Edward Givens, Jr., Elliot See, Jr., and Clifton Williams, Jr., who, although they were never able to reach their dreams of space flight, died in the service of their country in the space program.

There are, of course, many, many others I could mention. But perhaps the credits should go to all of mankind, whose evolution of millions of years has led us to this remarkable step into infinity.

SENATOR MIKE MANSFIELD

Mr. METCALF. Mr. President, my friend and colleague, the majority leader, Senator MIKE MANSFIELD, and I have the honor to represent the same State—Montana. As we all know, MIKE MANSFIELD has been the subject of many tributes, features, and news columns here and in the national press.

An article published in the Park County News, Livingston, Mont., on June 19, 1969, gives us some insight of how Montanans think about him. The editor, Fred J. Martin, gives us a fine appraisal of this man and his approach to politics and issues of the day.

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

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

MONTANA'S MIKE MANSFIELD IS TOLERANT, FAIR, RESPECTS VIEWPOINT OF OTHER FELLOW

MIKE MANSFIELD, who as majority leader of the United States Senate holds one of the most sensitive and coveted spots in the American government, has a superb quality—recognition of the right of the other fellow to his or her opinions.

Despite his powerful post, MIKE is still the same as he was as an Army GI, a U.S. Marine, a Navy recruit, a Butte miner while attending the Montana School of Mines, an assistant professor of History at the University of Montana at Missoula, or a Congressman or Senator. He's very much aware that what's happened to him in Washington as a Congressman and U.S. Senator wouldn't have been possible without the support of his fellow Montanans.

Sunday, he completed a whirlwind tour of Montana primarily in the interest of the candidacy of John Melcher, Forsyth veterinarian and legislator, for Congress from the Eastern Montana district, but also to report to his constituency. En route from Billings and with stops at communities along the way he arrived in Livingston late Wednesday, June 11, to spend the night here at the Murray hotel. He was accompanied by an old Butte friend, Ole Reardon of Great Falls, who usually drives him around the state. After dinner he visited with Chairman Jim Beamer and Sec. Bernice McGee of the Park County Democratic Central Comm.

The Montana senator was in a relaxed mood, yet was quick to recognize those who smiled and greeted him as he was having dinner at Martin's. As we sat there we wondered what gave Mike his stature, his ability to win support from political friends and foes and to hold their respect.

Senator Mansfield has positive convictions. He isn't a "yes" man to anyone. He didn't hesitate to disagree with Lyndon Baines Johnson when he was majority leader, vice president or president, and he doesn't hesitate to disagree with President Richard Nixon. But, he recognizes above all else the other fellow's right to disagree with him. He obviously, and says so publicly, intends to give the new Administration his cooperation and not to put roadblocks in their path.

He doesn't believe in prejudging or condemning another's conviction without debate and discussion. He doesn't become ascible or belligerent, but tries through the process of reasoning and persuasion to achieve a concensus. When one understands the sharp philosophical differences and personality makeup between Republicans and Democrats, the liberals of some industrial states and the conservative Southern senators, the different makeups of individual senators, the pressures from various groups, it is understandable that the effort to get a meeting of minds to make progress isn't easy. Mike gets along with Minority Leader Everett Dirksen and the Majority whip, Sen. Edward Kennedy. That's his job.

Mike's prescription is to deal with the issues, not personalities. He does have a sense of loyalty to the Democratic party, which after all has maintained him in office, just as he has a loyalty to the Senate, but in the final analysis his decisions, as we have observed and heard him reiterate down through the years, is to all the people of Montana. He's grateful for what Montanans have done for him and he hopes that he

can continue to hold their confidence. He wants to win reelection and intends to seek his fourth term in 1970. Perhaps he isn't the wheeler and dealer allying himself with under the table dickering and trading, but he's honest which is more than can be said about some others in public life. As we talked with him last week he seemed relaxed, was ready to answer any question propounded to him and to lay his cards on the table. He's tolerant of the other fellow's point of view. Montana can be proud of him.

ACTIVITIES OF EAST-WEST CENTER

Mr. INOUYE. Mr. President, I invite the attention of the Senate to a recent press release from the East-West Center. I believe the story it tells well exemplifies what we have to gain from international cooperation, specifically from the activities of the East-West Center. The contributions of Dr. Furusato Kazuo, a Japanese botanist, will long benefit the people of Hawaii and our many visitors from throughout the United States.

I ask unanimous consent that the press release be printed in the RECORD.

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

HONOLULU, HAWAII.—A Japanese botanist who participated in an East-West Center sponsored training program held in Hawaii in 1968 has repaid his Hawaiian hosts by developing a carnation specially suited for making leis and a hybrid strawberry that will grow in Hawaii.

While in Hawaii to study local plant life, Dr. Furusato Kazuo, director of the Shizuoka Prefectural Useful Botanical Garden, noticed that the calyx (green base) of the carnation flowers had to be broken in order to string them for making leis.

The process seemed inefficient to Dr. Kazuo. So when he returned to Japan, he cross-bred various carnations until he created a flower with a much shorter calyx—hence, no need to break it.

Dr. Horace Clay, the director of the training program which brought Dr. Kazuo to Hawaii, passed through Japan recently and was given seed samples of the new carnation by his former student.

Perhaps it won't be long before Hawaiian lei-makers will be able to increase their lei-making production due to Dr. Kazuo's initiative.

Very few people have ever heard of Hawaiian strawberries, but they can be found growing on the side of Mt. Haleakala on Maui. Admittedly they are white in color and don't taste very good, but they are strawberries.

Dr. Kazuo also took seeds of these strawberries back to Japan determined to improve their color and taste. After crossing the seeds with a Japanese red strawberry, he succeeded in producing a good-tasting, hardier strawberry that looked like a strawberry should.

Dr. Clay also brought some of these hybrid seeds back with him so residents of Hawaii may soon be able to enjoy home grown strawberries.

For Dr. Clay, a senior program officer for the East-West Center's Institute for Technical Interchange, there is an important lesson to be learned from these seeds.

"We Americans assume that technical interchange is a one way street," he stated.

"To many of us, the United States is the expert teacher and the countries of Asia and the Pacific are the untrained students seeking our help. We often forget that the East can provide us with valuable technical knowledge as well."

He concluded by saying, "The East-West Center's basic goal is the interchange of knowledge between East and West to increase mutual understanding. This exchange of knowledge also applies to technical matters."

MILWAUKEE FIRM PLAYS ROLE IN SOLVING HUNGER

Mr. PROXMIRE. Mr. President, I am very proud of the role being played by the Krause Milling Co. of Milwaukee, Wis., in the effort to solve the problem of hunger and malnutrition throughout the world. The high-protein CSM, or corn-soy-milk food additive, is providing almost every necessary nutrient to children and adults in 100 countries. In an age when man can walk on the Moon, the problem of hunger on earth continues to grow. Just as the first step onto the Moon was a "giant leap for mankind," the development and distribution of CSM represents a giant leap toward erasing hunger from the entire world. I congratulate Mr. Krause on his company's important contribution to this effort.

Mr. President, I ask unanimous consent that the article on CSM, reprinted from the War on Hunger magazine, and the accompanying letter from Charles A. Krause, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

PROTEIN-RICH CSM NOURISHES MILLIONS AROUND THE WORLD

When the "Christmas Ship" FORRA left Newport News, Va., in early January it carried 4.5 million pounds of CSM (corn-soy-milk) destined for the starving children of Biafra.

This life-saving CSM cargo was part of more than 750 million pounds of the low cost, high protein, multi-use food which have been sent overseas since the initial shipment in September, 1966.

Highly versatile CSM enjoys ready acceptance in scores of countries as an ingredient in nutritious gruels, soups and soft breads for children. It can be easily used in preparing dough for the chapati of India, the tortilla of Mexico and many other native dishes of both East and West.

In Indonesia, CARE distributes CSM daily to more than 200,000 school children and is making plans to teach parents the importance of good nutrition.

In Vietnam, AID's Food for Freedom officers have distributed hundreds of thousands of pamphlets giving instructions for the proper preparation of CSM and other PL 480 commodities. The voluntary agencies are making a concerted effort to educate mothers to the high nutritive value of CSM.

COMBINED EFFORTS IN DEVELOPMENT

CSM was developed through the combined efforts of the American Corn Millers' Federation, the Agency for International Development, the National Institutes of Health and the Department of Agriculture. It was originally produced as a supplement for nonfat dry milk at a time when the milk was in short supply during the middle 1960s and has since gained wide recognition on its own.

Ingredients for the manufacture of CSM come from the corn field, dairy farms, soybean fields and chemical works of the United States. It is a mixture of 63.8 percent processed cornmeal, 24.2 percent toasted defatted soy flour, 5 percent nonfat dry milk, 5 percent vegetable oil and 2 percent vitamin-mineral and iodized salt pre-mix.

Companies currently producing CSM for Food for Freedom use in developing nations include: Archer Daniels Midland Co., Minneapolis, Minn.; Krause Milling Co., Milwaukee, Wis.; Lauhoff Grain Co., Danville, Ill. and its Crete Mills Division, also of Danville; and Quaker Oats Co., Chicago, Ill.

Their blended product contains 20 percent protein and has an adjusted protein efficiency ratio of 2.48. It is almost completely precooked, bran-free, bland in flavor and smooth in texture.

Just a small amount of CSM will supply a child with many of the necessary daily nutrients with the exception of ascorbic acid (vitamin C). It can be invaluable during the period in a child's life when lack of proper food can seriously damage both his body and his mind.

Although CSM has met with remarkable acceptability, particularly for infant and child feeding, everyone involved in the program is continually looking for ways to make it better.

The Department of Agriculture, AID, textile and paper bag manufacturers and corn millers cooperate on studies to produce the finest possible insect-resistant packaging at the lowest cost to improve delivery of CSM in diverse climates and under a variety of storage conditions.

Individual millers research new grinds and formulas of CSM and attempt to find solutions for some of the inevitable problems which arise as a completely novel food product is introduced to millions of children and adults in a wide spectrum of cultures in approximately 100 countries.

UNICEF has referred to CSM as "the first attempt in history to introduce a new food product simultaneously to millions of people on a world-wide basis." CSM's success is expected to be a big help in paving the way for the acceptance of other new products and other new methods.

KRAUSE MILLING CO.,
Milwaukee, June 23, 1969.

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: We are enclosing several reprints of an article which appeared as the cover story in the April 1969 issue of War on Hunger, the Agency for International Development monthly publication.

CSM—the full nutrition food—is continuing to economically feed a large portion of the world's hungry people. Over 950,000,000 pounds of CSM has been distributed overseas to date and effort is currently being made to introduce the CSM full nutrition food concept into our domestic hunger and malnutrition program.

Your continuing interest in CSM is greatly appreciated. If you desire additional copies of the enclosure for distribution, please let us know.

Sincerely,

CHARLES A. KRAUSE.

THE APOLLO PROGRAM AND "GENERAL ANONYMOUS"

Mr. McGEE. Mr. President, with the recovery today of the Apollo 11 astronauts, it is appropriate to give recognition to a man largely responsible for the unprecedented success of this mission, its director, Lt. Gen. Samuel C. Phillips.

General Phillips is the subject of a profile which appears in today's Washington Star under the byline of Sanders Lamont. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

"GENERAL ANONYMOUS": APOLLO DIRECTOR MADE "SYSTEMS" GO

(By Sanders Lamont)

Call him General Anonymous.

He could walk around the Apollo launch pad at Cape Kennedy, Fla., unrecognized by the majority of workers.

But despite such anonymity, he is the man who has been responsible for spending over $30 billion in tax money, for creation of the most sophisticated missile system in history, and—his current job—sending men to land on the moon.

Lt. Gen. Samuel C. Phillips, 48, is winding up five years as director of the Apollo program. Quietly confident, hard-nosed, efficient, he appears neither to seek nor to dodge the limelight. Tall and erect, he's known to military men, congressmen and presidents as a man who gets things done.

MINUTEMAN POST

In 1959, as an obscure Air Force colonel, he took over the faltering Minuteman program. Under his direction, the Minuteman was a success on its first test. The missiles went into silos around the country a year ahead of schedule.

College professors know Phillips as the father of "systems engineering" or "systems management," a method that is revolutionizing American industry.

Dr. Wernher Von Braun, the German-born expert who designed America's moon rocket, credits Apollo's success to Phillips' management techniques. Many now regard the sophisticated techniques developed around Apollo as the chief spin-off from the entire space project.

Others describe Phillips in more unflattering terms—but not to his face. They remember him as author of the "Phillips Report," a critical assessment of space contractors' workmanship on the Apollo spacecraft in which three astronauts died during a fire. The report, made before the fire, got into public print, even though it was supposed to be a secret intra-agency letter.

After 10 years of frenetic living—five years on Minuteman and five on Apollo—the general reportedly longs for a quiet military assignment. "The job of program director is very demanding," he said. "And 10 years in the hot seat is a long, long time."

Like many other men at the top, Phillips has discovered that the role of commander is a lonely one, with no one to share the responsibility. For example, it was Phillips who decided to send the Apollo 8 crew around the moon last December, although men had never flown on the Saturn 5 rocket before.

"In my mind, it was a private and personal thing," he said.

MARK OF ENVIRONMENT

Early environment, as well as education, clearly helped to shape Phillips for the lonely responsibility of command he was to have in later life.

Born in an isolated lumber town in Arizona, he moved a few years later with his family to Cheyenne, Wyo. He was graduated from the University of Wyoming in 1942 with a degree in electrical engineering and a second lieutenant's commission in the Army.

After flight training, he was sent to England as a fighter pilot—another occupation calling for split-second decisions where errors could be fatal. Phillips served two combat tours in England. A much decorated major at war's end, he stayed on three years in Europe before returning to the University of Michigan to earn a master's degree.

He still loves to fly. During flights around the country he sometimes takes over the controls from NASA pilots.

Throughout the 1950s, Phillips remained in the background, working on a series of research and development jobs. His assignments included a tour in England to help write an agreement between the United States and Britain on use of the Thor missile.

In 1964, the space agency borrowed him from the Minuteman program, named him deputy director. Shortly afterwards, he was named director of the Apollo program.

REPRESENTATIVE MIKE KIRWAN

Mr. YOUNG of Ohio. Mr. President, no Member of Congress has played a more important and more constructive role in the development of our national water resources than Representative MICHAEL J. KIRWAN of the 19th District of Ohio. As chairman of the Subcommittee on Public Works of the House Committee on Appropriations, he has performed over the years real and needful service in the cause of water resource development throughout the Ohio River Basin and throughout the Nation. During his more than 32 years of distinguished service in the House of Representatives, MICHAEL J. KIRWAN has dedicated himself to the internal improvement of our Nation. I salute him.

Mr. President, in recognition of this service, the Ohio Valley Improvement Association, on April 18, 1969, established the MICHAEL J. KIRWAN Award for Outstanding Service in the Cause of Ohio River Basin Water Resource Development to be awarded each year. I ask unanimous consent that the resolution to establish this award be printed in the RECORD.

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

RESOLUTIONS ESTABLISHING THE MICHAEL J. KIRWAN AWARD FOR OUTSTANDING SERVICE IN THE CAUSE OF OHIO RIVER BASIN WATER RESOURCE DEVELOPMENT

Whereas, the Honorable Michael J. Kirwan has served in the Congress of the United States, as representative of the Nineteenth District of Ohio since 1937, having been a member of the House Committee on Appropriations during the past 26 years, the Chairman of its Subcommittee on Interior and Insular Affairs, from 1949 to 1965 and the Chairman of its Subcommittee on Public Works since that time; and

Whereas, Congressman Kirwan, throughout his long and distinguished career in Congress, has dedicated himself zealously and steadfastly and with incomparable skill and effectiveness to the internal improvement of the United States and its possessions for the welfare of all Americans and their posterity; and

Whereas, Congressman Kirwan has long recognized the vital role of water resource development in the task of building a stronger, more prosperous and more beautiful America for the benefit and enjoyment of all citizens, rich and poor alike, and has rendered unique and invaluable public service in the attainment of these goals, earning thereby national and international renown, the respect and esteem of his Congressional colleagues and the affection and gratitude of countless citizens throughout his beloved America; and

Whereas, the outstanding progress of the water resource development program in the Ohio River Basin for flood control, pollution abatement, water supply, navigation, recreation, fish and wildlife enhancement and other beneficial purposes has been due in decisive measure to Congressman Kirwan's sympathetic understanding and powerful support; and

Whereas, the Ohio Valley Improvement Association considers it altogether fitting and proper that it manifest its deep appreciation for Congressman Kirwan's unexcelled contribution to the cause of water resource development in the Ohio River Basin and throughout the Nation in an appropriate and enduring form;

Now, therefore, be it resolved, that in honor of Congressman Kirwan and to foster and encourage the development of water resources in the Ohio River Basin, the Ohio Valley Improvement Association hereby establishes the Michael J. Kirwan Award for Outstanding Service in the Cause of Ohio River Basin Water Resource Development, to be granted not more frequently than once a year to such person as may be deemed worthy by the Executive Committee of this Association, such reward to be in the form of a Certificate suitably inscribed; and

Resolved further, that Congressman Kirwan be invited to present the first such award at the 1969 Annual Meeting of this Association; and

Resolved further, that the proper officers of this Association be and they are hereby directed to present a certified copy of these Recitals and Resolutions to Congressman Kirwan.

I hereby certify that the foregoing Recitals and Resolutions were unanimously adopted by the Board of Trustees of the Ohio Valley Improvement Association at a meeting duly called and held in Pittsburgh, Pennsylvania on April 18, 1969.

PRESIDENT NIXON'S TRIP TO RUMANIA

Mr. TOWER. Mr. President, I want to add my support for President Nixon's forthcoming visit to Rumania. During his election campaign, Mr. Nixon made it clear that he would travel in search of peace. His visit to Rumania is such a quest, and I believe his visit is likely to constitute a step toward peace and improved world relations.

I cannot foresee any possibility that the President's visit would not at least encourage improved international relations. Rumanian President Ceausescu extended the invitation to President Nixon. The Soviet Union has indicated that it does not view the visit as any form of affront. Rumania is a country which is seeking its own foreign policy. It is a country striving to maintain relations with all the world powers.

President Nixon has traveled within Communist countries before, and each time his methods of diplomacy have met with some degree of success. He values the opinions of the leaders of other nations, and he respects their views.

There is no endeavor more important than the quest for peace. While I hope the visit to Rumania will result in a significant step toward peace, I am confident that, at the very least, it should establish a dialog with one Communist country which desires to live in cooperation with the rest of the world, rather than pursue a policy which seeks to dominate it.

For this reason, I applaud the President's decision to visit Rumania, and I wish him every success in his venture.

JAPAN AND UNITED STATES ONLY MAJOR POWERS FAILING TO RATIFY GENEVA PROTOCOL OF 1925

Mr. PROXMIRE. Mr. President, in Geneva, in 1925, at a conference called to consider the commercial sale of arms, the United States brought up the question of gas warfare. The result was the

international agreement—now known as the Geneva Protocol of 1925—banning the use of chemical and biological weapons.

More than 60 countries—among them all members of the NATO alliance, the Warsaw Pact including Russia, and Communist China—have ratified the Protocol. Ironically, at this time almost 45 years later, of the major powers only Japan and the United States have failed to ratify.

It seems wise to me, in view of the alarmingly rapid development of these weapons now taking place, to re-examine the reasoning behind our action and to reconsider the possibility of ratifying this agreement. In order to lay the groundwork for further study of this matter, I ask unanimous consent that the text of the Geneva Protocol agreement be printed in the RECORD.

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

PROTOCOL FOR THE PROHIBITION OF THE USE IN WAR OF ASPHYXIATING, POISONOUS OR OTHER GASES, AND OF BACTERIOLOGICAL METHODS OF WARFARE—SIGNED AT GENEVA, JUNE 17, 1925

The undersigned plenipotentiaries, in the name of their respective Governments:

Whereas the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials or devices, has been justly condemned by the general opinion of the civilized world;

Whereas the prohibition of such use has been declared in Treaties to which the majority of Powers of the world are Parties; and

To the end that this prohibition shall be universally accepted as a part of International Law, binding alike the conscience and the practice of nations; Declare: That the High Contracting Parties, so far as they are not already Parties to Treaties prohibiting such use, accept this prohibition, agree to extend this prohibition to the use of bacteriological methods of warfare and agree to be bound as between themselves according to the terms of this declaration.

The High Contracting Parties will exert every effort to induce other States to accede to the present Protocol. Such accession will be notified to the Government of the French Republic, and by the latter to all signatory and acceding Powers, and will take effect on the date of the notification by the Government of the French Republic.

The present Protocol, of which the French and English texts are both authentic, shall be ratified as soon as possible. It shall bear today's date.

The ratifications of the present Protocol shall be addressed to the Government of the French Republic, which will at once notify the deposit of such ratification to each of the signatory and acceding Powers.

The instruments of ratification of and ascension to the present Protocol will remain deposited in the archives of the Government of the French Republic.

The present Protocol will come into force for each signatory Power as from the date of deposit of its ratification, and, from that moment, each Power will be bound as regards other powers which have already deposited their ratifications.

In witness whereof, the Plenipotentiaries have signed the present Protocol.

Done at Geneva in a single copy, the seventeenth day of June, One Thousand Nine Hundred and Twenty-Five.

A SALUTE TO AMERICA'S APOLLO 11 ASTRONAUTS

Mr. YARBOROUGH. Mr. President, this is not only a day of national triumph but also a day of national thanksgiving. This Nation has achieved one of its goals for this decade—that of landing men on the moon and returning them safely to earth before 1970. And today, these three men, whose names will forever stand with the greatest of explorers have returned safely home. The sailors of the space ocean are home from the sea.

But today, perhaps the most fitting tribute we can give to these brave Americans is not to boast of past triumphs but to think of future challenges. For the step we have made, however large it may seem to us now, is only a first step on a great journey whose destination lies beyond our vision.

On this most joyous of days, I cannot help but recall the words President Kennedy, who challenged our Nation to land a man on the moon in this decade, said at the dedication of Aerospace Medical Health Center in San Antonio on November 21, 1963, in the last 24 hours of his life:

Frank O'Connor, the Irish writer, tells in one of his books how, as a boy, he and his friends would make their way across the countryside, and when they came to an orchard wall that seemed too high to permit their voyage to continue, they took off their hats and tossed them over the wall—and then they had no choice but to follow them.

This Nation has tossed its cap over the wall of space, and we have no choice but to follow it. Whatever the difficulties, they will be overcome. Whatever the hazards, they must be guarded against. With the vital help of this Aerospace Medical Center, with the help of all those who labor in the space endeavor, with the help and support of all Americans, we will climb this wall with safety and with speed—and we shall then explore the wonders of the other side.

ABM CRITICS AND THE MILITARY-INDUSTRIAL COMPLEX

Mr. DOMINICK. Mr. President, many comments have been made, both in the Chamber and in the news media, about the so-called military-industrial complex. Through some eerie thought process, this has become a condemnation of the very people upon whom we depend for national security.

Recently, one of our eminent journalists, Mr. Clark Mollenhoff, wrote an article, published in the July Bulletin of the American Society of Newspaper Editors, noting this phenomenon and pointing out that most of the problems we have encountered can be attributed to civilians, not the military. Furthermore, he went on to state that these persons were civilians in previous administrations, not in the present one.

On July 6, 1969, the Chicago Tribune published an excellent editorial commenting on this confusion. I ask unanimous consent it be printed in the RECORD.

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

CRITICISM FOR OBLIQUE PURPOSES

Clark Mollenhoff, Washington correspodent of the Des Moines Register, says that there is plenty to criticize in the operations of the department of defense, but he objects to attempts to misapply the criticism to wholly unrelated subjects.

Writing in the July Bulletin of the American Society of Newspaper Editors, Mollenhoff says that the news media have been tardy in calling public attention to a decade of corruption, mismanagement, and waste in the Pentagon. He is especially critical of broadcast journalism for following the official line and says that many writers gave fawning and noncritical coverage to former Secretary of Defense Robert S. McNamara.

"Reporters," Mollenhoff says, "have placed the blame for waste, corruption, and mismanagement at the feet of the military-industrial complex." Without using names, admirals and generals are pictured as corrupt or stupid. Senators and congressmen are often characterized as incompetent or corrupt parties to the waste of billions, tho no details are spelled out.

"Some of the writers seemed bent upon proving a preconceived notion that the generals and admirals, the senior men on the armed services committees of the House and Senate, and the bosses of defense industries have conspired to push the United States into the Viet Nam war and other confrontations for the sake of business profits, promotions, and political deals.

"Certainly there has been waste and mismanagement, but the evidence hardly sustains the general conspiracy theory. Somehow many of the stories ignore the dominant role of the political bosses at the Pentagon or tend to absolve them from blame for what has gone wrong."

Many reports, Mollenhoff says, give the impression that the Nixon administration or Secretary of Defense Melvin Laird has the responsibility for what took place in 1963 or in 1968. Seldom, if ever, is the name of former Secretary McNamara mentioned in a critical manner, even when he was personally involved in a questionable decision or when the decision was dictated out of his office under some much-heralded new system that was to save billions of tax dollars.

"Frequently," Mollenhoff writes, "the whole mess of scandals originating under the Kennedy or Johnson administrations are lumped together and presented as evidence of a general Pentagon laxity. Then this Pentagon laxity is projected into certain waste of money if President Nixon's Safeguard antiballistic missile program is permitted to move forward.

"Certainly past scandals should serve as a warning about what could happen to the ABM in the future, but unless there is a direct connection these should not serve as arguments for rejecting a program that the President and the defense secretary believe is essential.

"The merits of constructing the Safeguard ABM should be considered by the press and the public without regard for scandals of an earlier administration, unless there is some evidence of misjudgment and misrepresentations of the Safeguard decision that are clearly linked to past scandals."

Mr. Nixon and his secretary of defense have been unfairly attacked, by such senators as Fulbright and McGovern, not only as if they were being stubbornly perverse in arguing for the ABM defense but also as if they were solely responsible for our being at war in Viet Nam and for the existence of "the military-industrial complex," whereas these developments arose under previous administrations. The carping senators and opposition press are trying to use apples to make arguments against oranges. They

are doing the same thing that McNamara's assistant secretary for public administration admitted he was trying to do—manage the news to their own ends.

EXPANDING THE MORTGAGE MARKET

Mr. PROXMIRE. Mr. President, on July 9, 1969, I introduced a bill, S. 2577, to help support the mortgage market during periods of tight money. The legislation would extend for another year the flexible authority to regulate the rates of interest on time and savings deposits. In addition, the bill would strengthen the effectiveness of monetary policy and would help to insure a steadier supply of funds to the mortgage market during periods of tight money.

I shall outline briefly the main provisions of the bill; and following my remarks, I ask unanimous consent that the bill be printed in the RECORD.

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

(See exhibit 1.)

OUTLINE OF S. 2577, A BILL TO PROVIDE ADDITIONAL MORTGAGE CREDIT, INTRODUCED BY SENATOR WILLIAM PROXMIRE ON JULY 9, 1969

SECTION 1: RENEWAL OF RATE CONTROL AUTHORITY

Mr. PROXMIRE. Mr. President, this section extends for another year the authority to establish flexible ceilings on rates paid by financial institutions on time and savings deposits. The authority was first enacted by Congress during the 1966 credit crunch to restrain excessive competition for funds by commercial banks and savings and loan associations. Unless renewed by the Congress, the authority expires on September 21, 1969.

Under the legislation passed by Congress in 1966, Public Law 89–597, and renewed in 1967, Public Law 90–87, and 1968, Public Law 90–505, the Federal banking agencies can establish ceilings on commercial bank certificates of deposit—CD's—according to the size of the deposit. The banking agencies have implemented the authority by establishing a ceiling of 5 percent on consumer type CD's of less than $100,000 whereas larger denomination CD's have ceilings as high as 6¼ percent. The small denomination CD's are most competitive with savings accounts at thrift institutions while the larger denomination CD's compete with general money market instruments.

A bank CD must have a maturity of at least 30 days to qualify at the 5-percent rate. Passbook savings accounts which are ordinarily payable on demand have a ceiling of 4 percent.

The Federal Reserve Board has established these ceilings for member banks under regulation Q. Identical ceilings for nonmember insured banks have been established by the FDIC.

Prior to the 1966 legislation, the Federal Reserve Board had authority under the Banking Act of 1933 to prescribe rate ceilings on time and savings deposits issued by member banks although it did not have authority to establish different ceilings based upon the size of the deposit.

If the 1966 legislation is not renewed, the Board would have to revert to its earlier, less flexible authority under the Banking Act of 1933. This means the Board would either have to raise the ceiling on small denomination bank CD's or lower the ceiling on large denomination CD's. If it did the former, commercial banks would be able to divert savings from thrift institutions with adverse effects upon the homebuilding industry; if it did the later, large commercial banks could suffer a sharp drop in their deposits as investors placed their funds elsewhere. Neither alternative is attractive, hence a renewal of the authority permitting a two-tier rate structure is essential.

The 1966 legislation also for the first time gave the Federal Home Loan Bank Board authority to prescribe the maximum rates of interest which federally insured savings and loan associations can pay on savings deposits. Under this authority, the Bank Board has established a ceiling of 4¾ percent on passbook accounts and 5¼ percent on certificates of deposit.

The 1966 legislation also requires that the Federal Reserve, the FDIC and the Home Loan Bank Board consult with one another prior to establishing deposit rate ceilings for their respective institutions.

A failure to renew the 1966 legislation could precipitate another rate war between banks and thrift institutions. Similar unrestrained competition in 1966 caused thrift institutions to lose billions of dollars of savings to commercial banks—savings which otherwise would have gone into mortgage investments.

SECTION 2: UNINSURED INSTITUTIONS

This section would extend the 1966 deposit rate control authority to State chartered financial institutions which are neither insured by the Federal Government nor members of the Federal Home Loan Bank System. The FDIC would be authorized to establish deposit rate ceilings for uninsured commercial banks and uninsured mutual savings banks. The Home Loan Bank Board would be given the same authority over non-member, non-insured savings and loan associations or similar type institutions. This authority would expire after 1 year unless renewed by Congress.

The FDIC and the Home Loan Bank Board would be empowered to enforce the ceilings established under this section by bringing on injunctive action in a U.S. District Court.

The problem of uninsured institutions is particularly acute in the State of Massachusetts where many State chartered thrift institutions rely upon State rather than Federal deposit insurance. Financial institutions not subject to Federal rate ceilings on deposits have $11.5 billion in deposits and compete directly for savings with institutions subject to Federal rate controls having $7.4 billion in deposits.

By offering higher rates, the uncontrolled institutions have been able to divert deposits from controlled institutions not only in Massachusetts but in neighboring States as well. A continuation of this trend could threaten the safety of federally insured financial institutions in the entire New England region.

SECTION 3: TREASURY BORROWING AUTHORITY

This section amends section 11(i) of the Federal Home Loan Bank Act which authorizes the Federal Home Bank Board to borrow up to $1 billion from the Treasury.

The legislation requires that the rate charged on such borrowing be set at the current market yield on Treasury obligations. Existing law permits borrowing at a lower rate, hence the proposed amendment would remove any subsidy involved in such borrowing.

The legislation also provides the Treasury with a positive mandate from the Congress to permit such borrowing authority to be used in order to prevent a drastic reduction in housing starts. Despite many erratic swings in housing construction, the authority to borrow from the Treasury has never been used since its original enactment 19 years ago.

Specifically, the legislation indicates that it is the sense of the Congress that the authority to loan to the Home Loan Bank Board "be used by the Secretary of the Treasury, when alternative means cannot effectively be employed, to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market whenever the ability to supply such funds is substantially impaired during periods of monetary stringency and rapidly rising interest rates."

The funds borrowed from the Treasury would be reloaned by the Bank Board to those savings and loan associations about to undergo a sharp reduction in their volume of mortgage lending. During periods of tight money and rapidly rising interest rates, many savers tend to place their savings directly in the securities market in search of higher yielding investments. Moreover, savings and loan associations are unable to compete for funds by raising their deposit rate since they are tied to the earnings on their mortgage loans, the bulk of which were made in earlier years at lower yields. Any increase in deposit rates must be paid to all depositors, whereas, the yields on mortgage loans already made do not increase.

Because of this structural imbalance, savings and loan associations tend to lose deposits when rates rise too quickly. A new term was coined during the 1966 credit crunch to describe the process—"disintermediation." The loss of normal deposit inflows in turn requires a substantial cut in the volume of mortgage lending. During the 1966 credit crunch net mortgage loans at savings and loan associations fell by $5 billion, a reduction of 65 percent from the previous year.

One way in which savings and loan associations can obtain funds during a tight money situation is to go directly to the money market. The association is able to pay a higher rate on its borrowed funds without raising the rate paid to all of its depositors. Borrowed funds enable savings and loan associations to compete effectively for funds in order to continue supplying a reasonable volume of mortgage credit.

The most effective way in which savings and loan associations can top the money market is through the Federal Home Loan Bank System, which was established by Congress for this very purpose. The home loan banks can issue consolidated obligations in the open market at attractive rates and reloan the proceeds to savings and loan associations. In effect, the home loan banks can reverse the process of disintermediation. Savings which are diverted from savings and loan associations into the money market can be recaptured by the home loan banks and recycled back to the very same savings and loan associations.

There are two constraints which prevent the home loan banks from recapturing all of the funds lost by savings and loan associations during a credit crunch. The first is the veto power which the Treasury has over the ability of the home loan banks to borrow in the open market. This difficulty is remedied under section 4 of the bill which removes the veto power.

The second constraint is one of interest rates. Even if the home loan bank had unlimited borrowing authority, there is some point at which savings and loan associations could no longer afford to borrow from the Home Loan Bank System. State usury ceilings as well as considerations of public policy prevent an unlimited increase in mortgage interest rates. When the upper limit on mortgage interest rates is reached, this rate, less marginal administrative expenses, determines the maximum rate which savings and loan associations can pay on borrowed funds. Whenever the rate on borrowed funds rises above the maximum rate savings and loan associations can afford to pay, they are effectively priced out of the market and are forced to curtail their mortgage lending.

The first line of defense against disintermediation rests with the Home Loan Bank System. But if the rate charged by the home loan bank exceeds the ability of savings and loan associations to pay, the Treasury borrowing authority represents a second line of defense. This is because the Treasury can obtain money at lower rates. During a period of tight money, the differential can be as much as 1 percentage point or even more.

For example, the current average yield on all outstanding Treasury obligations is approximately 7 percent, whereas, the rate paid by the home loan banks is slightly under 8 percent. However, the average cost of all home loan bank debentures is about 6.75 percent since much of their debt was issued in prior months when rates were lower. In determining the rate to charge member savings and loan associations for advances, the home loan banks base the rate on their average cost of borrowing as opposed to their marginal cost. Thus, the rate on advances to member associations is pegged at 6.75 percent.

The home loan banks cannot indefinitely borrow money at 8 percent and reloan it at 6.75 percent. Sooner or later their average cost of borrowing will approach the current rate of 8 percent. When this occurs, mortgage interest rates would have to go much higher than they are now in order for savings and loan associations to borrow at the 8-percent rate. If increases in mortgage rates are held down because of usury ceilings or for other reasons, savings and loan associations are priced out of the market.

At this point, it is expected that the Treasury borrowing authority would be activated. Instead of borrowing on the open market at much higher rates, the home loan banks could borrow from the Treasury at the current Government rate which may be as much as one percentage point below the market rate on home loan bank obligations. This lower rate can be passed on to member savings and loan associations, thus permitting them to continue their mortgage loans.

As monetary policy eased and interest rate differentials resume their more normal relationships, the Home Loan Bank System could refinance its debt by issuing its own obligations and using the proceeds to repay the Treasury. Thus, the Treasury is not expected to provide a permanent source of savings capital to the mortgage market. Instead, it would provide a temporary source of short-term credit, when no other means are available, in order to prevent a precipitous drop in housing starts.

Since the borrowing by the home loan banks would be at the Treasury rate, no subsidy would be involved. Moreover, it is expected that all such borrowings would be refinanced with the home loan bank's own obligations within a short period of time—in most cases within 12 months—hence there would be no permanent impact on the Federal budget.

Hopefully, the need to use Treasury borrowing authority will not arise. But even if it is not used, its mere existence will lend confidence to the mortgage market and permit savings and loan associations to make advance commitments with a greater degree of assurance. The fear of another round of disintermediation can cause a retrenchment in mortgage lending far greater than the ultimate loss in deposits. Knowledge of a firm Treasury backup can prevent this type of overreaction.

SECTION 4: REMOVAL OF TREASURY VETO

This section would repeal the veto power which the U.S. Treasury has over the ability of the home loan banks to borrow in the open market. The repeal of the veto would place the home loan banks on a par with other Federal credit agencies such as the Federal intermediate credit banks, the central bank for cooperatives, the regional banks for cooperatives, and the Federal land banks. All of these specialized credit agencies support the agricultural sector of our economy.

Treasury authority over the borrowing powers of Government corporations is contained in the Government Corporation Control Act (31 U.S.C. 868(a)). However, the first sentence of section 303(d) of that act states:

> Any mixed-ownership Government corporation from which Government capital has been entirely withdrawn shall not be subject to the provisions of . . . this section during the period such corporation remains without government capital.

The public policy contained in section 303(d) is founded on the reasonable proposition that when a mixed ownership Government corporation operates entirely on private capital, it has the right to make its own financial decisions. Under this policy, the specialized agricultural credit agencies operating on private capital have been freed from the Treasury veto power over their borrowing activities.

Contrary to this general policy, the last sentence of section 11(j) of the Federal Home Loan Bank Act states:

> The provisions of the first sentence of subsection (d) of section 303 of the Government Corporation Control Act shall not apply to any Federal Home Loan Bank.

In other words, the rights conferred in the Government Corporation Control Act are rescinded in the Federal Home Loan Bank Act.

In view of the crucial role that housing plays in our urban problems, there is no valid reason why the home loan banks should be singled out for discriminatory treatment. All Government capital in the home loan banks has been withdrawn in 1951 and since that time they have operated entirely on private capital.

Treasury naturally has a proper concern that the obligations issued by Federal credit agencies are coordinated with Treasury issues. It likes to think of itself as a neutral "traffic cop" directing an orderly flow of issues to the market.

But the absolute veto power belies the "traffic cop" function. Certainly, the Federal credit agencies are also interested in the proper timing of their issues with Treasury issues. There is no reason why an orderly flow of issues cannot be exercised on the basis of voluntary mutual consultation. The agricultural credit agencies have operated on this basis for years.

What the veto power really amounts to is that Treasury has the ultimate power to say no to home loan bank borrowing, not for "traffic" reasons but for fiscal reasons. During a credit shortage, Treasury is most interested in marketing its own securities. Issues by other credit agencies are competitors for the same funds. Letting the Treasury have an absolute veto over its competitors is like letting the catcher call balls and strikes in a baseball game. No matter how hard Treasury tries, it cannot be a neutral traffic cop.

By removing the Treasury veto power, the home loan banks are not freed from responsible governmental control. The borrowing activities of the Federal home loan banks are under the direct supervision of the Federal Home Loan Bank Board, a three-member board of Federal officials appointed by the President. Thus, the President has the ultimate authority over the system. If economic policy required a reduction in the flow of credit to savings and loan associations, the President and the Federal Home Loan Bank Board would have adequate authority to enforce such a reduction.

But a decision to deliberately curtail the flow of credit to the homebuilding industry should be made only after a careful deliberation and discussion of na-

tional priorities at the highest level of government. It should not be made by second or third level Treasury officials on narrow considerations of debt management. A removal of the Treasury veto power insures that our credit policies will be decided at the right level and for the right reasons.

The experience during the 1966 credit crunch illustrates the importance of the Treasury veto power. Savings inflows into savings and loan associations dropped $5.9 billion in 1966 compared to 1965; yet the flow of credit from the Home Loan Bank System increased by only $200 million during the year compared to the previous year. Their efforts to offset the deposit loss were miniscule.

In its report for 1966, the Home Loan Bank Board explained its failure with the following words:

> The system would have had to obtain these funds in the open market, a prospect that was clearly not feasible under the tight money conditions that prevailed.

The Board presented no evidence as to why it was not feasible to borrow more than it did. One possible explanation is that the Board was deterred from borrowing because of the Treasury veto power.

Despite the rapid increase in interest rates during 1966, at no time did the effective borrowing rate incurred by the Home Loan Bank System exceed the national average of effective mortgage rates on new residential construction. During the tightest month of all—September—the effective rate on new home loan bank obligations was 6.26 percent while the nationwide effective mortgage rate was 6.5 percent, a spread of one-quarter of a percent. In 8 months out of the year, the spread was one-half of a percent or more. Thus, if the home loan banks had borrowed more funds at the going market rate, they could have been used for additional mortgage loans.

Treasury and Federal Reserve officials sometimes argue that it is wrong for the Government to interfere in the allocation of credit during a period of tight money. According to this view, the free market should allocate the supply of credit through the competitive interplay of interest rates.

Yet the events of 1966 show just the reverse situation. It was not the "market" which dealt housing such a severe blow. At least part of the cutback in housing can be traced to an administrative decision to restrain borrowing by the Home Loan Bank System.

The removal of the Treasury veto power over the Home Loan Bank System will give greater weight to free market forces and will insure that housing is not the scapegoat of anti-inflationary policy.

SECTION 5: COMMERCIAL PAPER BORROWING

This section strengthens the authority of the Federal Reserve Board to administer regulation Q which establishes the maximum rate of interest which commercial banks can pay on time and savings deposits. At the present, there is a gaping loophole in regulation Q permitting large banks to obtain funds in excess of the regulation Q ceiling through the bank holding company device. As currently practiced by seven or eight large New York City banks, a bank holding company will issue short-term notes in the commercial paper market at prevailing rates which at the present time are more than 1 percentage point higher than the regulation Q ceiling. The proceeds can then be channeled by the parent holding company to its subsidiary bank. This can be done by purchasing participation certificates in the bank's loan portfolio or even purchasing loans outright. In either event, the bank has additional loanable funds to continue its business lending activity.

The language in section 5 would make it clear that the Federal Reserve Board has adequate authority to bring this kind of borrowing under the regulation Q ceiling. Although many are convinced the Federal Reserve Board already has this authority under existing law, there are some who are uncertain on this point. In order to remove any doubt, the language under section 5 clarifies the authority which the Federal Reserve Board apparently has under the Federal Reserve Act.

SECTION 6: EURODOLLAR BORROWING

Another loophole in the administration of regulation Q is Eurodollar borrowing by large commercial banks. Eurodollars are simply dollars held on deposit at banks outside of the United States. The overseas branches of U.S. commercial banks are free to bid for Eurodollar deposits at rates considerably in excess of the regulation Q ceiling. The foreign branches can then reloan the funds to the parent U.S. bank at the prevailing Eurodollar rate, thereby circumventing the regulation Q ceiling.

The Eurodollar loophole makes it possible for large commercial banks to offset the impact of tight money and to maintain its lending activity notwithstanding a considerable reduction in its conventional time deposits.

Governor Brimmer of the Federal Reserve Board has said publicly that the impact of monetary policy on the business sector is delayed because of the Eurodollar inflow. If we are to restore monetary control by the Federal Reserve Board over large commercial banks, this loophole must be plugged.

The language of section 6 would permit the Federal Reserve Board to establish marginal reserve requirements on additional Eurodollars obtained by U.S. commercial banks. The additional increase in Eurodollars would be measured from a base date which the Federal Reserve Board would from time to time establish. The Board could subject these Eurodollar funds to a reserve requirement of up to 100 percent.

The Federal Reserve Board has recently issued a proposed regulation establishing a 10-percent reserve requirement on incremental Eurodollar deposits. While a 19-percent reserve requirement would effectivley raise the cost of Eurodollar borrowing, it is not likely to have a substantial effect. Commercial banks have paid fantastic rates in order to obtain loanable funds, hence a 10-percent increase in the price of those funds will not be an effective long-term deterrent. However, a 100 percent reserve requirement if applied by the Federal Reserve Board, could effectively close the Eurodollar loophole. Since any additional Eurodollars obtained by a bank would have to be placed in reserve, the bank would have no incentive to borrow additional Eurodollar funds. It is expected this authority would be used sparingly by the Federal Reserve Board. But it would constitute a powerful tool which the Fed could exercise when necessary to insure the effectiveness of its monetary policy.

SECTIONS 7 AND 8: VOLUNTARY CREDIT RESTRAINT PROGRAM

These sections of the bill would reactivate the authority under which the Federal Reserve Board administered a voluntary credit restraint program during the Korean war. This authority was contained in the Defense Production Act of 1950. It authorized the President to consult with representatives of the financial community in order to establish voluntary programs of credit restraint.

Under this authority, as delegated by the President, the Federal Reserve Board established industrywide committees of banks, investment banking firms, life insurance companies, savings and loan associations, and mutual savings banks. The committees established voluntary lending criteria designed to channel credit to the most essential uses. While there were a number of problems in the implementation of the criteria, by and large the program achieved its objectives.

A National Voluntary Credit Restraining Committee issued a statement on March 10, 1952, evaluating the success of the program. This statement was published in the March 1952 Federal Reserve Bulletin and reads as follows:

> At the outset of the Program, which was without precedent in the country's financial history, there was widespread skepticism as to what might be accomplished by a self-regulation effort in the highly competitive field of lending. This has been supplanted by a recognition that the Program has proved practicable, workable, and effective as a supplemental too fiscal, credit, and other anti-inflationary weapons. . . . The Program has been an important factor in holding prices level during the first year of its operation.

Under section 708(a) of the Defense Production Act, the President is authorized "to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this act."

Under section 708(b), the Defense Production Act also provides an exemption from the antitrust laws for any voluntary agreement reached pursuant to the Defense Production Act and approved by the President as in the public interest. However, an amendment to the Defense Production Act made by Congress in 1955 substantially narrowed the scope of the antitrust exemption. The 1955 amendment provides that in the future, the antitrust exemption only applies to voluntary agreements concerning military equipment purchased by the Defense Department. This nar-

rower antitrust exemption effectively precludes the establishment of voluntary credit restrain committees. Accordingly, section 7 of the bill repeals the 1955 amendment to the Defense Production Act and restores the broader antitrust exemption contained in the original act.

A further obstacle to reactivating the voluntary credit restraint program is contained under section 708(f) of the Defense Production Act which was enacted by Congress in 1952. Section 708(f) states that after June 30, 1952, "no voluntary program or agreement for the control of credit shall be approved or carried out under this section." Accordingly, section 8 of the bill repeals this prohibition and restores the authority contained in the original Defense Production Act.

EXHIBIT 1

S. 2577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of September 21, 1966 (Public Law 89-587; 80 Stat. 823), is amended to read:

"SEC. 7. Effective September 22, 1970—

"(1) So much of section 19(j) of the Federal Reserve Act (12 U.S.C. 371(b)) as precedes the third sentence thereof is amended to read as it would without the amendment made by section 2(c) of this Act;

"(2) The second and third sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are amended to read as they would without the amendment made by section 3 of this Act;

"(3) The eighth sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is repealed; and

"(4) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is repealed."

SEC. 2. (a) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended (1) by changing "insured nonmember banks (including insured mutual savings banks)" in the second sentence to read "insured and noninsured nonmember banks (including insured and noninsured mutual savings banks)", (2) by changing "insured nonmember banks" in the third sentence to read "insured and noninsured nonmember banks", and (3) by adding at the end of said section 18(g) a new sentence to read as follows: "Whenever it shall appear to the Board of Directors that any nonmember bank is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any rule thereunder, the Board of Directors may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the nonmember bank is located to enjoin such acts or practices, to enforce compliance with this section or any rules thereunder or for a combination of the foregoing and such courts shall have jurisdiction of such actions, and, upon a proper showing, an injunction, restraining order or other appropriate order shall be granted without bond.".

(b) Section 5B of the Federal Home Loan Bank Act is amended to read as follows:

"SEC. 5B. (a) The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation, prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on the rates of interest or dividends on deposits, shares, or withdrawable accounts that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, by institutions which are insured institutions as defined in section 401(a) of the National Housing Act, and by nonmember building and loan, savings and loan, and homestead associations, and cooperative banks. The Board may prescribe different rate limitations for different classes of deposits, shares, or withdrawable accounts, for deposits, shares, or withdrawable accounts of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of such members, institutions or nonmembers or their depositors, shareholders, or withdrawable account holders, or according to such other reasonable bases as the Board may deem desirable in the public interest.

"(b) In addition to any other penalty provided by this or any other law, any institution subject to this section which violates a rule promulgated pursuant to this section shall be subject to such civil penalties, which shall not exceed $100 for each violation, as may be prescribed by said Board by rule and such rule may provide with respect to any or all such violations that each day on which the violation continues shall constitute a separate violation. The Board may recover any such civil penalty for its own use, through action or otherwise, including recovery thereof in any other action or proceeding under this section. The Board may, at any time before collection of any such penalty, whether before or after the bringing of an action or other legal proceeding, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process therefor, and with or without consideration, compromise, remit, or mitigate in whole or in part any such penalty or any such recovery.

"(c) Whenever it shall appear to the Board that any non-member institution is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any rule thereunder, the Board may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the institution is located to enjoin such acts or practices, to enforce compliance with this section or any rules thereunder or for a combination or the foregoing and such courts shall have jurisdiction, of such actions, and, upon a proper showing, an injunction, restraining order, or other appropriate order shall be granted without bond.

"(d) All expenses of the Federal Home Loan Bank Board under this section shall be considered as non-administrative expenses."

SEC. 3. Section 11(l) of the Home Loan Bank Act is amended by striking out the word "rate" the second time it appears in the last sentence and inserting the word "yield" in lieu thereof; and by adding the following at the end of the subsection:

"It is the sense of Congress that the authority provided in this subsection be used by the Secretary of the Treasury, when alternative means cannot effectively be employed, to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market whenever the ability to supply such funds is substantially impaired during periods of monetary stringency and rapidly rising interest rates and that any funds so borrowed will be repaid by the Home Loan Bank Board at the earliest practicable date."

SEC. 4. The last sentence of section 11(j) of the Federal Home Loan Bank Act (12 U.S.C. 1431(j)) is repealed.

SEC. 5. Section 19(a) is amended by inserting after the word "interest" the following: "to determine what types of securities, whether issued directly by a member bank or indirectly by an affiliate of a member bank or by other means, shall be deemed a deposit for the purposes of subsection (j),".

SEC. 6. Section 19(b) of the Federal Reserve Act is amended by inserting "(1) after "(b)"; by striking "(1)"; "(2)"; and "(3)" and inserting "(A)"; "(B)"; and "(C)" respectively and by adding a new paragraph (2) at the end thereof as follows:

"(2) Every member bank shall maintain reserves in such ratios as the Board may require against any incremental liabilities which it incurs to its foreign branches from a date which the Board may from time to time establish. Such reserve ratios shall not exceed 100 per centum."

SEC. 7. Section 708(b) of the Defense Production Act (50 U.S.C. 2158(b)) is amended by striking out everything after "United States" and inserting a period in lieu thereof.

SEC. 8. Section 708(f) of the Defense Production Act (50 U.S.C. 2158(f)) is repealed.

"ONE SMALL STEP FOR MAN; ONE GIANT LEAP FOR MANKIND"

Mr. HATFIELD. Mr. President, it was as long ago as the fourth century that St. Augustine remarked that "some things must be believed to be seen." Of course, St. Augustine was referring to the necessity of having faith in one's religious commitment before truly understanding its depth. But, the same philosophy could well apply to the necessity of having faith in the extent of human possibilities in conquering the evermore challenging problems of existence and understanding man's expanding environment before they will be realized.

Since the beginning of man, dreams have been in terms of the moon and its conquest; and July 20 marked the culmination of what the Wall Street Journal has termed "only a decade of preparation and the expenditure of $24 billion." In effect, the overwhelming feat, in which man planted his feet on the powdery gray surface, St. Augustine's conviction was again affirmed. Dreams do come true.

With no reservations, our highest congratulations are owed the engineering space scientists, the meticulous technicians at the NASA base in Houston, and the particularly courageous Armstrong, Aldrin, and Collins. Their accomplishment was in terms of the moon, specifically, but bore even more significance for all mankind—their conquest was proof that man's powers are no more limited than his imagination.

Today, situations here on earth remain a stigma to man. Over 22 million Americans live below the poverty level; 14 to 15 million Americans are unable to afford adequate diets and supplemental programs reach only six million of these people; and nightly, 10 million Americans go to bed hungry. Disease still needlessly claims millions of lives each year; educational opportunities are yet limited; social security benefits remain inadequate; transportation systems are overused; and man's own environment is becoming unlivable. Each year, 142 million tons of smoke and noxious fumes are literally dumped into the earth's atmosphere.

At a time of celebration, it is not my purpose to sound like a pessimist or to bear only the flag of the tasks yet undone. But, the reason for speaking is

this: I believe, more than any other accomplishment could have, the conquest of the moon presents us with the inspiration necessary to forge ahead—in meeting the innumerable and seemingly insoluble problems remaining here on earth.

The encouragement provided by the successful mission of the Apollo 11 is that it has alerted us to the resources available within our Nation—in terms of intellects, technological equipment, and money. Indeed it has shown us that if problems here at home were attacked with the vigor of those in space, a concerted effort would be capable of bringing about a remedy. While there are more difficulties encountered in dealing with people than foreign objects, evidence of the unlimited capabilities at our fingertips warrants nothing but optimism in addressing ourselves to domestic problems.

Armstrong's first words as he set foot on the moon were:

That's one small step for man; one giant leap for mankind.

My hopes are this: That in this leap was the impetus for meeting the problems of man—in relation to himself and his survival, and with his fellow men in achieving peaceful and wholesome lives.

THE PESTICIDE PERIL—XXXI

Mr. NELSON. Mr. President, a recent study commissioned by Secretary General U Thant of the United Nations reported that a billion pounds of DDT had been spread through the environment and that world production of pesticides of one kind or another amounted to 1.3 billion pounds a year.

It is true that when DDT was first introduced to the world environment it saved millions of lives by controlling the pest carriers of malaria, yellow fever, and typhus. However, now there is sufficient evidence to link this same life-saving pesticide to the killing of wildlife and potentially to serious diseases in man, such as cancer and liver and stomach malfunctions.

Concern about the threat to the environment and to human health from continued use of DDT and other persistent pesticides is international. Sweden, Denmark, and Hungary have banned DDT in their countries. Great Britain and Russia have expressed alarm. In the United States, Arizona and Michigan have banned DDT, while many other States are considering proposals to either ban or regulate the use of this and other toxic pesticides.

The State of New York has been actively reviewing the pesticide issue. This spring, New York City announced that after a 2-year experiment with biological controls it was discontinuing the use of DDT in the city parks. Earlier this month, public hearings were held in Buffalo, at which the director of the Roswell Park Memorial Institute told about a study soon to be published which indicates that DDT produced tumors in mice.

The New York Daily Column of July 17 reviews the DDT controversy. I ask unanimous consent that the article be printed in the RECORD.

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

DDT

In the days just after World War II, DDT was looked upon as chemistry's priceless gift to humanity. Pests that for centuries had plagued mankind, carriers of malaria, yellow fever, and typhus, have been substantially controlled or eliminated through the use of this pesticide.

Refugee shelters established by the United Nations Relief and Rehabilitation Administration used DDT to delouse and delice survivors of Nazi concentration camps.

Once regarded as a blessing to mankind, DDT has in recent months been characterized as a menace to the environment, a destroyer of natural ecology, and a threat to wildlife, birds, fish, and possibly even people.

Earlier this month, Secretary General U Thant of the United Nations transmitted a study to member governments, warning that damage to the environment is creating a crisis of worldwide dimensions.

In relation to pesticides, this study asserted that a billion pounds of DDT had been spread through the environment and that world production of pesticides of one kind or another amounted to 1.3 billion pounds a year.

International controls over use of pesticides will be considered at a United Nations Conference on Environment, scheduled for 1972.

DDT is highly toxic and highly persistent. After ten years of exposure to the elements, DDT remains 50 per cent toxic.

Its toxicity and persistency are the qualities that make DDT valuable to farmers and other users but frighten the conservationists. These qualities make DDT inexpensive and effective, but also threaten life forms essential to sustain the ecology of an area.

WORLD CONTAMINATED

Scientific evidence clearly demonstrates that every quarter of the globe, however distant from areas of pesticide spraying, is contaminated with DDT.

In many birds, DDT and other persistent pesticides have caused a thinness in the egg shell and a consequent decease in reproductive success. As a result, the penguin in the Antarctic, the bald eagle and the peregrine falcon are on the verge of extinction.

For some years the issue concerning the use of DDT was generating some heat and then erupted last spring when the Federal Drug Administration impounded more than 28,000 pounds of Lake Michigan Coho salmon, found to contain 19 parts per million of DDT, a level regarded as hazardous by the Drug Administration and the World Health Organization.

Senator Gaylord Nelson, a Wisconsin Democrat, had been for some years leading a lonely fight in Congress for legislation to curb the use of DDT, as well as other persistent pesticides.

Senator Nelson reported the case of a Wisconsin farmer who was required to withhold all of his milk and beef from the market for 11 years because DDT was found in his grain, which in turn was eaten by his cows which produced harmful residues in their milk and fat.

According to Senator Nelson, in 1968 Wisconsin dairy farmers received more than $20,000 in reimbursements from the Federal Government under the pesticide indemnity program administered by the Department of Agriculture.

Even breast-fed babies are exposed to milk contaminated with DDT. Dr. Goran Lofroth of the radiobiology department of Stockholm University, reported that breast-fed babies took in a daily average of DDT from mother's milk that was twice the recommended maximum.

Soviet scientists reported that workers who are occupationally exposed to DDT reveal liver and stomach malfunctions after ten years of such exposure.

In the light of more recent scientific findings, DDT was banned in Sweden, where it was first discovered, in Denmark, in Hungary, in Arizona and in Michigan.

In New York State, Assemblyman Andrew Stein, a member of the Assembly Standing Committee of Health, was the first New York Legislator to sponsor legislation to prohibit use of DDT. At a public hearing in Buffalo last week, the Assembly Health Committee heard a report by Dr. James T. Grace, director of the Roswell Park Memorial Institute that a study that will shortly be published indicates that DDT produced tumors in mice.

Studies by the State Health Department showed high concentration of DDT in lake trout in the State's central and northern lakes.

Mayor John V. Lindsay, informed Assemblyman Stein the other day that Dr. Bernard Bucove, the City's Health Services Administrator, and Dr. Mary McLaughlin, the City's Health Commissioner, have under consideration a recommendation of Assemblyman Stein to ban the use and sale of DDT in the city.

The reaction of producers of DDT and similarly persistent pesticides has been similar to the attitude of the tobacco growers toward charges that smoking causes cancer: that there is no direct proof.

Whatever the ultimate outcome may be of various legislative proposals to ban, limit, and control the sale and use of DDT, the controversy will continue for a long time. Even the most dedicated opponents of DDT use concede that it has saved countless lives.

THE MACHIASPORT OIL REFINERY

Mr. HANSEN. Mr. President, the July 1969 issue of Field and Stream, in its conservation section written by Michael Frome, points to many circumstances surrounding the Occidental Petroleum Corp. proposal to establish a refinery supplied by Libyan oil in a foreign trade zone on the Maine seacoast at Machiasport.

The advocates of the Occidental proposal pointed to the cheaper fuel rates to the people of the New England area which had been promised by the company as justification for undercutting the mandatory oil import control program. However, they have been unable to support their claim that the people of New England pay higher rates for petroleum products than the citizens in other areas of the country.

In the past several months, many of us have urged that other factors such as national security, the domestic economy, and environmental quality be considered before the Federal Government establishes a foreign trade zone on the basis of short range, speculative benefits.

In an effort to provide information on the Machiasport proposal from a broad variety of sources, I ask unanimous consent that portions of the conservation column from the July 1969 issue of Field and Stream relating to the Machiasport proposal be printed in the RECORD.

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

MACHIASPORT PROPOSAL

Since January the Santa Barbara community has been united in demanding that drilling and production be stopped once and for all. "But we are more convinced daily," according to my correspondent on

the ground, "that privilege and profit have the inside track in Washington, and that our Channel has in effect been made a trust territory administered by the oil companies."

Petroleum is here, there, everywhere. Close to 4,000 tankers carry crude oil from the Middle East to refinery ports in Europe and the United States. By intentionally pumping into the sea oily bilge water and dirty ballast from their cargo tanks, tankers are responsible for an awesome contamination of our oceans. This is "operational pollution," which many who run the tankers regard as inherently right.

In recent times the oyster industry was wiped out after a grounded tanker pumped 310,000 gallons of bunker oil into Narragansett Bay, Rhode Island, in an attempt to refloat herself. Fish, crabs, lobsters retreat from oil; more than 200,000 seabirds were killed by oil off the coast of Newfoundland during a two-year period. As recently as January 1969, thousands of ducks, grebes, swans, and other waterbirds were killed in oil-polluted waters extending from Watch Hill, Rhode Island, to New Haven, Connecticut.

Despite this plain and proven record, Governor Kenneth Curtis and United States Senator Edmund S. Muskie of Maine are beating the tom-toms for a deepwater port and oil refinery at a perfectly innocent place called Machiasport, which lies in the heart of the last stretch of the matchless Maine coast. They and other politicians of New England have endeavored to whip up a hysteria of support on various grounds of dubious validity.

For instance, they allege that such development would create jobs in a depressed area. But modern refineries operate mainly with automatic controls and few people. Odds are strong that money-producing offshore lobster and shellfish habitat would be affected, with the inevitable oil spillage and accidental loss. The further truth is that the administration of Governor Curtis has done a feeble job, at best, in promoting the tourist economy of the Machias region, based on wildlife, fishing, canoeing, unspoiled nature, which could make it a major attraction of the Northeast—and the same holds true of Senator Muskie when he was Governor of Maine.

They have tried to create an illusion that the oil refinery would lower prices for New England consumers. But there is serious question as to whether such prices really are higher than the national average; nor have they shown by what percentage prices would drop. It's a funny old world—Secretary Udall supported the Machiasport project on one hand but on the other hand advocated a new society in which citizens would be willing to pay a bit more for goods and services in order to insure a clean country. "From now on," to use his very words, "the fact that particular machines, goods, or services seem to be cheaper, more convenient, or a bit more efficient will not be decisive. The noise made, the effluvia expelled, the residues deposited, the unabsorbed wastes imposed on other generations must first be weighed in the balance." In short, Save the Maine Coast!

Governor Curtis and Senator Muskie also have promised that pollution would be totally controlled in the refinery development, which is the funniest joke of all. Governor Curtis has already been discredited as a writer of conservation gags when he tried to thrust a so-called industrial "park," complete with monstrous aluminum smelter plant and nuclear power station, upon the community of Trenton, in the shadow of Acadia National Park, only to be rebuffed by the voters in a referendum. Besides this, the Governor and Senator somehow overlooked mentioning that Machiasport lies in an area of persistent, repeated fog, with gaseous concentrations from refinery and oil port a threat to the health of its people.

Moreover, the pollution-control laws of Maine and their enforcement are rather a mockery. There is an agency called the Water Improvement Commission, but its efforts are not meaningful. As a true believer named Kenneth H. Morrison reported in the Bath-Brunswick Times Record, "It is not unlike ordering a three-man police department to wipe out organized crime and round up a submachine-gun-armed Mafia, and then equip its officers with bows and arrows, stoneheaded spears, and lead boots."

The real proof of the pudding is in the Prestile Stream case, in which one company is dumping pollution equivalent to the waste of a city of 270,000, thus destroying virtually all life. It was Senator Muskie, incidentally, who proposed "flexibility" and degradation of state controls in 1964 in order to accommodate this particular firm on the Prestile.

My friendly advice to Senator Muskie is that he start citing a recent Congressional committee report showing that petroleum in automobiles now accounts for more than 60 percent of all air pollution in the United States and for 90 percent of all carbon monoxide pollution. He might even add the conclusion that present approaches "will not solve the air pollution epidemic" and that only replacement by a steam-cycle propulsion system—which could have been developed twenty years ago—will do.

As a chronic optimist and believer in the human race, I feel the tide is turning; the ultimate victory belongs in the hands of the people. "I can't help thinking," wrote one of my constituents, "that millions of fishermen, hunters, campers, scuba divers, and other outdoor-minded Americans can create noise at crucial political moments to drown out the lobbies of the chemical industry and other such special interests whose irresponsible actions endanger the existence of wildlife, natural vegetation and perhaps human life."

THE ENVIRONMENT OF MAN

Mr. RIBICOFF. Mr. President, a commentator once observed that the trouble with the environment is man. The science and technology he has developed in the 20th century is a two-edged sword—it has cut the economic barriers to a life of abundance, but it also threatens to cut the fragile web of life which sustains man and all living things on this planet.

Today it is evident that man is destroying his environment—air, water, and land. The litany of facts and figures is well known to citizens and public officials. Each year we pump millions of tons of waste into the skies; we dump huge amounts of sewage into our waterways; and we junk mountains of bottles, jars and other solid wastes across the landscape.

The effect of all this pollution is devastating to our environment. Dr. Thomas F. Malone, senior vice president and director of research for the Travelers Insurance Co., recently told a Senate subcommittee that the overall quality of the environment is deteriorating at a rate of about 6 to 8 percent per year. We have been warned—nature will no longer absorb the cost of depleting the environment.

We are very late in coming to grips with our environmental problems. The Bulletin of Atomic Scientists each year publishes a picture of a clock with the hands set to show the danger in which mankind lives in the nuclear age. If there were a similar clock to reflect the state of the environment I suspect it would be set at about 11:45 p.m.

Now we realize that degrading the environment must stop and the process of regeneration begin. But on the horizon are even more sophisticated forms of pollution to guard against—such as waste heat, the residue from electric power generation by nuclear reactors. Today there are only 13 nuclear powerplants, but 46 are under construction and many more are planned.

One of those under construction is at Vernon, Vt., on the Connecticut River. Cooling its generators will require 780 cubic feet of water a second. The cooling process will raise the temperature of the water used by 20 degrees, and the water temperature below Vernon by a net 13 degrees. In summer this would push the temperature above 90 degrees, too warm for most animal and plant life.

This would seriously damage the river and undermine my proposal for a Connecticut River national recreation area. The park I envision will be a major recreation area for New England and the entire northeastern region, but, for this, the river must be saved from thermal pollution.

To minimize such pollution two giant cooling towers will be built to reduce the temperature of the water to 10 degrees above its natural level. The two towers will, however, cause some noise, pollution, mist, and fog in the vicinity.

These effects will be multiplied many times over across the country. For according to current estimates, by 1980 the power industry will require one-sixth of the total fresh water flows in the Nation to cool nuclear reactors.

No one is sure what will happen when such large quantities of warm water are released into the Nation's lakes and rivers. But biologists are plainly worried. An aquatic ecologist with the Atomic Energy Commission, Jerry Davis, has pointed out that higher temperatures reduce the capacity of water to assimilate organic waste and certain diseases of marine and fresh water fish flourish at warmer temperatures.

All this pollution is the byproduct of our advanced, industrial civilization. We need not give up the benefits of modern life. But if we do not stem the tide of wastes, Ralph Waldo Emerson's prediction, that the human race will eventually die of civilization, may come true.

The responsibility to prevent this falls first on the National Government. However, in many instances we find that the Federal Government is one of the worst offenders. For example, the Army decided that the pesticide residues stored in settling ponds near the Rocky Mountain Arsenal in Denver, threatened civilian water supplies and wildlife. So it drilled a 2-mile-deep well to place these chemicals below the water table used for drinking and irrigation. One month after the Army began pouring millions of gallons of waste down the well, Denver was shaken by its first

earthquake of the century and has since suffered scores more. Fortunately, none so violent as to cause heavy damage or loss of life.

Some scientists believe the pesticide dumping is related to the earth shocks. No one can be sure. But there is no doubt that the Army has altered the geology of the area.

The Forest Service, which is charged with promoting the conservation and best use of the Nation's forest lands, is engaged in lumbering practices which have resulted in watershed erosion on a huge scale. The topsoil of the Rockies is becoming Mississippi River mud and the Sierra soil is flowing into the Pacific Ocean. Dust and desolation loom ahead.

The Federal Aviation Administration is urging the construction of a 39-square-mile jetport in the heart of the Florida everglades. The airport is next to the Everglades National Park and threatens all life in the park, from algae to alligators. This unique wildlife refuge will not be able to survive the onslaught of pesticides, work crews, and jet exhaust.

Here we have a perfect example of the impact of technology on our environment. Science has made possible giant jets to carry hundreds of passengers economically. The planes, in turn, need large, new airport facilities. Now, unless action is taken to prevent it, a magnificient wilderness will be swallowed up by the onward rush of commerce.

The prospects for meaningful action at the Federal level to preserve the environment are not bright. This year 14 Federal agencies will spend $3.7 billion in unorganized and fragmented attempts to improve the environment.

The Subcommittee on Executive Reorganization has long been concerned with the lack of coordination and obvious conflict in our natural resource programs. In 1967, the subcommittee held hearings on legislation to establish a Department of Natural Resources. The bill would have reorganized many of the Federal natural resource programs in a more comprehensive and efficient way. The hearings demonstrated the need for better organization of Federal efforts in this area.

Last year the subcommittee reported a bill which would have established a new Hoover-type commission to streamline and modernize the entire executive branch. The bill passed the Senate unanimously, but was not acted upon by the House. This year the bill was reintroduced; however, action was deferred pending the report of the Ash Commission.

The subcommittee now is planning hearings on my proposal to create a Commission on the Conservation and Development of the Long Island Sound. This will enable the subcommittee to explore in detail the operation of Federal natural resource programs in one specific geographic area.

It is my thesis that the way we organize programs determines the results they achieve. Organization inevitably affects policy. It is axiomatic that if the pieces do not fit together, the machine will not run well.

Our environmental programs are an example of the lack of systematic organization and overall planning. In a recent unanimous report the Senate Interior Committee summarized perfectly the reasons for their failure:

> In spite of the growing public recognition of the urgency of many environmental problems and the need to reorder national goals and priorities to deal with the problems, there is still no comprehensive national policy on environmental management. There are limited policies directed to some areas where specific problems are recognized to exist, but we do not have a considered statement of overall national goals and purposes.
>
> As a result of this failure to formulate a comprehensive national policy, environmental decisionmaking largely continues to proceed as it has in the past. Policy is established by default and inaction. Environmental problems are only dealt with when they reach crisis proportions. Public desires and aspirations are seldom consulted. Important decisions concerning the use and shape of man's future environment continue to be in small but steady increments which perpetuate rather than avoid the mistakes of previous decades.

This is a harsh indictment, but it is justified. Strong and far-reaching measures are needed to reorganize and redirect our environmental programs.

Earlier this year President Nixon established the Ash Commission to "undertake a thorough review of the organization of the executive branch and provide over-all and specific recommendations for organizational changes to make the executive branch a more effective instrument of public policy." In the environmental area the Ash Commission should focus initially on centralizing program responsibility. It is essential that we unify authority and accountability. In this way Congress and the public will be able to look to a single organization for the answers to our environmental problems.

The present organization of Federal environmental programs is woefully inadequate to their task. The Committee on Atmospheric Sciences of the National Academy of Science pointed out 3 years ago:

> The administrative division of the environmental sciences according to the diverse social purposes of the different Federal agencies, has been rendered obsolete by the increased interdependence among the various areas of environmental research and engineering.

We should begin the reorganization process by grouping related programs together so that they are directed toward defined ends and reinforce each other. In this connection, the Ash Commission should give serious consideration to the formation of a new Department of Human Environment and Natural Resources, encompassing all Federal environmental efforts.

There is no domestic issue facing the American people more urgent than the deteriorating quality of our environment. It affects every person, north and south, east or west, urban or rural. Accordingly, I am writing Mr. Ash to urge that the Commission give this matter the highest priority.

Mr. President, the question before us is simply this—what kind of a nation do we want? For 3 million years we have been trying to protect man against the environment. It is now time to protect the environment against man. Adlai Stevenson said it well in his last public speech:

> We travel together, passengers on a little space ship, dependent on its vulnerable supplies of air and soil, preserved from annihilation only by the care, the work and I will say the love, we give our fragile craft.

Today we are fast approaching the time when our country will become a coast-to-coast expanse of asphalt where no beast can live, interspersed by bodies of water in which no fish can live, compounded by an atmosphere in which no bird can fly—a lethal climate in which man cannot survive.

We stand on the threshold of a new world in space. But we are in danger of losing our precious environment here on earth. Our eyes look past the smudged skies, foul waters, and despoiled land. The barren moon is a grim reminder of what our world could become.

As a nation we must develop a greater sense of environmental responsibility for we are the trustees of the environment for future generations. We can leave them no finer legacy than pure air, clean water and fertile soil. Let us vow to do so.

ADDRESS DELIVERED BY SENATOR MATHIAS IN YOUNGSTOWN, OHIO

Mr. SAXBE. Mr. President, the distinguished junior Senator from Maryland (Mr. MATHIAS), recently made a speech in the city of Youngstown in my State. Because I thought it to be a fine speech, and because it dealt at some length with the ideals of a man for whom I hold great respect, the late Senator Robert A. Taft, I ask unanimous consent that the speech be printed in the RECORD.

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

SPEECH OF SENATOR MATHIAS, YOUNGSTOWN, OHIO, MAY 27, 1969

In the past a trip from Washington to Ohio was a passage from a realm still dominated by the spirit of Franklin D. Roosevelt to the heartland of Robert A. Taft.

To a Republican it was a reassuring journey. But our gratitude for Taft's contributions did not come without a pang of regret. For the Roosevelt approach—despite President Eisenhower's effort to resist it—seemed durably triumphant.

In recent years, however, the Roosevelt inspiration has come into question. The Federal programs, from the New Deal through the Great Society, became a petrified forest of federal agencies, no longer effective but nearly impossible to prune or cut down.

The persistence of New Deal nostalgia brought ever new demands for just one more round of federal controls. By a strange paradox, however, as government attained greater power, it also grew less effective. Democratic Presidents imitating the rhetoric of FDR, assumed heroic postures and urged dynamic programs for change. But when an aggrieved individual looked to government, in general, he still found only the great stone face of bureaucracy.

The problem was that unless they have a clear goal, firmly endorsed by the people, bureaucracies have the strange faculty of paralyzing both their leaders and their clerks. The lowest level bureaucrats in New York City cannot exceed in their sense of powerless-

ness the frustration of Mayor Lindsay. And during the Johnson Administration the pervasive demoralization of field personnel in the welfare program was duplicated and reduplicated all the way up the bureaucracy to the Secretary of the Department of HEW—and even to the President himself.

This is the bureaucracy trap. Of course, many government offices escape it. But whenever a bureaucrat realizes he is so bogged down he cannot do much good for the country, he begins to think of doing good for himself. During the Johnson Administration federal employment expanded enormously but many offices were given neither clear purposes nor adequate funding to effectively carry out their programs. They were given enough funds for bureaucratic self-subsistence—to keep their own jobs, which turned out, in a sense, to be a diurnal 9–5 imprisonment, doing time, while the cities broke down in riot and the people cried out in anguish to the great stone face. This was the end of the New Deal approach. It is the end that Robert Taft predicted for it. So I think the vision of FDR exhausted itself; and then proceeded to exhaust the creativity of the Democratic party.

Robert Taft's inspiration, meanwhile, never really came to power. It was often derided by the proponents of the Roosevelt approach. Yet we can say, from the perspective of the fifteen years since his death and at the beginning of a new Republican Administration, that Taft's vision has survived and supplanted Roosevelt's. We can see today that this great Ohioan, bitterly attacked as a reactionary, was in fact far ahead of his time and of his detractors. In returning to Taft, we turn to the future.

Taft was more than the Senior Senator from Ohio; he was also Senior Senator from the Constitution and guardian of the American way. He recognized, however, that the American way was not a dead end street blocked by a Constitutional Shrine. He had a keen perception of the limits of both government and private enterprise and he wanted each to do what it did best. In housing and income maintenance, for example, he proposed government programs more extensive than those in existence today.

Taft understood that individual dignity was often compromised by extremes of poverty which were caused by national trends and could not be easily managed by local or state governments. Therefore, he advocated creation of a nationally financed floor under incomes. The Nixon Administration is adopting this approach today.

Taft also was prophetic in his view of housing policy. The chief author of the Housing Act of 1948, Taft always emphasized that the chief government role in housing was to help provide homes for people too poor to afford them in the private market. During the years since his death, however, Washington lost sight of this principle. While constructing housing for universities, symphony orchestras and wealthy tenants, the Federal Government, under various urban renewal and highway programs, destroyed far more low cost housing than it constructed. HUD Secretary George Romney's recent speech calling for an Operation Breakthrough in low cost housing reveals how little progress we have made in this area since 1949 when Senator Taft was calling for a similar breakthrough.

Romney risked boos in calling on the Building Trades unionists to increase productivity and accept new technical practices to lower the cost of housing. But he is a determined leader. If anyone can generate new thinking in this area it is the man who broke the grip of the leviathan automobile manufacturers on the auto market by producing a compact low-cost car. I believe that Romney's address shows a clear understanding of the housing problems largely neglected by the Great Society. Moreover, the Administration's return to Taft's emphasis on low-cost construction is one of its most promising early initiatives.

To the extent that urban problems are the result of misconceived and misapplied housing and welfare policies, Taft twenty years ago foresaw the impending crisis and advocated far-reaching approaches to forestall it. Today Nixon is turning to the principles of Taft rather than Roosevelt in farming his best new programs. In creatively facing the future, Nixon pays tribute to one of the great Republicans of the past.

Taft was equally prophetic in foreign and defense policy. Although General Eisenhower's strictures against the military-industrial complex are cited more frequently today, Taft was if anything even more vehement in his warnings against the militarization of our society. His speeches against the draft—denouncing it as "totalitarian"—are echoed on campuses across the country and re-echoed on the floor of the Senate. Richard Nixon's adoption of the idea of a volunteer military is a direct vindication of the Ohio Senator.

In foreign policy, Taft was often attacked as an isolationist and indeed some of his positions did seem to deny the inevitable responsibilities entailed by American power. But after our melancholy experience in Vietnam, his contention that we must always maintain a careful balance between our commitments and capabilities seems trenchantly relevant. "Nothing is so dangerous," he wrote in 1951, as to commit the United States to a course which is beyond its capacity to perform with success." I am afraid that previous Administrations did not follow this wise counsel.

I think that the Nixon Administration has had a promising beginning. It has chiefly disappointed those who desired a new spate of detailed federal programs for the cities. Yet I believe that his proposals for welfare reform and for sharing federal money without strings among state and municipal governments promise to accomplish far more for the urban areas than all the Great Society intiatives put together. The Nixon Administration has a real possibility of achieving in history the greatness that his predecessors reached only in their rhetoric.

This great promise, however, faces two great threats. The first, of course, is Vietnam and we can only hope that the indications of progress offered in the President's recent speech are fulfilled in action to de-escalate the war and accelerate the negotiations. The second threat is the arms race.

Let us be clear on this point. One sure way to lose an arms race is to spend too much money on it. Not only is our security not improved, but the people are compelled to pay higher taxes to maintain the status quo. We get less security at higher cost.

A good example of this phenomenon was the huge spurt in defense spending during the Kennedy Administration in response to missile gap alarms. By the time the Johnson Administration left office defense spending had nearly doubled. But because the Russians had greatly accelerated their own spending in response to the Kennedy increases, our position today is no more secure than it was under President Eisenhower when we were paying substantially less. Our deterrent, moreover, is still most firmly on the Polaris system originated in the Eisenhower years, when research and development was unstinting; but new systems were deployed only when their necessity could be demonstrated.

Today the Pentagon is issuing alarms directly analogous to the missile gap projections which Eisenhower sensibly rejected and the Democrats applied in 1960. The ABM is the focus of debate. It is enormously expensive; realistic cost estimates approach $20 billion; and as Senator Taft declared in his last speech before his death, speaking of the much lower arms burden of his day: "When I think what you could do in social welfare with just one billion in additional federal money it makes me all the more indignant that we don't subject that program to the most severe scrutiny."

Well, Senator Saxbe and myself—along with a great many other Senators including a number of Republicans—have subjected the ABM to severe scrutiny. We have heard all the Pentagon arguments and we have watched them change from week to week. We have received classified briefings. We recognize that the proposed Safeguard program is both cheaper and more intelligent than the Johnson Administration's Sentinel. We applaud the President's courageous recognition that our cities cannot be protected against nuclear attack. But we remain convinced that deployment is unwarranted at this time. We remain convinced that continued research and development will enable us to act if the Soviet Union ever does pose a dangerous threat to our retaliatory forces, which are impregnable today.

As Rear Admiral Levering Smith, in charge of Polaris technology, stated recently, our Polaris fleet will remain invulnerable for many years and it commands 656 missiles, each bearing a warhead several times larger than the Hiroshima bomb and collectively assuring devastation to any aggressor even if all of our ICBM's were destroyed. Our bomber fleet, moreover, cannot be eliminated simultaneously with our Minutemen. If our radar detects a missile onslaught our bombers can move into the sky where they are not subject to attack. Deployment of the ABM would somewhat increase the invulnerability of our Minutemen. But the price is too high. Our security will benefit far more from mutual agreements with the Soviet Union to cut back on military spending.

Deployment of the ABM, therefore, would be a step toward losing the Arms Race. I can understand how a Soviet General might even welcome U.S. deployment of ABM. A Soviet General would know the ABM is of the most dubious effectiveness except in diverting American resources from more useful purposes and in reducing the flexibility of our defenses. He would recognize that this great commitment of money and technical skills will limit the American capacity to react to real threats as they unpredictably emerge in the future. In sum, ABM deployment would weaken our society without strengthening our security.

I expect, however, that the judicious approach of Senator Taft will prevail on this issue also. I can say already that the Defense budget is now being subjected for the first time to the "severe scrutiny" which he demanded in his final address. And across a wide range of federal policy—from education to revenue sharing—there are real signs that Mr. Republican's principles are beginning to prevail in government even if their great spokesman is not yet fully appreciated in the fashionable histories of his period. Senator Taft, however, is a rare figure whose position in history grows as time passes.

So when I return to Washington, I will not have to leave behind the spirit of Ohio Republicanism. For the legacy of Robert Taft remains strong—not only in the Senate with Senator Saxbe and in the House with such great Ohio Republican leaders as William McCullough, my close friend and the ranking minority member of the Judiciary Committee; Robert Taft Jr., and Frank Bow. I can say with all sincerity that the Taft legacy also prevails in the White House and it bodes well for the country.

THE KID IN THE PARK

Mr. WILLIAMS of New Jersey. Mr. President, when the young man pressed a gun against my head and said, "Give me

your money," I wondered, as I reached for my wallet, whether it was only my money he wanted. Or was he going to take the moment and use his gun to balance for him the black and white ledger. He got the money and then he said, "I like you—you cooperate." Then I knew, for that moment, all he wanted was money. Through the mind of Jack Mann, columnist for the Washington Daily News, in his column, "The Kid in the Park" of Tuesday, July 22, 1969, flashed the history of human injustice as he fell under the blows of three young assailants who wanted more than money.

Mr. President, I ask unanimous consent to include in the RECORD these thoughts of Jack Mann.

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

[From the Washington Daily News, July 22, 1969]

JACK MANN—"THE KID IN THE PARK"

"Post proofs that brotherhood is not so wild a dream as those who profit by postponing it pretend."

—Norman Corwin, "On a Note of Triumph"

I watched the people planting the flag on the moon, but I didn't really pay attention. I was thinking how presumptuous are we to be starting another world with this one in a condition that is, in the most literal and reverent sense of the term, a God —— shame.

Anybody who thinks this is irrelevant is being irrelevant.

It is, pro forma, a sort of open letter to the kid who slugged me in the park the other night. So it doesn't belong on the sports page; on what page does it belong in this sea-to-shining-sea brotherhood we're supposed to be running?

I got 14 stitches in my head from whatever he hit me with and he got my wallet. So it's robbery and assault and the kid is a criminal. And yes, for the 49th time, he was black. I'd like to think that had nothing to do with it, but it had everything to do with it.

The wallet was an afterthought. The scene began with the kid and his two companions denouncing me with the standard oedipal compound word, but I was helping wear the meaning out of that word long before they were born. Then they called me a nigger, and I reacted in Anglo-Saxon.

The motive in the crime was not money, but hate. I know something about hate. "You've got to be taught, before it's too late . . . to hate all the people your relatives hate," and between home and school I had a classic education. I was a prodigy.

We wasps were a minority to both the guineas and polacks, and I was nine the first time a kid pulled a knife on me. About that time I found a kid I could lick—a black kid—and I beat him up every day for a week.

I could hate with fine impartiality: racially, socially, economically, politically. I hated FDR before I was sure who he was. And religiously, wow! Jews were Christkillers and Catholics were crossbacks. I could hate freestyle. Limeys, chinks, spiks—you name it and I'll hate it.

But something went wrong somewhere along the line. Twenty years and one war later I was asking my father to leave my house if he was going to say things like kike and coon in front of the kids. One of the kids brought a drawing home from kindergarten with swastikas on it and I had a fit.

The kid in the park knows by now that he got the wrong wallet. I'd almost rather he grabbed the one with the money. In a garbage can somewhere around 13th and Eye there's a membership card in the Brooklyn Chapter of the Baseball Writers' Association, and you can't hardly get those anymore.

There are a couple of pictures of the kids, and my young assailant would find them strange. They don't hate anybody.

And he'll never dig the letter. It's from a woman in Chicago who was a nun from her 17th birthday to her 28th. She's 30 now and she's quit the order because she decided the racial injustices of this one nation under God could be more effectively approached temporally than spiritually.

She's a full-time black activist. And she's white.

There are people like that, many thousands of them, ashamed of a heritage in which the American people, as Shaw said, have obliged the black man to shine their shoes and then scorned him because he is a bootblack.

There are, but it is a difficult point to make to three young men in a dimly-lighted park at midnight. A stack of membership cards in the Urban League and the NAACP and Core would not be convincing to them, nor would a citation from Martin Luther King, because they too have been carefully taught.

The Carmichaels and LeRoi Jonses and Rap Browns have told them that Whitey is Whitey and you can't trust him. And the evidence to the contrary is not persuasive.

I had time for agonizing reappraisal while the cop was writing "three Negro males," and while the intern was sewing up my head and telling me I wouldn't outlive the scar. I felt pain, and anger, but I didn't feel hate.

I didn't feel disappointed, because the people had warned me about walking thru the park. People had warned me years ago not to walk alone from the Polo Grounds in New York, or Comiskey Park in Chicago, after a night game. I did that too, because I wanted to believe that the terrors of the night were as exaggerated as terrors usually are.

And there were no holes in my head until Saturday night.

I thought about walking with 140,000 people down Woodward Avenue in Detroit on June 23, 1963, in the first freedom march. That reminded me of writing the series on urban renewal, which in Detroit pretty much did mean Negro removal. (It was unpublished, because it would "hurt the image of the city.")

I remembered the man in the neighborhood improvement project saying, "I can't feed my kids and they want me to paint my porch," and Monsignor Kern stroking the young father's head and saying, "My son, those 'anything' jobs don't exist anymore." The unskilled young man had been automated out of work and he didn't like welfare.

I thought about the day I told my kid brother to cut school and go with me to Ebbets Field to see Jackie Robinson play his first big-league game. I told him it was historic, a greater good for a greater number than, say, putting a man on the moon. And I still think it was.

I remembered withdrawing my two sons from a Cub Scout pack because it had shut out two black kids. And saying at the time that if my kids had ever been excluded from a school, or a swimming pool or a playground for being the wrong color, I wouldn't be just a Communist; I'd be a church-burner.

And I decided that if I had been brought up in a ghetto in a house with no screen door and a mother who had four children without benefit of a father who took off when I was 2, and if I went to a school where you get a diploma if you show up reasonably often and don't rape any teachers, maybe I'd be lurking in a park somewhere, laying an ambush for the enemy.

And about the time the intern was shoving the last stitch thru my head, I decided I was angry after all. But not at the kid in the park.

APOLLO 11 AND FUTURE SPACE GOALS

Mr. ALLEN. Mr. President, prayers of hundreds of millions of Americans and other people throughout the world were answered today with the safe return to earth of the crew of Apollo 11.

In addition to their interest as proud Americans, Alabamians have had a special interest in the success of the entire Apollo program because, Mr. President, this Nation's space effort began in Alabama.

Even before creation of the National Aeronautics and Space Administration, Dr. Werhner von Braun and his team of scientists and engineers working for the Army at Redstone Arsenal, Ala., had launched the free world's first satellite. The Explorer I was placed into orbit on January 31, 1958, by a Redstone rocket developed at the north Alabama missile and rocket center.

When NASA's George C. Marshall Space Flight Center was established at Huntsville, Dr. von Braun was named Director, a position he retains today. Subsequently the United States established a national goal of landing a man on the moon before 1970.

Mr. President, Dr. von Braun and his Huntsville-based earthmen produced for the United States a giant Saturn 5 rocket that made it possible to meet the goal. Along with all Americans and all Alabamians, I salute Dr. von Braun for his great contribution.

These thousands of dedicated civil servants and their industrial teammates in Huntsville deserve much of the credit for America's historic space achievement.

This is an achievement of man that will live until the end of time.

It is with this deep sense of dedication, Mr. President, that Alabamians express the need to map out this Nation's future space goals. They, like myself, favor a well-developed, adequately financed, continuing space program that will make proper use of the NASA team, the equipment and the knowledge that will give the United States continued supremacy in space.

THE ATHENAEUM CLUB OF SWEETWATER, TEX., SUPPORTS 100,000-ACRE BIG THICKET NATIONAL PARK

Mr. YARBOROUGH. Mr. President, the Athenaeum Club of Sweetwater, Tex., has passed a resolution calling for the establishment of a Big Thicket National Park in southeast Texas containing at least 100,000 acres. They have joined a host of other organizations throughout the country who are concerned with the preservation of this shrinking wilderness.

Because of the richness and diversity of its plant and animal life, the Big Thicket has immense scientific value. Many major American universities have sent representatives there to do research. Many of the area's plants have been found useful in treating diabetes, cancer, and heart disease. New species of wild flowers are still being discovered. At least a thousand varieties

of algae and fungi remain to be classified. Ecologists will profit by unraveling the puzzle of why plant communities—characteristic of many diverse areas—flourish in the Big Thicket. Botanists, taxonomist, pathologists, ecologists, scientists of all disciplines have much to lose if the Big Thicket is destroyed.

Mr. President, I ask unanimous consent that the resolution adopted by the Athenaeum Club of Sweetwater, Tex., be printed in its entirety including the name of its signer at this point 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 Athenaeum Club of Sweetwater, 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 S4 which would create a Big Thicket National Area.

Mrs. DAVE R. RIDLEY,
President.

INCREASING BALANCE-OF-PAYMENTS DEFICIT

Mr. SYMINGTON. Mr. President, an interesting article appeared in the financial section of the Washington Post of July 22 which, if it had not been for the press accounts of the Apollo accomplishments, would probably have appeared on the front page.

The article begins:

The U.S. will show a balance of payments deficit approaching $4 billion for the second quarter of this year, government officials said yesterday.

That amount is almost 2½ times the deficit sustained in the first quarter of 1969.

This article then continues:

The nearly $4 billion deficit, coupled with a $1.7 billion seasonally adjusted first quarter deficit, means a six month deficit of about $5.5 billion—

Or at an annual rate, a deficit of $11 billion.

In this connection it should be noted that for the past decade the U.S. balance-of-payments deficits, on a liquidity basis, have averaged between $3 and $4 billion annually; but nothing remotely approaching an $11 billion deficit. Such a balance-of-payments deficit, or even one half as serious, can only exacerbate an already dangerous world monetary situation, which in turn would threaten the integrity of the dollar.

The obvious necessity for correcting this deteriorating payments picture is but one more reason we must take action, now, to reduce these gigantic military and other expenditures abroad—in Southeast Asia, in Western Europe, and in other parts of the world where it would appear the presence of the United States, at least to the current extent, is no longer in the best interest of the Nation.

I ask unanimous consent that the article in question, "Payments Deficit Seen $4 Billion in Quarter," be printed at this point in the RECORD.

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

MORGAN GUARANTY ESTIMATE: PAYMENTS DEFICIT SEEN $4 BILLION IN QUARTER

(By Richard Halloran)

The U.S. will show a balance of payments deficit approaching $4-billion for the second quarter of this year, government officials said yesterday.

They said a Morgan Guaranty Trust Company study predicting a $4-billion deficit, seasonally unadjusted, may be too great—but that the deficit would still be very large.

The nearly $4-billion deficit, coupled with a $1.7-billion seasonally adjusted first quarter deficit, means a six month deficit of about $5.5-billion, or a deficit of $11-billion at an annual rate.

The government sources, however, played down the deficit as a "meaningless figure" since it is based largely on a circular flow of funds from the U.S. to the high-interest Eurodollar market and back through commercial bank borrowings to the U.S.

The sharp increase in the deficit, computed on a liquidity basis, must have been due to a deterioration of about $3-billion in capital transactions between the first and second quarters, Morgan Guaranty said.

Of this, about $500-million came from a decline in foreign purchases of U.S. stock and another $500-million from liquidation of long-term assets by central banks and international institutions.

Most of the remaining $2-billion, Morgan Guaranty said, resulted from short-term capital outflows by U.S. residents. Their funds were attracted to the high-interest rates in the Euro dollar market and rumors in April and May that the West German mark would be revalued.

The government sources agreed with this assessment. They pointed out that American banks are, in part, stimulating the high European interest rates by their heavy borrowing, occasioned by tight money in the U.S.

They contended that these, in effect, are domestic transactions and that Americans sending funds to Europe are getting around the domestic barrier of legal limitations on interest commercial banks may pay.

Morgan Guaranty said that if these transactions were considered domestic transactions, the liquidity-basis payments deficit would have been considerably smaller.

The bank cautioned, however, that these short-term funds may not flow back to the United States if banks here reduce their Eurodollar borrowing. "Once new investment opportunities discovered," the study said, "money will continue to move more easily through the new-found channels."

Morgan Guaranty said it expected the balance of payments to show a continuing surplus on an official settlements basis but did not give a figure.

JULY 24—UTAH PIONEER DAY

Mr. BENNETT. Mr. President, 122 years ago today a hardy band of Mormon pioneers entered the desolation of the Salt Lake Valley. They were the first permanent settlers of the region which encompasses the State of Utah.

Led by the inspirational genius of Brigham Young, whose familiar statue represents Utah in the U.S. Capitol, these courageous pioneers came in covered wagons through tempest and storm, torment and tragedy to escape religious persecution in the Middle West and to find a place where they might live in peace.

It was nearly a half century later that Utah finally became the 45th State of the Union; nevertheless, Utahans generally look upon July 24, 1847, as the Beehive State's real beginning. July is thus doubly important to the people of Utah signifying a heritage of freedom won by our American Founding Fathers in 1776 and again by our noble pioneer forebears in 1847.

The Governor of the territory, Brigham Young, during the 30 years from 1847 to his death in 1877, directed the establishment of more than 350 communities in Utah, Idaho, Nevada, Arizona, Wyoming, and California. As a result, this bold people have provided a solid link in the chain and fabric of America.

Once again today, the 24th of July, we witness the efforts of courageous pioneers as our astronauts return from their epic journey to the moon. As we hear critics of our space program who rhetorically question the value of the desolation and barrenness of the moon, I am reminded of the words of Jim Bridger when he offered the Mormon pioneers $1,000 for the first bushel of corn that could be produced from that arid waste known as the Salt Lake Valley. Today, through sweat and dogged determination of Utahans of all religions, creeds, and races, the desert, in reality, has been tamed and does blossom like a rose.

On this day, while parades and celebrations in every part of Utah commemorate the coming of the pioneers, I believe it is proper that we, too, in the Senate should acknowledge this historic day and give tribute to the history, growth, and courage that has built the great State of Utah.

NEW HAMPSHIRE'S PRIDE IN THE HISTORIC APOLLO MISSION

Mr. McINTYRE. Mr. President, all Americans, indeed all the peoples of the world, share the admiration and sense of mingled awe and pride which we have today for the successful mission of Apollo 11.

The State of New Hampshire, which I have the honor to represent, has long held close connections with the space program. America's first astronaut in space, Alan Shepard, was a citizen of the Granite State; and the first American to see Astronauts Armstrong, Aldrin, and Collins upon their return was a Dartmouth graduate, Clancy Hattleberg, who dived into the sea this afternoon beside Apollo 11 to bring biological isolation garments to the astronauts.

Two New Hampshire corporations, Sanders Associates, of Nashua, which provided the operational display system for the Saturn checkout, and RDF Corp., of Hudson, which supplied the transducers for the Saturn S–II second stage, made significant contributions to Apollo 11's success.

These two companies are among some 37 different New Hampshire organizations which have worked on the space program over the years.

From New Hampshire to the moon is a long distance, but the hopes and prayers and the technical assistance of New Hampshire were there, as are the praise and admiration which all Granite Staters share today.

DRAFT REVISION

Mr. SAXBE. Mr. President, the subject of draft revision is a timely one. At a time when this body is considering matters dealing with our worldwide commitments, arms and troop strengths, our Nation's draft program takes on added significance. Toward that end, I believe my colleagues may find of interest an editorial on the subject which recently was sent to me by a friend. The editorial, "Would an All Volunteer Army Work?" appeared in the Junction City Daily Union, Junction City, Kans. Mr. President, 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:

WOULD AN ALL VOLUNTEER ARMY WORK?

One of the important questions which must be answered in the months ahead is whether or not this nation can adequately protect its position and discharge its responsibilities with an all-volunteer Army as its basis of strength.

One man who questions the all-volunteer Army concept is General Bruce Clarke, Ret. We might add few, if any, are far more capable. General Clarke has served in every military rank from private to four star general. The last 21 years of his military srevice, from 1940 to 1961, were spent constantly with or close to troops in two wars, ending his career as commander-in-chief of the U.S. Army in Europe.

In a recent address he declared "The basic hardships and the hazards of duty among the Armed services are not equal, nor are they equal among the various branches of the Army. The Infantry and the Marines by far incur the highest risk in this regard. For practical purposes, a combat soldier is one whose duties require him to close with the enemy, on offense and defense, and defeat him."

Continuing, General Clarke said:

The Infantry of the Army and the Marines are the big casualty takers, a fact which is commonly understood by those in draft age.

The casualty killed in action figures of the Korean War in this regard are illustrative:

Army (84 percent Infantry)	27,604
Navy	458
Air Force	1,200
Marines	4,267
Total	33,629

The Vietnam war figures are comparable except the Marines have lost 11,000.

Pay alone will not provide the answer. At a play scale of $8,000 a year, the Washington Police Force cannot fill up its authorized strength.

These are the disadvantages of too much "payday income" of soldiers: AWOL's, incidents, accidents, and black markets.

Invidious comparisions with associated allied people and troops when on foreign service.

Poor public relations in general.

Out flow of gold.

We do not want an Army of all professional privates.

We want an Army fully "integrated" and generally in a mix proportionate to our population mix.

We want a "democratic" and a "peoples" Army—an Army of and close to our people.

We want an Army up to required mental, morale, and physical standards. These desired characteristics tend to decrease when undue enlistment and reenlistment pressures are applied.

"Morale" is that great intangible which separates the good armies from the poor. We must not upset the present high morale in the Army.

The present officer-enlisted man relationship in the Army is very good. We must not upset this.

We must maintain the high level of readiness of the National Guard and the Reserve forces.

We must not reduce the motivation of the ROTC students or the desire to enter the Service Academies and make the service a career.

An All-Volunteer Army makes little patriotic impact on the more affluent members of our society.

An All-Volunteer Army drawing a "going rate" of pay reduces an enlistment to a "job instead of a "service" to our country.

Many things can be looked into in order to improve service attractiveness and increase enlistments.

Pay inequities.

Increase in War Risk Insurance. (Present $10,000 was WWI standard)

More benefits for wives and minor children who survive.

Increase in the GI Bill of Rights allowance to veterans to complete their education.

Recomputation of retired pay of retirees on a current pay basis.

A discharge bonus of about $1,000 per year, paid after completion of three years service as an enlisted man and upon final separation. This might be paid in US Savings Bonds.

Provide some retirement benefits after ten years of service (for both officers and enlisted men).

Increase and improve:

Housing at post.

Dental care for men and dependents.

Medical care for men and dependents.

P.X. services.

Commissary services.

Rental allowance.

Ration allowance.

Retired pay.

Married allowances for active duty in the combat zone.

We must not allow the Selective or Draft system to deteriorate so that it is not responsive in a hurry to an unforeseen need.

We should put more effort in better handling our men of all services so as to produce more "alumni boosters." Such veterans will draw new enlistees.

An efficient operating selective service system places the United States in a stronger position in its relationships with foreign countries.

To find the solution we should improve the attractiveness of volunteer service as much as practicable, and fill the deficits in military manpower by the use of a workable Selective Service system kept in good operating condition to be ready to function when and as needed.

DANVILLE AND APPALACHIAN POWER CO.

Mr. METCALF. Mr. President, during the Intergovernmental Relations Subcommittee hearings this year on S. 607, the Utility Consumers' Counsel bill, witnesses testified regarding a proposed municipal bond issue, in Danville, Va., to finance expansion of the city's electric power system. On March 17, Danville Mayor W. C. McCubbins and Councilman John W. Carter testified regarding the decision to postpone the election, because of what the council termed "interference" in Danville affairs by Appalachian Power Co., a subsidiary of American Electric Power, which is a New York holding company.

On March 19, the subcommittee took testimony from Chairman John W. Daniel of the New Day for Danville Committee, which, along with the Appalachian Power Co., opposed the bond issue that had been proposed by the city council.

The hearing record shows—part 3, pages 592–593—the following colloquy between Subcommittee Counsel E. Winslow Turner and Mr. Daniel:

Mr. TURNER. Now, after the bond issue of 1967, where the Greater Danville Committee was formed, we have the consideration of another bond issue, I believe, and that was where the New Committee for Danville was formed.

Mr. STINSON. New Day for Danville.

Mr. TURNER. Created to seek to influence disapproval of this bond issue. How much money has the New Day Committee for Danville been able to receive from people in the city for this purpose?

Mr. DANIEL. We have received to date and deposited in the bank $3,732.25.

Mr. TURNER. Now, I am going to ask you the same question about that committee. Has Appalachian Power, American Electric Power Company, any subsidiary of American Electric Power or any officer, director or employee of Appalachian Power or those other companies contributed any money to that committee?

Mr. DANIEL. No, sir.

Later on pages 605 and 606 Mr. Daniel took exception to my statement of February 28 on the Senate floor—CONGRESSIONAL RECORD page 4970—that the New Day for Danville Committee "is the local front organization for American Electric Power, whose president, Donald C. Cook, wants only a dozen power systems in this country." Mr. Daniel elaborated as follows:

As I mentioned in my opening remarks, the New Day for Danville Committee is not a front organization for any person, any group, or any organization. It is a group of concerned citizens who are concerned about the future of our city and we—this group, their aim is to try to bring the full story in this bond referendum or any other issue that might come before our city to the voters of our city. The ads that you have entered into the Congressional Record which bear the name of the New Day for Danville Committee are ads that were requested and asked for and were approved to be put into the newspaper by the New Day for Danville Committee without any assistance or without Appalachian having anything to do with it, and the insinuation that Appalachian Power Co. had prepared these ads and they were put in as information that Appalachian Power Co. had furnished this or paid for these ads or provided these ads, I just would like to set the record straight that they were prepared and entered into the—released to the newspapers by our committee.

Mr. President, an audit of Appalachian Power Co. expenditures by the Federal Power Commission has produced infor-

mation which appears to be at variance with the testimony of witness Daniel. I refer to the testimony of Russell E. Faudree, Jr., an FPC auditor, which was introduced as evidence Tuesday in the Appalachian Power Case, Project No. 2317.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled, "Appalachian Spent Nearly $25,000 to Influence Bond Referenda in Danville, FPC Report Reveals," published in the July 18 issue of the Danville, Va., Register and the testimony by Mr. Faundree in the FPC proceeding.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

PREPARED TESTIMONY OF RUSSELL E. FAUDREE, JR., IN THE MATTER OF APPALACHIAN POWER CO., PROJECT NO. 2317

Q. Mr. Faudree, would you state your full name, place of residence and position with the Federal Power Commission?

A. Russell E. Faudree, Jr., I live at 103 G Street, S.W., Washington, D.C. I am a Supervisory Auditor with the Division of Audits, Office of Accounting and Finance.

Q. Will you give us a brief resume of your educational background and qualifications and your experience?

A. I have a B.S. Degree from Oklahoma State University with a major in accounting. I have been employed by the Federal Power Commission for about 5 years. Most of my experience with the Commission has been in conducting field audits of licensees, electric utilities and natural gas companies to establish the original cost of utility plant and to determine compliance with the requirements of the Commission's Uniform System of Accounts. I am a certified public accountant in the District of Columbia.

Q. Did you participate in a field audit of Appalachian Power Company's books and records?

A. Yes, I audited certain accounts of Appalachian Power Company for the period January 1, 1967 through April 30, 1969.

Q. What was the purpose of the audit?

A. The Office of General Counsel requested that the Division of Audits investigate matters relating to accounting included in the complaint filed by the City of Danville, Virginia, with the Federal Power Commission on January 11, 1968. These matters pertain to alleged expenditures of Appalachian Power Company in attempting to influence public opinion on a bond referendum for expansion of the City of Danville's electric generating facilities. Therefore, this audit was conducted to determine if Appalachian Power Company had incurred expenses of a political nature and if so had they been properly accounted for in accordance with the Uniform System of Accounts.

Q. What were your findings during this audit?

A. For the year 1967, the company incurred expenses of $3,288 applicable to City of Danville, Virginia's electric bond referendum and recorded these expenses in their books of account and FPC Form No. 1 in Account 426.4, Expenditures for certain civic, political, and related activities. These expenditures were for radio and newspaper ads and other miscellaneous items relating to the bond issue. The audit disclosed no other similar type expenditures during the year 1967.

Q. In your opinion, were the expenditures totaling $3,288 recorded in Account 426.4 properly accounted for in accordance with the requirement of the Commission's Uniform System of Accounts.

A. Yes.

Q. Did the company's records show any additional expenditures in 1968 or 1969 relating to bond elections in the City of Danville and, if so, what are they?

A. Yes, in December 1968, the company's records show in Account 930 (Co. Acct. 63098), Miscellaneous general expenses, an amount of $4,200 paid to Central Survey, Inc. for a public opinion survey in the City of Danville and that this survey was made to determine if the voters of Danville were in favor of a proposed bond issue to finance a municipal electric generating plant and in my opinion should have been charged to Account 426.4.

Q. Would you tell us what the conclusions of this survey were and why you believe it should have been charged to Account 426.4?

A. The survey concluded that there was a very strong initial reaction in favor of the proposed bond issue. According to the survey, the margin in favor of the proposed bond issue was almost 3 to 1. Also, included in the survey conclusions were certain recommendations as to ways to build up majority opposition to the proposal. It was suggested that effective ways to build up opposition would be to create doubts as to the necessity or the desirability of the proposal by showing that Appalachian Power Company not only has adequate reserves of power available through its interconnections but has far more sources of power available through its interconnections than would be provided by the proposed municipal generating plant and by demonstrating that it just isn't necessary for the City to go into debt for something that is already available, without any expenditures at all on the part of the City. It was further suggested that Appalachian Power Company was not receiving the credit it deserves for helping the industrial growth of Danville and the residents of Danville might resent having the City "take over" the industrial business the company has developed if the people were aware that Appalachian had been instrumental in bringing this industry into the area.

It is apparent from these recommendations that the survey was related to influencing public opinion in connection with the City of Danville's bond referendum and therefore should have been charged to Account 426.4.

Q. Mr. Faudree, where did you obtain the information pertaining to the survey's conclusions?

A. The information is a summary of the conclusions stated in a report by Central Surveys, Inc. which was given to Appalachian Power Company at the conclusion of the survey.

Q. Did your audit disclose any additional expenditures in 1968 of a political nature pertaining to the City of Danville's bond referendum?

A. No. My audit tests disclosed no additional expenditures of a political nature in 1968.

Q. How about 1969?

A. On January 10, 1969, the company opened up a work order to accumulate charges in connection with the bond referendum in Danville, Virginia. The work order was closed to further charges on May 26, 1969. The company accumulated a total of $20,304 in the work order of which $17,463 had been cleared to Account 426.4 as of May 31, 1969. However, I should mention, that according to Mr. J. B. Berg, Accounting Manager, of Appalachian Power Company, a portion of these expenditures were incorrectly charged to the work order and cleared to Account 426.4. He indicated that sometime in the near future these charges will be reviewed and those which in their view are incorrectly classified will be reversed out and charged to the proper account.

Q. What is the nature of the expenditures charged to the work Order?

A. Most of the charges are for services by a public relations firm, John Harden Associates of Greensboro, North Carolina, various radio and newspaper ads in Danville, various expenses in connection with the new Danville office of Appalachian and salary and expenses of company employees.

Q. Did your audit disclose any additional expenditures connected with the bond referendum other than those recorded in the work order for the year 1969?

A. No, my audit tests disclosed no additional expenditures connected with the bond referendum.

Q. Will you give us a more detailed description of payments to John Harden Associates?

A. The company paid John Harden Associates a total of $8,118.81 for services rendered during December 1968 and January through March 1969. The billings were covered by two invoices. The first invoice dated February 12, 1969, was, according to a company memo, in the nature of an advance in that arrangements were made to advance monies to Harden against expenses which would be incurred. Invoices were to be subsequently rendered to Appalachian for services to it and to The New Day for Danville Committee for services to it. The breakdown of the amounts making up the $6,137 is as follows:

Partial payment to Ronald K. Charity, public relations counselor of Danville	$1,200
Payment to Sound Creators of Greensboro for radio jungle for New Day Committee	300
Payment due to Danville Commercial Appeal for four ads for committee (through March 3)	494
Payment due to Danville Bee and Register for 32 ads for committee (through March 14)	2,455
Payment due to four Danville radio stations for 532 spots for committee (through March 16)	1,688
Total	6,137

The second invoice dated April 3, 1969, covered the services rendered to Appalachian which totaled $8,118.81 less the advance previously paid $6,137.00 or a net amount due of $1,981.81.

Q. Would you give us examples of the services rendered to Appalachian by John Harden Associates?

A. Yes. Copies of ads entered into the record identified as Herndon Exhibits Nos. 1, 2, 3 and 4 which are captioned "We helped create a $10,000,000 payroll for Danville;" "We've helped create a $10,000,000 payroll for Danville;" "Now Appalachian has a Danville address—539 Main Street;" and "Danville has good connections;" respectively, are all John Harden Associates' ads.

Q. Did your audit disclose any direct payment to or for the New Day for Danville Commitee by Appalachian Power Company?

A. Only one such item was noted. Included in the charges accumulated in the previously mentioned work order was an amount of $298 for printing services by the Stone Printing and Manufacturing Company of Roanoke, Virginia, for printing a letter to the citizens of Danville with a New Day for Danville Committee letterhead.

Q. To your knowledge, did the company incur any additional expenditures of a political nature pertaining to the City of Danville's bond referendums other than those mentioned previously in your testimony?

A. Not to my knowledge.

AFFIDAVIT

District of Columbia:

Affiant, having been first duly sworn, on oath deposes and says:

That he has read the foregoing testimony and if asked the questions therein his answers in response would be as shown;

That the facts contained in said answers are true to the best of his knowledge and belief.

RUSSELL E. FAUDREE, Jr.

Subscribed and sworn to before me this 11th day of July, 1969.

LOIS B. WINSLOW,
Notary Public in and for the District of Columbia.

My Commission expires November 30, 1971.

BEFORE THE FEDERAL POWER COMMISSION

The Appalachian Power Company, Project No. 2317.

Certificate of service

I hereby certify that I have this day served the foregoing documents upon all parties of record in this proceeding in accordance with the requirements of § 1.17 of the Rules of Practice and Procedure. Dated at Washington, D.C., this 14th day of July, 1969.

RAYMOND E. HAGENLOCK,
Commission Staff Counsel.

APCO FUNDS ALSO USED BY NEW DAY COMMITTEE: APPALACHIAN SPENT NEARLY $25,000 TO INFLUENCE BOND REFERENDA IN DANVILLE, FPC REPORT REVEALS

The Federal Power Commission has released a report by one of its accountants which showed that Appalachian Power Co. spent nearly $25,000 to influence power bond referenda in Danville.

Appalachia also was found to have made a direct financial contribution to be used on behalf of the New Day for Danville Committee, an antipower bond group whose chairman earlier this year denied to a U.S. Senate Subcommittee that APCO had contributed any money to the committee.

The report on the audit, in the form of prepared testimony offered Monday on the motion of the FPC Staff to the Presiding Examiner in the Appalachian case (Project No. 2317), was made public here yesterday at a special meeting of City Council.

The report also revealed that Appalachian paid $4,200 for a public opinion survey in December 1968 which found Danville voters then favoring expansion of generating facilities by about 3 to 1.

The field audit, upon which the report was based, was made by Russell Faudree, Jr., a supervisory auditor with the FPC, at the request of FPC's general counsel.

The City earlier this year had complained to the FPC of unwarranted interference by Appalachian in a proposed $11 million bond referendum. Funds from the referendum would have been used for expansion of the City's electric generating facilities. Such expansion would have reduced the City's current power purchases from Appalachian.

After the audit report was read to City Council, it adopted a resolution re-affirming the authority of Philip Ardery to file proceedings for the City before the Securities and Exchange Commission. Ardery also represents the City in its complaints to the FPC about Appalachian. The vote on the resolution was 7 to 1 with the no vote cast by F. W. Townes III. Councilman Charles Harris was absent.

The FPC's auditor found that in 1967 Appalachian spent $3,288 "applicable to the City of Danville's electric bond referendum." These expenditures were listed, according to the audit, as for "civic, political and related activities."

The 1967 referendum failed to approve a $9 million bond issue.

On Jan. 10, 1969, Appalachian set up a "work order to accumulate charges in connection with the March 18 bond referendum" which accumulated a total of $20,304. . . . of which $17,463 had been cleared as of May 31.

Most of the charges were for services by a public relations firm, John Harden Associates of Greensboro, N.C. for various radio and newspaper ads in Danville, various expenses in connection with the new Danville office of Appalachian and salary and expenses of company employes, the audit noted.

Harden Associates, according to the audit, was paid $8,118.81 for "services rendered during December, 1968 and January through March, 1969."

The billings were covered by two invoices—the first dated Feb. 12, 1969, which according to a company memo, was in the nature of an advance against expenses which would be incurred.

Invoices later sent to Appalachia for services to it and to the New Day for Danville Committee for services to it, according to the auditor's statement showed:

A $1,200 payment to Ronald K. Charity, public relations counselor of Danville, according to the audit.

A $300 payment to Sound Creators of Greensboro for radio jingle for New Day Committee.

Payment of $494 due Danville Commercial Appeal for four ads for Committee (through March 3).

Payment of $2,455 due to Danville Bee and Register for 32 ads for Committee (through March 14).

Payment of $1,688 due four Danville radio stations for 532 spots for Committee (through March 16).

The FPC auditor reported he found Appalachian had made a direct payment to the New Day for Danville Committee in the amount of $298 "for printing services by the Stone Printing and Manufacturing Co. of Roanoke for printing a letter to the citizens of Danville with a New Day for Danville Committee letterhead."

A copy of the letter was produced at yesterday's council meeting. Dated Feb. 10, 1969, it listed John W. Daniel as chairman of the New Day Committee with C. A. (Buck) Carr as vice chairman and Glenn E. Hile, secretary-treasurer.

After stating its opposition to the proposed March 18 bond referendum, the letter closed with this request, "couldn't you please send us at least $1.00." It was signed by Daniel.

Earlier this year Daniel testified at a hearing of the U.S. Senate Subcommittee on Intergovernmental Relations about the New Day Committee. He told E. W. Turner, committee counsel, "We have received to date and deposited in the bank, $3,732.25, "in reference to New Day Committee funds.

Turner then asked Daniel—"Has Appalachian Power, American Electric Power Company, any subsidiary of American Electric Power or any officer, director or employee of Appalachian or those other companies, contributed any money to that committee?"

Daniel's reply, according to the transcript of the hearing, was: "No, sir. We can furnish you a list. It is a rather long list. We had a wonderful response from the voters of the City of Danville."

Turning again to the public opinion survey conducted by a firm known as Central Survey Inc., the FPC auditor said the $4,200 survey cost was charged off by Appalachian to "miscellaneous general expenses" an action he questioned.

In addition to finding Danville voters in favor of the March 18 bond referendum, Faudree said the survey contained recommendations to Appalachian on how to build up opposition to the proposed referendum.

Faudree's specific comment was: "It is apparent from these recommendations that the survey was related to influencing public opinion in connection with the City of Danville's bond referendum."

Effective ways to create opposition to the bond referendum were suggested including creating "doubts as to the necessity and desirability of the proposal," the audit noted.

One survey recommendation was for Appalachian to show it "not only has adequate reserves of power available through its interconnections than would be provided by the proposed municipal generating plant."

Another suggestion was for Appalachian "demonstrating that it just isn't necessary for the City to go into debt for something that is already available, without any expenditures at all on the part of the City."

The audit report noted "It was further suggested that Appalachian Power Co. was not receiving the credit it deserves for helping the industrial growth of Danville and the residents of Danville might resent having the City 'take over' the industrial business the company has developed if the people were aware that Appalachian had been instrumental in bringing this industry into the area."

The City has filed a complaint with the FPC against American Electric Power Co. Inc., and its subsidiary. Appalachian Power Co. accusing it of discrimination and restraint of trade.

The City also has intervened in the New River project in Grayson County where Appalachian seeks a license for a hydroelectric operation. The City wants to share in an allocation of power to be created by the project.

In both of these actions, the City contends Appalachian is in violation of the Federal Power Act forbidding "combinations, agreements, arrangement or understanding, express or implied, to limit the output of electrical energy, to restrain trade, or to fix, maintain, or increase prices for electric energy or service."

Mr. METCALF. Mr. President, last week I sent Mr. Daniel a copy of Mr. Faudree's testimony and invited him, if he wished, to amend his denials of assistance from Appalachian Power and submit additional financial data regarding the New Day for Danville Committee.

I am concerned, first, because it appears that a Senate subcommittee was given incorrect information. Second, I am concerned by the auditor's finding that a substantial portion of the political expenditures by Appalachian Power was improperly accounted.

Those political expenditures were included in operating expenses, paid for by the consumers. Permitted political expenditures by a utility corporation, such as the cost of lobbying, should be included in nonoperating expenditures, paid for by the utility stockholders.

Regulatory commissions have for years properly maintained that utility political expenditures should not be passed on to the customers. Memorandums from commissions to utilities on this point have been explicit. As I have pointed out in the past, from time to time, various utility corporations simply choose to ignore the regulators. And now an affiliate of the largest holding company in the Nation appears to be a party to this practice.

Mr. President, most State utility commissions do not have the staff to audit utility books. The FPC staff is spread so thin that many years elapse between Federal audits. The extent of improper political expenditures is unknown. What impresses me is the fact that so often, when the FPC does audit utility books, it discovers improper utility expenditures.

The Appalachian Power case contrasts sharply with utility corporations' repeated, bland denial of political activity. And it illustrates the need for title II of S. 607, the information section of the bill, and especially an amendment suggested by Philip P. Ardery, special coun-

sel for the city of Danville. The amendment reads as follows:

Title II, Sec. 201(b)(25) page 16, lines 8, 9 and 10. In lieu of the present subsection, substitute:

"(25) A detailed accounting of all expense incurred, whether in payments of money, performance of services, use of officers, agents or employees on company time or any other thing of value whether committed directly or indirectly in relation to any political activity. Such activity shall include attempts to influence any public election whether of candidates running in any federal, state or local election, or any other issue or referendum decided by vote of the people. It shall also include attempts to influence public officials, secure or oppose appointments to public office, and any and all lobbying with any national, state or local legislative or administrative body."

Such information shall be determined on a fiscal or calendar year basis as may be appropriate and shall be reported as soon as practicable after the termination of such year.

Mr. President, there is substantial doubt as to whether the kind of expenditures made by Appalachian Power in this case are permissible. I ask unanimous consent to have printed at this point in the RECORD the colloquy between Counsel Turner and Danville's Special Counsel Ardery.

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

UTILITY CONSUMERS

Mr. TURNER. I would like to make a short reference to the bond issue and the statement that Senator Ervin mentioned. I think he used the word "election." There is a prohibition in the Public Utility Holding Company Act that any registered holding company or any subsidiary company by use of the mails or any other instrumentality is prohibited from making contributions whatsoever in connection with the candidacy, nomination, election, appointment in the Government of the United States, a State, or any political subdivision, or to make any contributions to or in support of any political party or any committee or agency thereof.

Now, the question that has been running through my mind as I have been listening is this: Is this a political situation which is tantamount or closely allied to an election or is this something completely alien to that situation? Perhaps counsel would direct himself to that.

Mr. ARDERY. May I respond to that?

I have read the section of the Public Utility Holding Company Act to which you refer very carefully, and there is some doubt in my mind as to whether or not the situation in Danville would be covered by that part of the Public Utility Holding Company Act, and it was based upon that that Danville has suggested that the loophole, if it be a loophole, be plugged.

But let me comment just little further, and we do plan to go to see the Securities and Exchange Commission today when we leave here.

One of the major concepts in enacting the Public Utility Holding Company Act was preventing restraints in trade, and preventing enormous growing monopolies.

The Public Utility Holding Company Act by its history we find was not solely an act designed to protect the investors of public utility holding companies, although that was a strong motive in its enactment.

Now, where you find a combination such as American Electric Power attempting to make, keep one of its competitors from expanding its plant sufficient to take care of its own needs, I think it is clearly in violation of the basic concept of the Public Utility Holding Company Act which seeks to prevent restraint on trade.

Mr. TURNER. You now have pending a proceeding in the Securities and Exchange Commission on it.

Mr. ARDERY. No. We have, the mayor wrote, a letter asking that they make an investigation. They have responded that they will.

Mr. TURNER. I won't go further into it inasmuch as it is presently under investigation. But there was a question in my mind.

Mr. ARDERY. I think it is good judgment for you to have a question in your mind. There is a question, some of the old cases, one or two of the old cases, seem to go a little bit further than simply to say that that provision is tied to a contribution to a political party or candidate of a political party. But that is a gray area.

Mr. METCALF. Mr. President, ironically, on the day before the FPC auditor's testimony was entered into the Commission's hearing record, the American Electric Power Co. contended that additional legislation regarding utility accounting is not necessary. In a letter to all members of the Senate Committee on Government Operations, AEP Executive Vice President Herbert B. Cohn wrote:

Since no industries operate more in a "goldfish bowl" than do the regulated public utilities, the necessity for burdening them with even greater reporting requirements and their customers with the related costs has not been demonstrated and certainly is clearly less compelling than in the case of other industries.

Mr. Cohn went on to oppose passage of S. 607. Despite his words, the actions of his company underscore the need for passage of the bill, including the amendment prompted by the political expenditures of AEP's subsidiary, Appalachian Power.

EXTENSION OF VOTING RIGHTS ACT OF 1965

Mr. FONG. Mr. President, on July 9, 1969, the Senator from Maryland (Mr. MATHIAS) testified before the Judiciary Subcommittee on Constitutional Rights in support of S. 818, to extend the provisions of the Voting Rights Act of 1965—a bill introduced by Senator MATHIAS in behalf of himself, the Senator from Pennsylvania (Mr. SCOTT), and myself.

Mr. President, the testimony of Senator MATHIAS was most eloquent in its advocacy of S. 818.

The historic Voting Rights Act was designed to deal with the principal means State and local governments had used to frustrate the effective implementation of the 15th amendment.

I quite agree with the Senator from Maryland and with what appears to be the prevailing sentiment of both Houses of Congress—that the first order of business on civil rights legislation should be the extension of the 1965 act—in the Senator's words, "to continue the gradual, positive, and beneficial change being brought about by the Voting Rights Act." He continued in his testimony:

That is not to say that other reforms and improvements should not be considered in good season.

I agree.

I ask that the complete text of the testimony of Senator MATHIAS be printed in the RECORD.

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

REMARKS OF SENATOR CHARLES MCC. MATHIAS, JR.

In 1870, by ratifying the fifteenth amendment, Congress and the nation unequivocally declared that the "right of citizens of the United States to vote shall not be denied . . . on account of race, color, or previous condition of servitude." But for 95 years until the passage of the Voting Rights Act of 1965, that promise was often ignored and even repudiated.

As a member of the Committee on the Judiciary in the other body in 1965, I took part in many of the hearings, debates and conferences which finally produced the Voting Rights Act of 1965. That Act was a milestone in our national march toward equal rights under the law. It was a clear statement by the Congress that systematic frustration of the fifteenth amendment would no longer be tolerated or condoned.

The central feature of the Act is its "automatic trigger" provision, which suspended literacy tests and similar devices in any jurisdiction in which less than 50 percent of voting age persons either were registered to vote on November 1, 1964, or voted in the Presidential election of 1964.

In addition to suspension of the jurisdiction's test, the Act provides that the Attorney General can designate any county in such area for appointment of Federal examiners (Section 6). The examiners compile lists of persons qualified to vote under state law, which persons state and local officials are obligated to place on their official voting rolls (Section 7).

Section 8 of the Act enables the Attorney General to send Federal observers to any county designated under Section 6 to observe polling places and vote counting.

A fourth consequence of the automatic trigger provision prohibits the jurisdiction from utilizing any new voting qualification or procedure without first either submitting it to the Attorney General for approval or obtaining a declaratory judgment in the District Court for the District of Columbia that the new procedure does or will not have the purpose or effect of abridging the right to vote on account of race or color (Section 5).

A jurisdiction to which the automatic trigger provision would otherwise apply can avoid suspension and related aspects of the Act by establishing before the District Court for the District of Columbia that no "test or device has been used during the five years preceding the filing of the action for the purpose or with the effect of denying or abridging the right to vote on account of race or color." (Section 4(a)).

It is this requirement which is referred to as "expiration" of the Act. If the Act is not extended, any state which suspended a literacy test or similar device at its passage will, after August 6, 1970, not have used a test in any manner, discriminatory or otherwise, for five years and will be able to succeed in the appropriate suit. Such jurisdiction will be able to reinstate all of the techniques and devices of discrimination which the Act was passed to halt. Equal access to the voting booth will then have to be regained, precinct by precinct, through the courts.

S. 818, which I introduced January 31 on my behalf and on behalf of Senator Scott and Senator Fong, "extends" the Act by changing the five-year requirement to ten years. An identical measure, S. 2456, bears the names of 38 co-sponsors.

In the period since 1965, more than 800,000 Negro voters have been registered in the seven states to which the trigger provision applied. That the Act's registration goal is far from attained, however, is evident from the latest available statistics, which indicate

nonwhite registration lagging well behind white registration in those areas:

	Percent white registration	Percent nonwhite registration
Alabama	82.5	56.7
Georgia	84.7	56.1
Louisiana	87.9	59.3
Mississippi	92.4	59.4
North Carolina	78.7	55.3
South Carolina	65.6	50.8
Virginia	67.0	58.4

Source: Voter Education Project, Voter Registration in the South, summer 1968.

A county-by-county analysis indicates that less than 40 percent of potential black voters are registered in some 90 counties and parishes in Alabama, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina, while the percentage is between 40 and 50 in 107 other counties and parishes.

Impressive evidence of the need for continuation of the Act has been compiled by the Civil Rights Commission in its Political Participation Study, based on work from November 1966 through April 1968. That document indicates that the Negro vote has been diluted by switching to at-large elections, consolidating counties, gerrymandering, and by full-slate voting requirements. It further asserts that Negro candidates are thwarted by abolishing offices, extending terms of white incumbents, substituting appointment for election, increasing filing fees, adding requirements for getting on the ballot, and withholding information.

The Commission found that black citizens have been excluded from party precinct meetings, wrongfully omitted from registration lists, harassed by election officials, and victimized by insufficient voting facilities. It determined that Negro voters have been given erroneous information and subjected to discriminatory disqualification on technical grounds, while Negro poll watchers have been interferred with and excluded.

Allegations of official voting fraud to prevent election of black candidates have been made. There has been a dearth of black election officials.

Finally, both physical and economic intimidation have apparently been used to frustrate the Act's attempt to implement the fifteenth amendment.

Similar abuses were noted by the Civil Rights Commission observation of the May 13, 1969, municipal primary elections in Mississippi, and outlined in a June 3, 1969, staff report.

The Commission will be before this Subcommittee to substantiate its findings. For the moment, I think they speak for themselves and what they say should be compelling.

The President, during the last campaign, pledged to call up the best elements of the new south. Surely one of the primary ways to do so is to continue the gradual, positive and beneficial change being brought by the Act of 1965. That is not to say that other reforms and improvements should not be considered in good season. But first things should be put first. The confidence of the people that the positive gains of the past are to be preserved in the present should be maintained. With this confidence firmly fixed in our people, we can build more surely for the future.

WE WILL BE LOST IF WE DO NOT PULL TOGETHER TO SOLVE AIRPORT-AIRWAYS CRISIS PROBLEMS, SENATOR CANNON ADMONISHES IN MEANINGFUL ADDRESS

Mr. RANDOLPH. Mr. President, monthly meetings of the Aero Club of Washington bring together knowledgeable persons with vital interests in aviation. Its meetings always are well attended by representatives of commercial air transport, general aviation, business—executive—aviation, officers, and key staff persons from Federal executive branch agencies and congressional staffs and committees, as well as by representatives of aircraft manufacturers.

Indeed, the Aero Club of Washington offers an excellent forum for a speaker with a timely and interesting aviation message.

On Tuesday, July 22, that club held its last monthly meeting of the summer and brought together for luncheon an unusually representative audience to hear an exceptionally important speech on the airport-airways crisis by a thoroughly qualified speaker, Senator HOWARD W. CANNON, our distinguished colleague from Nevada.

Senator CANNON has had many years of experience with aviation as a legislator and as a pilot. His Senate committee membership includes Armed Services, Aeronautical and Space Sciences, Commerce, and Rules and Administration. He is chairman of the Subcommittee on Privileges and Elections and of the Tactical Air Power Subcommittee, and vice chairman of the Aviation Subcommittee.

The able Senator from Nevada interrupted his legal practice for a military career from 1941 to 1946, during which he was awarded the Distinguished Flying Cross, the Air Medal with two oak leaf clusters, the Purple Heart, the ETO ribbon with eight battle stars, the French Croix de Guerre with silver star. He was shot down over Holland and evaded capture in a 42-day trek back to Allied lines. He is an Air Force Reserve major general.

The authority Senator CANNON brought to his address to the Aero Club gave it stature far above the ordinary. His thoughts and admonitions on the problems facing the Nation's airports and airways are worthy of very careful attention and consideration. His speech was especially timely, coming as it did at a time when he shares with Chairman WARREN MAGNUSON, of the Commerce Committee, responsibility for hearings by the Aviation Subcommittee on possible solutions to the critical problems facing the airports and airways.

Mr. President, in view of the critical importance of the subject which Senator CANNON discussed with frankness and clarity, I ask unanimous consent that the text of his address before the Aero Club of Washington be printed in the RECORD.

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

ADDRESS BY SENATOR HOWARD W. CANNON

Ladies and Gentlemen. I approach this assignment with mixed emotions. I am honored to have the opportunity to speak to so many of the experts in the field of air transportation, and yet this very fact gives me a sense of hesitation—almost as though I should be out there in the jury box and you here on the platform.

As one who has spent so many years in your business, both as pilot and legislator, I cherish the resourcefulness and resiliency that has always characterized aviation.

I believe the financial crisis confronting the industry today can and will be solved. After the accomplishments of our astronauts over the weekend, I really believe this country can solve any problem—even though it seems that the installment plan and easy credit, as well as other fiscal schemes, have made it easy for Americans to ignore the economic consequences of their transportation decisions.

As you all know, the Aviation Subcommittee of the Senate Committee on Commerce has at long last opened hearings on the nation's airport/airways problem after waiting for the Administration to decide on a bill it would support.

We really opened in Wichita, Kansas, on May 2, 1969 with a hearing on general aviation. It was a good hearing—we had nineteen witnesses in one day—and all but one allowed that the time had come to admit that user taxes of some kind were, at the very least, part of the answer.

This was new. In the past, user taxes had been shunned as dirty words. It gave me hope that we were on the verge of progress.

When the hearings began in the New Senate Office Building, it soon became apparent that you didn't need a program to tell the names and numbers of the players, because the line-up was well known.

The lead-off man was John Volpe, Secretary of Transportation, supported by Assistant Secretary Paul Cherington and FAA Administrator John Shaffer. These gentlemen presented the long-awaited Administration's airway/airport legislation.

Highlights of that proposed program are a passenger fare tax on domestic flights up from 5 per cent to 8 per cent; on international and over-water flights, a new $3.00 per person charge; air freight way bills, a new 5 per cent tax; and on noncommercial aviation fuel, a 9 cents per gallon tax on gasoline, up from 2 cents; and a new 9 cents per gallon tax on jet fuel.

Hopefully, Administration witnesses estimated, this would pump $250 million annually into the airways with about $60 million per year for R. and D., while $250 million annually would go into airports. Out of the latter, about $10 million per year would go to planning grants, and $5 million per year to state agencies for planning.

There are many other things in this bill, such as provisions for studies and reports, but I will not go into them.

The Administration figured out a way to eliminate the trust fund that seemed to distress the Bureau of the Budget. They diverted away from it by changing the name to "Designate Account."

Under questioning, these gentlemen from D.O.T. thought that if there were ever any unused funds in the "designated account," they could not be put to earning interest as is done in a trust fund.

I am not sure I like it, but apparently the Budget Bureau sees something appealing in this concept.

John Crooker, Chairman of the Civil Aeronautics Board, certainly supported the need for action in the field of aviation needs.

Joseph O'Connell, Chairman of the National Transportation Safety Board assured us of the safety of air travel. He did not give us a date or time, but it seemed clear to me there was a warning in his testimony to not wait too long before updating the equipment and all that goes with it.

We heard from the President of the Air Transportation Association. It seems this Association has teamed up with the Aircraft Owners and Pilots Association to maintain the latter's opposition to users taxes in any form. Their joint plan would help airports by taxing tickets, but there would be no tax on general aviation. General aviation airports

would be maintained by yearly $50 million appropriations.

Their general approach was to the airports, the airways problem being left to the government. The failure of the appropriations approach to airport problems should be well known to everybody in this room, and it is one of the reasons the whole system is so far behind the times.

The proposed legislation from ATA–AOPA would create a fund for airport development by increasing the domestic ticket tax from 5 to 7 percent with a $2.00 head tax on enplaning international passengers. This tax would bring in about $123 million and could be used in both the terminal and landing areas.

It would authorize the guarantee of locally issued bonds, and the account would be broken down with half going into a discretionary account and the other 50 per cent into a direct airport account. The Act would set out how and what percentage of the discretionary fund could go where, such as 62 per cent for large hubs, with the direct account going to airport sponsors based on a ratio of enplaning passengers.

After this phase of the hearings closed, the ATA wrote Chairman Magnuson changing their approach a little. They will go along with the Administration's passenger tax and international head tax, but they want the 5 per cent tax on freight cut to 2 per cent.

This narrows the gap a little, and that is all to the good. Unless we can find common ground in this problem, progress will not be easy.

Suddenly, in the middle of all this we had some union testimony, some of it constructive, a great deal of it pointing up the overall problem we have with our airport/airways program. The Air Traffic Controller is a very important part of our whole system, and as we upgrade it, bring in new and better equipment, his lot will be much better.

We will look over his entire working arrangement, salary, hours, retirement and what have you at the proper time.

However, I must comment on the power of the spoken word. Some words were spoken by certain witnesses in our hearings and two days later several hundred controllers phoned in sick from all over the country.

We reopen our hearings again tomorrow, this time officially on the legislation itself. There is a third phase on planning for the 1980's, but first things first, so while we can put this last phase off a while, we should not delay too much. In the 1980's there will be 2½ million people airborne at a given time.

I have spoken here in a rather light vein but please understand that I, and I am sure I can speak for the Committee, am grateful for the hard work and efforts our witnesses put forth preparing their statements. They have given us more up-to-date information, statistics and ideas than we have had in a long time, and this will be very helpful as we make our final decisions.

I am deeply dismayed, and I now speak in all seriousness, that the day before the Senate Commerce Committee reopens the hearings on airport/airways development there seems to be a pervasive attitude within the aviation community that Congress again this year will fail to take action on this matter of greatest importance to us all.

There seems to be a spirit of resignation among many in the aviation business that the acrimony, controversy and dispute over financing an expanding and modernized aviation system will again force us in the Congress to do nothing.

This feeling—this pessimism is especially disturbing after sitting in the Committee for several days listening to a parade of witnesses come forward to warn of the perils facing the nation's aviation system unless we take action and take it now. We heard that lack of modern navigation and guidance equipment is creating situations in which accidents occur, accidents which probably would never happen if our system was as modern and well equipped as it can and should be. We have heard that instrument landing systems—that great friend and back-up of pilots in bad weather, exists at only about half of the nation's airports which have air carrier service and that radar—a great aid in keeping airplanes from running into each other—is even scarcer outside of the major metropolitan hub terminals.

We have listened to the airlines' witnesses as they told us that air transportation will at least double in the next ten years requiring airport investment anywhere between 8½ and 14 billion dollars if we are merely to keep pace with this tremendous growth.

The National Business Aircraft Association informed us that business aviation is facing a grave threat to its very existence because the FAA has been forced to greatly restrict the number of hourly operations at the nation's five most congested airports, often making it impossible for the busy executive to make a last minute decision to fly to New York or Chicago or Washington.

We have been told that air traffic controllers—often working six and seven days a week for months on end because of critical shortages in high density areas—are fed up and are about to quit the control service for a career with less strain and demand.

These problems are real, they are critical, they are pervasive and they threaten to wreak chaos on what has been the world's greatest air transportation system. And we know this growth, which we all look forward to, will continue only if we provide a system to move people and airplanes more safely and efficiently. There is not one of you here today who will not agree that the failure to act—the failure of all of us—has created the problems we are facing today, and they are only a prelude to the nightmares we can expect tomorrow if we continue to sit on our hands.

In light of this overwhelming evidence of the fact that our aviation system has reached the point of over-saturation and that future mobility of millions of Americans is in peril, why then is Washington full of doom sayers who either say that Congress will again retreat to an impasse or that we ought to put off a decision for another year or two in order to better assess who is to pay for this expanded system and how.

We will be lost if we do not pull together.

If we are going to argue about who pays what, with each defending his own position thereby hoping to save for a year or two a few cents in fuel tax or a percentage or two on the air passenger ticket tax, then we will be doing a great disservice to all Americans who rely upon air transportation. Today, this negative attitude is going to stifle our air transport system as surely as Pennsylvania Avenue will be clogged with traffic at 5 p.m. tonight. And just as certainly—if this defeatist attitude prevails—those very interests who are fighting so doggedly against contributing revenues to meet some of the costs of a better system will be denied use of that system simply because it will not absorb the increasing use to which we all wish to put it.

Certainly there are private interests who may have the clout—as we sometimes call it—to kill a program that is drastically needed by the country and they are able to stop action because the economic stakes appear to be high. But I would caution that the economic penalties for inaction, for continuing to use and abuse a system designed for the piston fleet era will be even greater. One hundred million dollars a year in fuel wasted on the taxiways will seem to be small change 5 years from now if we continue to allow selfish interests to deter us from this urgent task.

And so I would ask all in the aviation community—one of the greatest enterprises in the history of our country to think again about the costs of delay and inaction. I would ask them again to realize that none of us will get precisely what we want in a new, modern system, but on the other hand we will all receive some of what we want and that is the spirit in which the system operates so as to serve many diverse and essential elements of aviation. Each of us will pay a price for this tremendous growth to which we all look forward and if the price seems a little high in one area or a little inequitable in another let that not deter us from beginning.

All segments of aviation can and must find common ground on which action can be taken and certainly the Congress, and its committees on which the responsibility rests, are willing and anxious to find solutions which may not be perfect to everyone but which will not allow us to stifle the great system of aviation upon which we have come to rely so heavily. For if we do not act—if we continue to procrastinate and do nothing we will be assured of a system that all of us will find a nightmare.

In other words, get ready to give up something, and get ready fast.

I think the time has passed when Congress could sit back and await indefinitely for an agreement from industry. We have done too much of that already.

I think when these hearings are over the Committee must sit down and hammer out a bill.

I think we must do this no matter what industry does, but we want your help and we need it.

So please help us! Help us with a solution: Don't be a part of the problem.

We need the kind of teamwork that put our astronauts on the moon.

We must, as I said, hammer out a bill. Some are advocating a temporary measure, and we could be forced into such a position. The National Business Aircraft Association backs such an idea. They say an emergency exists so let's have an emergency temporary program.

They suggest legislation that would expire in 18 or 24 months and that would place a 5 cents per gallon tax on all aviation fuel. It would raise $460 million per year with $276 million for the airways and $184 million for the airfields.

During the 18 or 24 month period a cost/benefit, cost/allocation study would be made so that a sound long-range plan could be established. This could certainly be an emergency answer.

Let's consider again what we are up against. Delivery rate on commercial jets is better than one a day. General Aviation is adding about 160 new aircraft each month—many of them jets. Public demand for air transportation is growing about 20 per cent a year while air cargo has tripled over the past five years.

There is another piece of legislation you should be aware of. It is S. 2570, a bill that among other things would phase out pure jet aircraft from the use of Washington National Airport. The sponsor of the bill said, "I insist that the jets have got to go from Washington National." This approach would bar small business type jets as well as commercial aircraft, and the legislation is the first to be introduced in the Senate aimed at barring a particular type of aircraft from a particular airfield.

What aroused me was the statement made on the Senate floor, "that this bill will probably be sent to committee and buried." The Senate Commerce Committee does not operate in that manner. However, if a proposal

in a bill is lacking in merit then perhaps it should be buried, if one must use that word.

I pointed out on the Senate floor that the discontinuance of jets at National would result in a serious cost of manpower to the nation. The shuttles alone carry approximately 20,000 persons per day, and adding one hour ground travel time for each per day would result in thousands of hours of loss in productivity to the nation's economy.

It is easy to say bar the jets, but all possible effects from such a move must be considered before such action is taken.

I would like to be able to forecast how the move to repeal the investment tax credit will make out in Congress, but the whole tax situation is too confused at the moment. The bill is now out of committee and will soon be before the Senate.

I know how important this credit is to all industry, let alone the business most of you are in.

All of you know the Congress, over the years, has created various boards and commissions to do some of the work for which Congress is responsible. The Civil Aeronautics Board is one of these.

This Board for the past couple of years has been struggling with the Transpacific Route Investigation. It was all pretty much decided in 1968, but this Administration reopened and rejected the case because it said it feared there were some political payoffs in the awards. New or improved authority was then granted by the Board to four carriers, and a new carrier was selected for a fifth route.

The President then disapproved that selection, and while he did not name another carrier in so doing, he laid down some interesting guidelines.

This raises some questions. Is this a preemption of authority that belongs to the CAB?

Is not the President's responsibilities confined to considerations of foreign policy, national defense and security? The Federal Aviation Act may need an amendment.

It was a pleasure to be here and discuss some of the problems that give us mutual concern. Thank you.

ORDER OF BUSINESS

Mr. EAGLETON. Mr. President, I ask unanimous consent that I may address the Senate for 10 minutes.

The PRESIDING OFFICER (Mr. ALLEN in the chair). Is there objection? Without objection, it is so ordered.

THE ABM SYSTEM

Mr. EAGLETON. Mr. President, as the Senate decides whether to authorize the deployment of an anti-ballistic-missile system, there are several facts of which we can be relatively sure in this unpredictable and ever-changing world.

We know deployment will be extremely costly. On March 14, we were told it would cost $6.6 billion. Since then estimates have risen by $1.2 billion for nuclear warheads and again, to include approximately $500 million to extend the system to Hawaii, and $2.5 billion for research, development, and testing of the systems components. The cost is now estimated at between $10.3 and $10.8 billion.

If history is a guide to the future, we may expect to pay an even higher cost for a system which fails to meet specifications—more money for less performance.

A Brookings Institution study indicated that missiles generally cost 300 to 700 percent more than original estimates.

A recent study indicated that the more complicated electronic systems procured by the Pentagon seldom perform to even 60 percent of specifications, even after extensive testing. And it is impossible to test the Safeguard as a system.

With inflation still rampant, prime interest rates at 8.5 percent and possibly still rising, we do not need and cannot stand the added inflationary pressures caused by further imprudent Government spending.

A second fact of which we can be relatively certain is that the irresistible logic of the arms race will produce renewed efforts to counter the ABM, further escalating the arms race.

A kind of sustained overreaction is common in the field of weapons systems, and the weapons race does not need a further stimulus at a time when we appear to be, at long last, ready to explore arms control agreements with the Soviet Union.

These distasteful facts are the certainties of the ABM debate—but they are not crucial. The way each Senator answers two other questions is crucial.

First. Will the credibility of our nuclear deterrent be threatened in the mid-1970's?

Second. Is the Safeguard ABM system the most efficient way to meet such a threat?

For the last 19 weeks the Pentagon's case for an ABM has been predicated on a new-found fear that almost all of our nuclear force could be simultaneously destroyed in a first strike by the enemy, leaving us without the power to retaliate with a devastating second strike on the Soviet Union.

Previously the Pentagon toyed with a variety of other threats to justify ABM—an accidental enemy launch, a purposeful Soviet attack, a small and suicidal attack by the madmen in China, and so forth.

Thrown in for good measure are the arguments that only through deployment can further research and development be useful, that the ABM, whether it works or not, is an important bargaining point in arms limitation talks, and simply that the President thinks he needs it.

But finally the Pentagon decided Safeguard is needed to protect our land-based strategic forces. Secretary Laird cites continued development by the Soviet Union of the SS–9, a large rocket comparable to our Titan 2, as the new threat. The SS–9 is capable of carrying three 5-ton multiple warheads. By 1975, an estimated 500 could be deployed.

This constitutes, according to Secretary Laird, a threat to our Minuteman ICBM, the backbone of our land-based retaliatory force.

The threat is calculated on assumptions which are highly questionable: an accuracy of one-fourth mile for a single 5-megaton warhead delivered against a Minuteman silo, a failure rate of only 20 percent, and a capability to retarget, almost instantaneously, missiles for those that fail.

According to many noted scientists, such assured accuracy is extremely difficult to achieve, especially with an SS–9 with either MIRV's or, as is more likely, MRV's.

A 20-percent overall failure rate is highly questionable with a system as complicated as the SS–9 with either MIRV's or MRV's.

The problems of retargeting are almost insurmountable in the 1970's.

As was indicated in the joint report of Drs. Wiesner, Rathgens, and Weinberg:

> Clearly this would be extremely difficult even if one were concerned only about retargeting to compensate for launch pad and boost phase failures, but Mr. Laird apparently postulates reprograming to compensate for other failures as well, including presumably those that occur during separation of the several multiple warheads, which may occur fairly late in the trajectory. The United States rejected the retargeting concept for its own single-warhead missiles some years ago. Yet, Mr. Laird assumes the Soviet Union may adopt and be willing to rely on such a concept with multiple warheads where the problems are much more difficult than for single warheads.

But even if we accept Secretary Laird's questionable assumptions, our second-strike retaliatory capability is not based solely—or even primarily—on our intercontinental ballistic missiles which the ABM is designed to partially protect.

It currently includes our 41 Polaris submarines with their 658 nuclear missiles. Thirty-one of these submarines will have their missiles replaced by the Poseidon missile, each with approximately 10 warheads and greater range—raising our undersea missile total to 5,120.

Also, it includes about 640 Strategic Air Force bombers around the world, 7,000 tactical nuclear weapons in Western Europe, many deliverable to the Soviet Union: and an unspecified number of nuclear weapons at other foreign bases.

I find no one who convincingly argues that this aggregate retaliatory force can be almost instantaneously obliterated—now or in the 1970's.

If development of MIRV's and MRV's continues, the land-based forces of both the Soviet Union and the United States may be vulnerable to a preemptive attack, but not in the mid-1970's as prophesized by Secretary Laird.

At such time, strategic countermeasures to protect our land-based missiles may well be needed; and this raises the second critical question: Is the Safeguard system an effective means—much less the most effective means—of meeting a threat to our deterrent, should such a threat arise?

I doubt it. In the first place, there are technical problems inherent in the ABM itself.

Its indispensable components are a complex radar system and its complex computers. Each ABM site depends on one radar, and should it break down or be destroyed, all intercept missiles would be useless.

And yet this extremely expensive radar system, according to most estimates, is 10 times more vulnerable than the offensive missiles it must defend. The Soviet

Union could target their SS–11's with far smaller payloads, against the radar—either exhausting the supply of missiles available to protect it or destroying it with the smaller payload carried by the SS–11. In so doing, the Soviets would be able to target their larger SS–9 at the missile's silos where the larger 5 megaton warhead is essential.

The computers would be the largest and most complex ever built. Up to 20 data-processing units with a capacity equivalent to 100 large commercial computers, would be involved.

These computers would have to be programed to perform many tasks at the same time.

According to a recent report:

> The computer would have to interpret the radar signals, identify potential targets, track incoming objects, predict trajectories, distinguish between warheads and decoys, eliminate false targets, reject signals from earlier nuclear explosions, correct for blackout effects, allocate and guide interceptor missiles, and arm and fire them if they get within range of a target. All this must be done continuously and with split-second precision during the short period—ten minutes at most—between the time the attacking missiles first appear and the moment of impact.

This complex computer system can never fully be tested. Far simpler computers and computer programs have malfunctioned, even after years of testing.

The "soft" missile site radar and the computer systems are the weak links in a weak system—and without them the system is entirely useless.

Eminent scientists, such as Dr. George Kistiakowsky and Dr. Wolfgang Panofsky, have suggested that more efficient and less costly defenses for our ICBM's may be technically feasible. If there is a better way, let us find it. But let us not waste money on a system that will not do the job.

But even if the ABM, as now constituted, worked perfectly, the Russians can render it obsolete a few months after it is deployed by simply producing more offensive missiles. As Drs. Wiesner, Rathgens, and Weinberg point out:

> At the rate of SS–9 growth assumed by Mr. Laird, at most three additional months of production would completely offset Phase I of the Safeguard deployment, and at most one year's production would completely negate the Phase II deployment.

My colleague from Missouri, Senator SYMINGTON, an acknowledged and respected defense expert, has continuously called for the declassification of a Pentagon chart which is purported to show that even if the intricate electronics of Safeguard work perfectly, at the projected rate of Russian missile production, the system could be overwhelmed by the addition of relatively few missiles.

I would like to join Senator SYMINGTON in his request that the classified chart presented by the Department of Defense to the Senate Armed Services Committee be made public.

I, too, believe this chart makes a devastating and decisive case against deployment of a costly system which will be obsolete shortly after it is finished—billions of dollars for a few months of doubtful protection.

Should we ever legitimately need protection for our land-based retaliatory force, there are several more effective, less costly methods.

More ICBM's could be constructed with far less leadtime at far less cost. Secretary Laird states:

> It only takes 18 to 24 months from the start of construction to the operational availability of an ICBM in a silo.

This alternative would allow decisions for the mid-1970's to be made in the mid-1970's based on hard information and facts—not on the speculation and possibilities of 1969.

Another alternative is the addition of more Polaris submarines. The Polaris provides an invulnerable retaliatory capability not likely to be challenged by the mid-1970's. The addition of the Poseidon missile provides 10 times the present number of warheads and increases the range, making ASW even more difficult. The leadtime on submarine construction is approximately 3½ years, which also allows for more realistic planning.

Still another possibility is superhardening. Using Secretary Laird's assumptions, if we tripled the hardness of the silos, the Soviets, in order to maintain the same kill probability, would be forced to use a 20-megaton warhead. The size of such a warhead would preclude the use of multiple warheads on the SS–9 and thus the projected 1975 first-strike capability of the Soviet missile force would be reduced from 1,500 deliverable 5-megaton warheads to 500 20-megaton warheads—no threat to our over 1,000 land-based missiles.

It is true that superhardening could be offset by improvements in Soviet accuracy from one-fourth of a mile—as hypothesized by Secretary Laird—to one-sixth of a mile. But if such advance were made, the yield of Russian warheads could be reduced to 1½ megatons to have the same kill probability against unguarded sites. The SS–9 could carry at least four or five 1½-megaton warheads and therefore only three-fourths to three-fifths as many SS–9's would be required to destroy our Minuteman. The remaining missiles would be more than enough to offset either phase I or the full Safeguard system.

Why does the Pentagon continue to press for an ABM system? In a June 8 editorial, the St. Louis Post Dispatch offers one explanation:

> Of course everybody knows what the script calls for. Long before mid-1970's, the Pentagon would undoubtedly go to Congress with the alarming news of a forthcoming Safeguard gap, and the public would be told that national security imperatively demanded an enormous expansion of the antimissile system. This is, quite obviously, the true mission of Safeguard—to serve as the first stage of an unlimited escalation of the nuclear arms race, guaranteeing juicy contracts and military proliferation and cold war psychosis far into the future.

If we buy this system, it will have to be expanded if it is not to be completely useless. The Pentagon must also know that the Russians can expect to keep even or ahead of the ABM simply by building a few more offensive missiles which are less expensive to produce. I think it is time the Pentagon leveled with Congress and the American people.

And I think it is time Congress leveled with itself.

More weapons, defensive or offensive, do not necessarily mean more security. A vote for another weapon is not necessarily the patriotic or even the prudent thing to do.

It is not patriotic or prudent to vote for a costly weapons system which will provide very little security for a very short time.

It is not patriotic or prudent to vote for a costly weapons system of such technical uncertainty to meet an equally uncertain threat.

It is not patriotic or prudent to vote for a costly weapons system which will stimulate the arms race for the next decade—the reaction and counterreaction we are all so familiar with.

We are told on the Senate floor that "Clearly, we cannot discount the danger that these men—leaders of Russia—who are showing themselves unequal to the need for reforms at home, may make serious errors of judgment in their conduct of affairs abroad." Can the Russians think less of this country and this body, which after free and open debate would direct our wealth to build a costly, unneeded, unworkable weapons system.

I believe the Pentagon has failed to make its case that our deterrent is threatened or that the proposed Safeguard system is the best way to meet such a threat should one develop.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COOPER. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. COOPER. Mr. President, I believe the Senator from Missouri has made one of the clearest speeches on the subject that has been made in the Senate in this debate. It is analytical, well reasoned, and comprehensive. I think it has been made with such simplicity that almost anyone could understand and comprehend the involved issue.

The Senator is a new Member, and I think it is a great thing that those Senators who have come here this year have entered into the debate and contributed a great deal.

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Kentucky, and I take the word simplicity in the nicest sense of that term.

Mr. PERCY. Mr. President, I associate myself with the comments of the Senator from Kentucky. I think his statement is a concise, clear, and forthright statement that can be understood by every Senator and by the average American citizen who is deeply involved and concerned about the problem.

Would the distinguished Senator from Illinois' great sister State of Missouri tell me whether there are defense contracts in the State of Missouri that would be affected by the ABM system?

Mr. EAGLETON. One of the largest employers in our State is the McDonnell Douglas Corp. and the Douglas branch thereof, a merged corporation, would be one of the significant contractors for the ABM system.

Mr. PERCY. I know well the McDonnell Douglas Corp., and I know Jim McDonnell, one of the really great men of American industry. He, above many other men I know, has been responsible for the success of our space program.

I think this great company wants to produce what they are told to produce. I have never heard any sort of campaigning by them for any particular military system. They serve the interest of the Government and the American people.

I think it is rather interesting that, though the company headquarters are in Missouri and the company is affected by the ABM system, both Senators from Missouri oppose the deployment of the ABM system.

It is significant also that we have a proponent of the ABM system from the great State of Washington, a State that has no such contract.

So, clearly, self-interest or parochial concern is of no interest to anyone concerned, that I know of, in the debate.

The debate far transcends any interest in the military-industrial complex.

The matter concerns the question of where we put our national priorities, what is important, and whether we have a sufficiency of security and adequacy of protection for our national interest.

I think this debate has been greatly enhanced by the clear and forthright statement of the distinguished Senator from Missouri.

Mr. EAGLETON. Mr. President, I am very pleased to hear those fine remarks from the Senator from Illinois.

I hasten to add a footnote and an observation to make it abundantly clear for the RECORD that at no time during the many weeks this ABM debate has gone on, both directly and indirectly, has any amount of pressure, even the smallest amount of pressure directly or indirectly, been applied to me by any member of the McDonnell-Douglas Corp.

They are magnificent people. They are fine producers of excellent machinery, and they have let me make my decision for myself without trying to influence it by any parochial question which might apply with respect to that corporation's future profits.

I think the point brought out by the Senator from Illinois is an excellent point to have made clear in the RECORD.

Mr. President, I yield the floor.

Mr. MURPHY. Mr. President, I have been most interested in the presentation of the distinguished Senator from Missouri.

I have spoken on the matter on the floor several times. There is disagreement, and honest disagreement.

It seems that after all the hearings—and I am a member of the Committee on Armed Services—closed hearings and open hearings and all of the evidence received, we had to conclude that all concerned thought that we should have some defensive system.

I heard no one disagree with that.

I listened while some said this system would work, this system would not work, and this system might work. But all the scientific experts agreed, after questioning, that the only certainty as to whether it would or would not work would come after the components required to make the ABM system were assembled. In other words, it was necessary to construct one; it was necessary to put it together; it was necessary, as the President has asked, to deploy one.

Then some said that the system might not work. Almost all the experts agreed that all the component parts had been tested and that all of them worked. It was merely a matter of opinion, not scientific expertise, when they said they thought it might not work.

I have heard statements on end. One scientist in California told me that it had only a 14-percent chance to work. I asked him how he arrived at that, but he was not certain.

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 (Mr. ALLEN in the chair). The hour of 2 o'clock having arrived, the Chair must lay before the Senate at this time the unfinished business, which will be stated.

The ASSISTANT LEGISLATIVE CLERK. A 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. The question pending before the Senate is the amendment offered by the Senator from Michigan (Mr. HART).

ORDER OF BUSINESS

Under a previous order, the Chair at this time is to recognize the Senator from Illinois (Mr. PERCY). Will the Senator from Illinois yield to the Senator from California, so that he may conclude his statement?

Mr. PERCY. I am very happy to yield so that the Senator from California may finish his statement.

Mr. MURPHY. I thank the distinguished Senator.

THE SAFEGUARD ABM SYSTEM

Mr. MURPHY. Mr. President, I have heard opponents of the ABM system suggest that we could build additional intercontinental ballistic missiles, while at the same time they argued against an ABM system because an ABM system might encourage an arms race. This is the widest inconsistency I could imagine.

The Russians have said that they do not consider ABM as another step in the arms race to be an argument. They consider ABM as a defensive weapon, exactly as we consider their ABM system. I may say that the Russians have deployed ABM systems for a period of 3 years.

The matter of adding to our ICBM's has been considered, and it was a question, in my opinion, whether to do so would accelerate the arms race. It would create exactly the situation that we would want to avoid in the upcoming meetings between the President of the United States and the Russians.

We have heard of the simplicity of removing the radar of this system. I assure Senators that there has been much testimony by experts that would contradict such a proposal. It would not be that simple.

All the scientific experts with whom I have had a chance to speak—and they include the man who was actually placed in charge of the development of the space program, General Schriever—agree that there may be a better system someday in the future; that new ideas may be developed; that all sorts of knowledge may be obtained as a result of the moon shot. But at present, considering the present state of the art and the present capabilities, the ABM Safeguard system is the only one that is now available. They beg, very simply, to put together the component parts and make them work, to have a chance to build one, to take the bugs out; and if it does work, we will have a defensive system already built. This has been done not by the Department of Defense, not by the Pentagon, but by the President of the United States, who makes this request, simply and directly—and I believe practically—for the security and the future of our Nation. He has asked for it as quickly as he can get it, so that it will be on his side when he goes to the arms negotiation, in the hope of finding a way to come, at long last, to a means of limiting all armaments and, hopefully, eventually to get rid of all armaments.

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

Mr. MURPHY. So, Mr. President, I should like the RECORD to show that, after all the evidence and all the arguments, I am more convinced than I was at the outset—and I assure my colleagues that I attended with an open mind—that we need the ABM, that we can afford it, that it is the best possible protection at the present time, and that I believe the President's request for it should be acceded to.

Mr. SAXBE. Mr. President, will the Senator yield.

Mr. PERCY. I yield.

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

The PRESIDING OFFICER. Will the Senator yield for that purpose, without losing his right to the floor?

Mr. PERCY. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 9825) to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 9825) to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes, was read twice by its title and referred to the Committee on Post Office and Civil Service.

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 procurment of aircraft, missiles, navel 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 ABM DEBATE AND NATIONAL SECURITY

Mr. PERCY. Mr. President, for 4 months now, there has been a nationwide debate in our country over three letters: ABM. The public and public officials are engaged in a learning experience that is as complicated as it is vital to the future of our Nation. The Senate is learning in full view of all the people. It is learning to ask questions, make suggestions, and express its concern—not simply over the Defense Department's expenditure of $80 billion a year but also over the risks of war and peace that envelop that $80 billion budget.

The executive branch of our Government is also learning. It is learning how to answer questions in public that it never before had to answer. It is learning how to explain complex and classified issues so that the American people can better express their wishes. It is learning not to make its decisions without great care, and it knows as never before that it is going to have to justify them.

The results of this collective learning process are good and necessary. Inevitably, however, some confusion has developed as to what the debate is really all about. Unless the purposes of the debate are made clear, legitimate questions and answers will be seen as attacks and counterattacks while decisions on the merits of the issues will fall victim to wasteful political compromises. If the debate turns into mutual accusations about personal motives, we shall never get down to the facts. If we do not get down to the facts, if we do not reach agreement on whether it is necessary or prudent for the United States to begin deploying a nuclear ballistic missile defense now, we could find ourselves jeopardizing our national defense while adding nothing to our security—all at enormous cost.

Perhaps it is best to begin by making clear what the debate should not be about.

It should not be an attack on the so-called military-industrial complex. It is patently unfair to charge that our military leaders and the aerospace industry are conspiring to feed on fear in order to sell billion-dollar gadgets for profit.

The problem is with those who are still convinced that our safety lies solely and exclusively in more and newer weapons systems because "that is the only way to deal with the Russians." If the public has not been well served, it is not because of these men. It is because so many have sat silent for so long without asking the hard questions.

Nor should this debate be a disguised attack on President Nixon. The President's performance in his high office has received, and I believe justly, widespread popular support. The support certainly includes the President's handling of foreign affairs.

Specifically, with respect to national security policy, he deserves the highest praise for his reformulation of U.S. strategic doctrine. The President has stated:

> The only way that I have concluded that we can save lives, which is the primary purpose of our defense system, is to prevent war, and that is why the emphasis of this system is on protecting our deterrent.

He has rejected a heavy city defense because it "tends to be more provocative in terms of making credible a first-strike capability against the Soviet Union." In his April 18 press conference, he said that he did not want to put any American President "in the position where the United States could be second rather than first or at least equal to any potential enemy." His Secretary of State has made it quite clear that the administration is flexible to the extent that "if the U.S.S.R. wants to go out of the ABM business, we can, too." The Nixon doctrine should be admirably suited to decisions which can brake the spiraling, dangerous arms race.

The ABM debate encompasses three objectives:

First, to determine and reorder national priorities;

Second, to subject the defense budget to the same kind of scrutiny as other appropriation requests; and

Third, to explore whether a unilateral decision on the part of the United States to deploy ABM's now on the eve of negotiations with the Soviet Union on strategic arms limitations, makes any sense.

We must examine our national priorities. In the light of our tragic Vietnam experience and because of growing civil disaffection, we are trying to seek out a new and proper balance between our domestic and international goals.

We cannot have a meaningful debate on priorities, we cannot set a meaningful national-international balance, without giving careful attention to the $80 billion defense budget, an expenditure which would constitute fully 60 percent of the Federal budget over which Congress can exercise discretionary action.

The specific focus of the ABM debate is whether we need to deploy it now, later, or not at all.

The administration's position is that we must begin deployment now.

Some critics are determined never to deploy.

My position is that I favor not going forward now, both because I strongly believe that it is in the national interest to use the time to improve the design, and because we can make a better decision regarding deployment later, in the context of arms limitation talks with the Soviet Union.

This debate does not rest on whether the proposed system will provide effective protection for our deterrent strike forces, though scores of scientists believe that it does not.

This debate does not rest on whether the Soviet Union or Communist China has embarked on a strategy which will enable either nation to attack the United States with impunity by the mid-1970's. Such a strategy is unrealistic and would be suicidal. Rather this debate rests on our hopes, and the hopes of all mankind, for a genuine and lasting peace. For if we mean to have peace then we must recognize the futility and the danger of military strategies which have no regard for global politics.

Now is the time to take the initiative for peace.

Now is the time when we possess the ability to launch a devastating attack upon any nation that would dare to strike us first.

Now is the time, before deploying a new generation of strategic weapons, to try to prevent a situation whereby the Soviet Union would be compelled to escalate their own weaponry.

Certainly we can accept President Nixon's dictum that we must not be in an inferior strategic position to any other power. We must have the power to deter aggression against our country. And we do have that power. We must have the will then to use our power should any aggressor attack us. And we do have that will.

Our second-strike capability is so awesome that we can safely decide not to deploy Safeguard at this time. Those who want to deploy now say the two Minuteman wings need to be protected by late 1973, and, the whole system should be operative by the end of 1975.

These timing requirements are based on the prediction that the Soviet Union will develop and deploy all they are capable of, regardless of cost. Secretary

Laird's estimate is that, by 1975, the Soviets could have as many as 2,500 ICBM's compared to our 1,000, while exceeding our total of 41 Polaris submarines, and deploying as many as 2,000 ABM's relative, to say, the 1,000 projected under Safeguard.

It is the opinion of almost all Soviet watchers that the Russians are not seriously contemplating the vast expenditures that this estimate would entail.

Indeed, it is hard to believe the Russians would expect that they gained anything after having done so. But, let us nevertheless assume they will do so by 1975, and let us further assume that Safeguard will, in fact, provide a significant added measure of deterrence and protection against such a threat. Does this mean that a year or so from now it will be too late to make the Safeguard decision? In my judgment, it does not.

Our scientists and engineers have given us an alternative. Simply stated, this alternative involves continuing present research and development, engineering and testing and evaluating an ABM system. If we did only this now and if we were also willing to spend a reasonable additional sum of money to meet a shorter deadline, we could still do all that Safeguard advocates desire and have it in operation by 1975 if that course appeared necessary.

In addition to the fact that we have time before we have to make these decisions, there is a second and more basic point that calls for delay. We can make a better decision later. A postponed decision would be better on two counts:

First, it would give us a chance to take the measure of the Soviet Union's intent in arms talks;

Second, it would allow us the time to make necessary improvements in Safeguard technology and strategy.

Most of the ABM debaters understand quite clearly that the United States and the Soviet Union now each has sufficient forces-in-being as well as the technology, additional resources, and the will to compensate for or to negate new strategic deployments by the other side. Whatever we do, they can match, and whatever they do, we can match. This is the basic point governing the futility of the strategic arms race. What has not been made clear by this debate is the conclusion to be drawn from this mirrored capability. The operative conclusion is that neither Washington nor Moscow can make sensible strategic decisions unilaterally.

I am not saying that arms control talks will solve all our problems. But I am saying that these talks may indeed constitute an important initiative for moving further away from a nuclear holocaust. And, moreover, I am saying that what we will learn from those talks, and what we will fail to learn, will help us make better strategic decisions.

For example, we have announced over the last few years that our Minuteman force will stabilize at 1,000 missiles. Secretary Laird claims that the Soviets have the capability for a fixed land-based force of 2,500 by 1975. We should ask the Soviets how many they intend to build, and we can check their answers accurately over a period of time by counting the ICBM silos they construct. We can test their intent regarding a ballistic-missile-defense system. Is it in the interests of both nations for both to deploy an ABM system? Or is it better for neither to deploy?

If Moscow is willing to talk numbers and needs in a mutually reciprocal context, if each side talks about what it believes deterrence requires, then a great deal of the speculation and uncertainty that make both want more and newer weapons can be dissipated.

Mr. MURPHY. Mr. President, will the Senator from Illinois yield for a question?

Mr. PERCY. I yield.

Mr. MURPHY. The Senator asked the question, would it not be better for neither side to deploy ABM's? Does not the Senator have the knowledge that the Russains have already deployed an ABM?

Mr. PERCY. Yes, they have deployed it, as I understand it, from the intelligence reports I have, but they have considerably slowed down or even stopped deployment of the system. They may have stopped. But the slowdown may be for one of a number of reasons. They may have decided to abandon the whole project as worthless, as we abandoned the idea of Sentinel. They may have decided to go back into research and perfect a better system. That is exactly what the opponents of deployment are now suggesting we do about the Safeguard system—that we perfect the system for to have the capability, but not to deploy it now.

Mr. MURPHY. The Senator gave the impression that there was a balance between what the Soviets had and what we had, but that neither should go ahead with the ABM. I merely rose to point out that they started their deployment 3 years ago, and they have quite a few already deployed around Moscow. The reason for the slowdown is the uncertainty, so far as my information goes, and to improve it, or they may have found out it is not successful—hopefully—but I do not think there has been an exact answer as to the reason for the slowdown. The point I want to make is that the Russians do have an ABM already deployed and we do not, and that is not exactly what the Senator is saying.

Mr. PERCY. The Senator is not suggesting that we should adopt a policy that whatever the Russians do, we should do. I do not suggest that kind of policy. If they make a bad mistake, I am realistic enough to believe that there is no reason for us to go ahead and make the same one.

Mr. MURPHY. The Senator's premise is not very logical. I did not suggest that whatever they do, we do.

Unfortunately, a false premise leads to a false conclusion and it gets developed; and sometimes the main thrust of the discussion gets lost. My point in rising was to emphasize the point in the Senator's remarks that the Russians have the IBM. As a matter of fact, they have another system which is deployed all over the Soviet Union that we think is built for another purpose. So that actually they have two, and we do not have any. That is the reason I do not believe we should react to everything the Russians do. Certainly, I do not think that. We worry about how many warheads they have as compared to how many warheads we have.

I think the main thing is to be conscious of the fact that within the past 5 years we have lost a distinct military advantage. I do not think anyone will argue against that. It is my opinion that as long as we have a distinct military advantage, as long as the character of America and the policy of America is known; namely, that we are not going to attack anyone, or start a war, that we insure a great degree of safety for the security of our country.

On the other hand, we know historically from what the Russians have said, to my knowledge, going back 30 years, every time they have had a meeting lately—I should not say the Russians, I should say the Communists—the Moscow Communists, the Peking Communists, and the Castro Communists—that they all seem to wind up with the main theme, "We must destroy America. We must destroy imperialistic America."

We are not imperialistic. However, we have won the door prize. In a closed society like a dictatorship, it is always necessary to have a "heavy," a "bogeyman"; someone to scare everyone with. "You do what I say, or else."

We do not have that in our society. It is not in the character of the American Nation. I believe that those charged with the security of our Nation are making certain that we are able to do whatever is necessary to protect the safety of the Nation. I do not believe we should be negligent. Where there is a question of making a mistake, I think we are bound to make that mistake in favor of the safety of our country and not in favor of, maybe, saving a few dollars, or giving some scientists a few more months to do research work. All the scientists have agreed that in the present state of the art, this is the only system. They all say we can find a better one. I am sure that we can. I would hope that science would find one so much better we would never need to continue with another—hopefully this would be a lot less expensive.

I would hope more than that. I would hope the President of the United States would be more successful in his meeting with the Russians. I would hope they would come to an absolute agreement and say to us, "Don't you build an ABM or don't you build any more ICBM's and we won't build any more."

I think we would all be very pleased if that happened. But as long as they continue to inveigh against us, as long as they use us as the target, as the design, for destruction, I think we have to take them at least partially at their word and be prepared to think perhaps they mean it.

I can remember some years ago I bought a book for a dollar. It was called "Mein Kampf." It was written by a madman in Germany. I read it. I told some people about it. They thought I had lost my mind. When I read it, I believed that man meant what he said. He did. Look at the terrible trouble he caused. If we had listened to him in the beginning, if we had taken proper precautions in the

beginning, if the people in his country had been careful in the beginning, the chances are he never could have created the great destruction he did.

This is the only reason for the debate. I, as the Senator knows, have the greatest regard for my colleague. He and I together would like to see the solution of these problems. But I must keep to the point in making the final decision. From what is factually clear and correct as I have been able to hear the facts in all the hearings before the Armed Services Commitee, both open and closed hearings—and the distinguished Senator from Missouri, referred to the closed session of the Senate which took place—we must be realistic and deal in facts. If we had done that in the past in our dealings with the Soviets, we would not have had all this trouble. When we do not deal in facts, they lose respect. They think we are silly. I dealt with them for many years as an adviser on the cultural exchange. It was exactly the same kind of negotiations. They would ask 5 for 1, and settle for 3 for 1. They told us they would have to get more in return, because they would be in trouble when they got home.

That is the trouble with a dictatorship. Two fellows are watching the first fellow, and four are watching the other two, and it all piles up, so nobody makes a decision because they are fearful of making a mistake. That is the trouble. They lost about 7 years in the development of the country. I have watched them.

Mr. PERCY. Mr. President, I am glad to yield for a question——

Mr. MURPHY. I did not mean to make a speech. I got carried away.

Mr. PERCY. I may have trouble sorting through all the Senator's comments to find a question, but he made one important comment——

Mr. MURPHY. The question was this: I thought my colleague had said that neither the Soviet Union nor the United States should build the ABM system. I merely wanted to point out that the Soviet has already built and deployed its ABM system. The Soviets have quite a few of them around Moscow. They have another system, which is around the country, which we think is aimed perhaps at our Tactical Air Force.

Mr. PERCY. I very much appreciate my colleague's repeating the question. I will try to respond to it, because he made another very important comment, that we should try to deal with facts in this case.

It is true that there is a beginning, and it might be or it could be the end—we do not know—of an ABM system around Moscow. The system is limited to Moscow. All the military authorities I have talked with in our own Department of Defense feel it presents no real problem to them whatsoever. They can saturate it. They can penetrate it very easily. Probably that is recognized by the Soviets.

Mr. MURPHY. I would just like to know how they propose to saturate it. I have not heard that.

Mr. PERCY. By penetration. If they have 67 ABM's, we send over 68 ICBM's. When they have sent up their 67, they have exhausted their supply.

Mr. MURPHY. In other words, our military experts have told the Senator that the Soviets have an ABM system around Moscow containing missiles, and we can send one missile over to destroy it?

Mr. PERCY. We can send one additional missile beyond the number of ABM's they have deployed. It is just simple arithmetic. In fact, I do not have to go so high.

Mr. MURPHY. There is more than arithmetic involved. I assure the Senator that if we have an ABM, they cannot send one missile plus one missile to destroy our ABM. I am not sure that is disclosing any secret, but I assure my colleague that is a fact.

Mr. PERCY. Does my distinguished friend from California doubt the accuracy, the power, or the will to use that power on the part of our Defense Establishment? Does he doubt the second-strike capability that we have in this country?

Mr. MURPHY. I do not doubt the second-strike capability. What we are talking about, and the whole purpose of the debate, is to protect the second-strike capability so that we may have a second-strike capability, so that if somebody attacks us, we may be able to respond. That is what the ABM is all about. That is what it is for. It is not to hit anybody else. It is to destroy incoming missiles that would destroy our second-strike capability.

I must tell my distinguished colleague that I am forced to leave the floor. I dislike to leave. I will hurry back if I can.

Mr. PERCY. I would like to comment on one other aspect, to be as factual as we can, and that is what respect to whether or not the Soviets have an ABM system deployed around the U.S.S.R. beyond Moscow. It is my understanding that whatever they have is an antiaircraft system. What we thought was an ABM system around Leningrad turned out not to be an ABM system, but an antiaircraft system. We have an antiaircraft system deployed, as they have, but theirs is just as obsolete in the kind of warfare we are talking about and trying to avoid as is our own defense, covered by snow and Arctic wastes, which is useless against the type of missile attack which might be made against us.

Mr. MURPHY. If my colleague will permit, when I spoke of the second system, I was not speaking of an antiaircraft system; I was speaking of the Tallinn system, which is not really an antiaircraft system. It is an antimissile system. But I have been advised that we think that may be targeted against our strategic aircraft.

The defense of both countries, strangely enough, is laid out in three elements. It takes in the land-based system, the ICBM's; submarines, which they are building at a much faster rate than we are; and the manned bombers. They have some "dandies," there, too. They have medium manned bombers that are excellent, and they have airbreathing missiles that can stay up a long time. So things are not as happy as they were 5 years ago, and that is why I am concerned.

I thank the Senator for his patience.

Mr. PERCY. Mr. President, just to complete my own comments on these pertinent questions, it is my understanding—and I would stand to be corrected if I am wrong—that there is not an ABM system deployed around Russia; that there is an ABM system that has not been completed around Moscow; but Dr. Foster, head of research and engineering in the Department of Defense, in hearings before the Senate Armed Services Committee, said that we have already targeted the Moscow Galosh system out of existence. I think that testimony from such an authority in the Department of Defense is adequate to answer whatever questions have been asked me by my distinguished colleague from California.

Let me continue my comments.

The fear of the unknown, whereby a nation must attempt to plan for all eventualities, would no longer be a telling argument for escalation of the arms race. If, on the other hand, Moscow delays or refuses this kind of dialog and exchange of information, we would conclude the worst about Soviet intentions. We would then be in a position to make decisions accordingly based on knowledge, not fearful speculation.

Quite apart from arms talks with the Soviets, there are some basic engineering questions that indicate the value of delay. There is strong evidence to believe that the Safeguard is not the best system we can devise to accomplish its stated purpose. Here let me simply repeat some uniform concerns of the most qualified U.S. scientists and former high Pentagon officials—concerns which have not, to date, been adequately dealt with by the Pentagon.

Since the Sprints would be blinded and inoperable if the MSR radars were destroyed, how can we first deal with the problem of MSR vulnerability? Do we need hundreds of Sprints just to defend these radars? Should we seek to find new ways to harden these close-in radar sites? Should we disperse from one radar to a multiplicity of radars?

What can be done generally about Soviet saturation tactics? If the Soviet Union does expand its missile force, add multiple warheads and then MIRV's, thus having several thousand separately deliverable warheads, how can only "several hundred" Sprints, now visualized under Safeguard, hope to defend our ICBM's successfully.

These are only a few of the dozens of questions that have been raised by the scientific community regarding the improvement of the Safeguard system. These questions need answers before deployment.

This is one way of stating the case for holding off a decision, pro or con, on deploying Safeguard now. Specifically, I am opposed to a decision that begins the process of starting to gear up for full production of a missile defense system in the United States now. Once any part of this system is begun in the United States, the decision is taken out of our hands—the inertia of military weapons systems dictates that the whole system will inevitably be deployed. And will be deployed regardless of the success of the arms talks and regardless of what the Russians do. Any deployment in the

United States may make a sham of the arms control talks.

I say this despite Pentagon statements about annual reviews and phasing decisions.

I say this because the Pentagon has unequivocally told us that the full system will be deployed "as the Chinese ICBM threat continues to increase."

I say this because that would put us right back in the game of building an ABM system for defense of cities which President Nixon says would be very provocative and destabilizing, and which scientists in and out of the Pentagon believe cannot be effectively provided and would be wasteful.

I am not prejudging the ultimate decision on ABM's. Circumstances might dictate ultimately that we all would support a workable and well-thought-out missile defense system in time. I would be in favor of going ahead with a U.S. missile defense system—hopefully a better system than Safeguard—if the Soviets insisted on deploying a more significant one of their own and we were convinced of its value. We could not afford to let the Soviet Union get that kind of technological jump on us without responding in kind.

It is because of these considerations that the Congress has struggled with the decision on ABM. The ABM debate has not been a foolish one with all the truth on one side. The unfortunate aspect of the debate is that we are trying to settle it all now.

Richard Nixon, as our President and Commander in Chief, has a real responsibility for the Nation's defense, for not taking unnecessary risks with our security. He faces great new uncertainties in the strategic nuclear balance of power. These uncertainties breed fears and demands that are difficult to assess and resist. Both the United States and the Soviet Union are on the verge of being able to deploy a whole new generation of strategic weapons.

We do not know with certainty what effects these new weapons will have on the system of mutual deterrence, that balance which prevents holocaust and keeps the nuclear peace. We never will have this certainty. President Nixon himself made this clear with his own statements on strategic doctrine and with his concept of "sufficiency." What we need is enough, not necessarily more and more. We cannot eliminate risks to ourselves without increasing risks to others. If others are placed in greater jeopardy, they will react from fear, just as we are being entreated to do.

In regard to Safeguard, there is merit to President Nixon's desire to maintain the retaliatory capability of our Minuteman force. This is part of a very sensible doctrine that seeks to maintain separate retaliatory capability in each of our major strategic force components—land, sea, and air. It may well be too risky to place our deterrent capability solely on any one component. This, in turn, means we may have to do something about the potential vulnerability of our Minutemen. But the Pentagon has far from made a convincing case that the sole answer to this problem is to deploy Safeguard now.

Just as the President has responsibilities and problems, so does Congress. We have responsibility, with the President, to determine the Nation's needs and priorities. This should be a cooperative, not a competitive, process. In fulfilling our responsibilities to the American people, many in Congress are simply not convinced that Safeguard, just as we were not convinced that Sentinel, is either right or necessary at this time.

Because our doubts and our questions have not been answered satisfactorily or convincingly, many of us—which may well be a majority—will have to vote our judgment and conscience against Safeguard.

But this is not the way this decision has to be made. There is no need and nothing to be gained from an outright confrontation between Congress and the President. There is a middle ground which does not compromise national security. Indeed it enhances the future security of this Nation.

First, we should not make the decision today that would commit us to deployment of an ABM system in the United States.

Second, we should begin arms limitation talks immediately and make the next round of ABM decisions based on what we learn or can agree to at these talks.

Third, we should continue with research and development, engineering, testing, and evaluation. Speaking for myself and not for my colleagues, I would also approve the preproduction of long leadtime items such as radar components and computer software.

Fourth, we should take steps to deploy a full unit of an improved ABM system at Kwajalein.

This approach would allow us to meet any contingency in the middle and late 1970's. It would keep necessary vital technical personnel together, working as a unit, and it would enable production lines to be readied for a more proven design. It would also allow for fuller testing—which deployment in the northern United States would not. This approach would make the curtailing of the arms race feasible without incurring any new risks.

At the same time, I would like to renew the proposal for a mutual moratorium on MIRV testing, a proposal in which I joined with the Senator from Massachusetts (Mr. BROOKE) and 40 other Senators of both parties. I believe firmly that the only way to remove the threat that derives from multiplying numbers of deliverable warheads and increasing their accuracy is for both sides to agree to stop testing them. We did achieve an agreement to prohibit atmospheric testing of nuclear weapons. We did achieve an agreement with the Russians to also prevent the proliferation of nuclear weapons to other countries. This is the next logical step, and should be the first order of business at the arms talks.

Mr. President, I should like to point out one deep concern that I have, in which I am joined by many others in this body.

We can accurately determine whether the Russians, and they whether we, are testing a MIRV. But once it is tested, designed, produced, and deployed there is no way that we can inspect adequately the integrity of a limitation agreement without on-site inspection.

I think from our past experience in negotiating we know that this presents an exceedingly difficult problem. I would not consider very useful an agreement that would not be in our mutual self-interest, an agreement that could not be clearly understood, or an agreement that could not be clearly enforced.

We know now that neither an offensive nor a defensive weapons system can be deployed without detection, either by the Soviet Union or by ourselves. We would know if they were cheating, and they would know if we were cheating. The technology and scientific capacity we now have for satellite reconnaissance insures the integrity of such an agreement.

Yet we could not ensure the usefulness of our current means of detection once MIRV had been deployed. This is why the urgency for a mutual—and I say mutual, not unilateral—agreement is the highest order of priority in an arms limitation talk.

And this is not the time to commit ourselves to production of an ABM defense system. If the great debate that has taken place throughout the land has proved any one point, it has proved that now is not the time to expand the world's nuclear arms race. It has proved that both the time and opportunity for further steps toward peace may coincide. We should make every effort toward this end, and take steps that will in any way endanger the possibility that we have today of coming to accord and mutual agreement so that we may stop and arrest the arms race in which both nations are now actively and wholly engaged.

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

Mr. PERCY. I yield to the Senator from California.

Mr. MURPHY. Mr. President, does the Senator have knowledge of whether the Russians have tested MIRV?

I am trying to establish whether the Russians are ahead of us in the matter of testing, adapting, and employing MIRV.

Mr. PERCY. I presume that we both are at a stage now where we are pushing ahead rapidly. I presume they have certainly done some research, development, engineering, and testing, and so have we.

Mr. MURPHY. Have we tested MIRV, to the knowledge of the Senator?

Mr. PERCY. I assume we have done a great deal of design, engineering, research, and development. And as a matter of fact, from my recent experience on a Polaris submarine, there seemed to be no hesitation in their capability for going ahead with the Poseidon.

Mr. MURPHY. Mr. President, I have no knowledge that we have tested an operational MIRV. I do have knowledge that it is believed that the Russians have tested MIRV.

I therefore suggest that they might be a little ahead of us.

The Senator spoke about arriving at a treaty controlling nuclear testing in the atmosphere. I wonder if the Senator recalls the circumstances preceding that treaty when, during the time that the treaty talks were going on, the Russians did test in the atmosphere and did take advantage of our trustworthy nature and did gain a tremendous advantage and knowledge and did a great deal to change the balance because of that testing. Is the Senator aware of that?

Traditionally, we find that our country is asked to slow down and not take the initiative. I know that we had MIRV available to us 6 or 7 years ago. For one reason or another, it was pushed aside by the then civilians who made those decisions. I believe that Secretary McNamara was responsible.

I am just as hopeful as is my distinguished colleague that the day will come when we will not have to worry about these armaments.

I must point out, however, that the ABM is not a move in the arms race. It is a defensive weapon. It can never be made into an offensive weapon. The Russians know that. They have said so. As a matter of fact, when it was first indicated that we might go ahead, they immediately said, "Let us sit down and talk disarmament."

This is perhaps the way we should approach the matter. Maybe over the years we have been dealing with them in the wrong way. I know that history is replete with the story of people who have tried to deal with the Soviets from a position of weakness. They have accomplished very little. However, people who, from time to time, have had a confrontation with strength backing up their design—as we had in Greece, Lebanon, and Cuba—always seem to be able of accomplishing something.

I wonder if perhaps that is not the way they would rather have the meeting take place.

I am sure of one thing—and I know that my distinguished colleague will join me in this—that I do not think he nor I nor any other Senators have thought of anything or any condition or have as much scientific or technical knowledge of the matter as has the President of the United States.

I always come back to that same point. I know of the sleepless nights spent worrying about the matter. We have to be right. A mistake in this matter could be absolutely vital to the future of our Nation.

I am sure that the President finally came to the conclusion that, in his best judgment, he wanted to have a Safeguard missile, he wanted to be able to protect our second-strike capability so that in the event anyone got a crazy idea that they wanted to attack us or in case anyone made a mistake or there was a misfire, we could destroy the incoming missile before it would do any damage.

He decided at long last that this was what he wanted. That is his responsibility. He has that responsibility in the name of a majority of the people of this country.

I think that in the event there is any question, this fact ought to weigh very heavily in making the final decision. It is his job. Our responsibility is advice and consent.

Actually, our job is also to debate the bill and then act on the bill that we worked over in committee to supply an amount of money, not for policy, but for procurement, to supply the funds for the armed services to buy the things they need, pay the salaries, and keep up the installations.

The debate became part of that. However, in the bill, if that is all we are talking about, there is a matter of less than $800 million involved.

Some have said that once we start, we can never stop. I can. I have stopped a lot of things. We can stop the day we decide to do so. As a matter of fact, the President in his request provided for exactly that. He said that at the end of the year we will look at the matter, and if we do not need it, we will stop it.

If the negotiations are successful, we can stop it then. We should not even start it, if the negotiations are successful before we start. We should not go beyond that point.

I point out that if we do not start it and start it now, the best advice I can get is that we would lose 2 years before we got to the actual finished product. And those 2 years, in the judgment of those in the top jobs of Government, we cannot afford to waste at this time.

Mr. PERCY. Mr. President, with respect to MIRV testing, it is my understanding that half of the MIRV tests have been completed by us with positive results. The Soviets have tested, to the best of my knowledge, MRV. We are ahead of them in MIRV.

As to whether we would be dealing from strength because of having gone into the production of a weak ABM system, I do not see that that argument is particularly strong. I do not think the Soviets would be greatly impressed if we were to go into production on it.

If we wanted to expend our resources in that way and have a low level in our defense systems, I do not think it would be particularly worrisome to them, any more than we should be particularly worried by the so-called ABM system they have deployed in part around Moscow.

I feel it would be a great mistake for us to just simply say that they have one and, therefore, we have to have one and had better rush into production, no matter what the vulnerability of certain parts of the system is and no matter what the weakness of that system may be.

We have talked a great deal about MSR. We might well talk about the electrical power that will operate this particular system, and we might get into that at some point in the future.

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

Mr. PERCY. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, I thank the Senator for his very able address, to which I have listened with close attention.

I have not found a way, vocally, to distinguish with any distinction—in the pronunciation, at least—between MIRV and MRV. The best pronunciation I can give to either is "MIRV." Some distinction will be found in the testimony of Secretary Laird, beginning at the bottom of page 45:

> MIRV is certainly something that is negotiable as far as any arms limitation talks are concerned. It is true the Soviet Union has gone forward with testing of multiple reentry vehicles, and we are going forward with testing MIRV-ed vehicles. We do not plan any deployment of multiple reentry vehicles until [deleted].

I wish to point out, for the benefit of the RECORD and for the benefit of the senior Senator from California, if he should need such information, that in this statement the Secretary of Defense make a clear distinction between multiple reentry vehicles and the multiple independently targeted reentry vehicles.

I think I have heard all the intelligence briefing before my subcommittee—indeed, I know I have. No evidence has been presented to my subcommittee that the Soviets have tested any multiple independently targeted reentry vehicle. They have tested some MRV's which fell in patterns which contain some interest to some people. On the contrary, the United States has tested, as the Secretary has said, MIRV weapons. So in this category the United States is far ahead, as the United States is far ahead in many other respects.

So if it comes to negotiating from a position of strength, I do not know how we could reasonably assume that the United States would be in a more advantageous position next year or the year after or any other time in the future. Indeed, as I tried to say to the Senate on Tuesday, the United States and the Soviet Union, though not on a basis of equality in destructive capacity, are on a basis of equality in one respect—they have the capacity to destroy each other several times over.

Now, when two nations are in such a juxtaposition, does the Senator know of any measure of their mutual security so great as an understanding on the limitation of further deployment and possible use of nuclear weapons?

Mr. PERCY. I think the distinguished Senator has brought out an exceedingly important point, and it is a point that I really tried to get at in my speech.

In the remarks I made, I tried to separate those who are just for deployment today, those who are for having the capability to deploy but who are against deployment now, but are for continuing research, development, testing, and so forth, and those who simply—and I think we should categorize them and isolate them—are against doing anything with the Soviet Union "because you cannot trust the Russians." If that is their philosophy and if that is their approach, then I think they clearly should stand up and say: "We oppose the President of the United States on this policy matter. We oppose the Joint Chiefs of Staff, the Defense Department, the State Department, and everyone else, because we are against negotiating with the Soviet Union."

Let them then not hide behind this general opposition or general proposition of deploying the ABM. Let us argue

that out, on whether or not, as a matter of national policy, we want to sit down and see whether we have a community of interest in stopping the arms race.

As I understand the President of the United States, he has clearly said, "I am willing to sit down and negotiate." In fact, he set a date and said he would be flexible as to where those talks are to be held. There is no question in my mind that MIRV and ABM and other nuclear offensive and defensive systems will be on the agenda. This action has been approved by the National Security Council.

As to those distinguished colleagues and friends of ours who simply are going to fight any attempt to agree with the Soviet Union on anything, we should clearly have them isolated in one separate category and separated from many of their colleagues—the vast majority in the Senate—who feel that it is utter madness for us not to see whether we do not have a community of interest.

I should like to ask a technical question of the distinguished Senator from Tennessee, because he has participated in all the discussions that have taken place before the subcommittee of which he is chairman.

Is it not important that we reach a mutual agreement to cease the testing, because once we have finished the testing, design, and development, and begun the production and deployment of MIRV, we would then require on-site inspection, and our present methods of satellite reconnaissance would not be adequate to insure the integrity of the agreement? I believe, and I believe that he believes, we should have agreements with the Soviet Union, the integrity of which can be preserved by our known technology.

Mr. GORE. In reply to the distinguished Senator, I wish to refer once again to the statement of the Secretary of Defense that "MIRV is certainly something that is negotiable as far as any arms limitation talks are concerned."

So the answer to the Senator is affirmative, in the view of the senior Senator from Tennessee, but affirmative in the view of the position of the administration, also.

(At this point Mr. SAXBE assumed the chair.)

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

Mr. PERCY. I yield.

Mr. JAVITS. I came in at the end of this discussion, but heard both arguments.

I believe it is important to emphasize—and I should like to check with the Senator from Illinois, who I know has made a very fine and thoroughgoing speech in defense of our position—that there are two separate ideas here, both very valid.

I like very much Senator PERCY's concept that if you do not trust the Russians, then make no agreements with them at all, and you do not have to trust them to make an agreement. We just have to look at the history of previous agreements to which they have agreed to see whether they have stuck by them. They horse around in a big way and will take us any time they can when there is no agreement; but the disarmament agreements, like the nuclear nonproliferation and the testing in the atmosphere, have been observed, as have others.

There is another thought in what the Senator from Tennessee has said, which I would like to confirm, and that is the question of risk. I spoke on that yesterday. I debated it with the Senator from Texas (Mr. TOWER).

The question is, Which is the greater risk? We are not saying that there is no risk in not deploying; but we say the greater risk is in deployment, rather than in nondeployment, because we are so far committed without a commensurate benefit that we lose on the exchange and the hope of freezing the nuclear arms race at this point.

The question I should like to ask the Senator is this: The argument made against that point, which both Senators made and which I made yesterday, is that suppose the people who argue that way may be correct. It may very well be that there is a great difference in risk between the two, but the Russians say that they do not care if we deploy or not. Therefore, they are not going to be inhibited by a consideration of whether we deploy or not. Therefore, the situation will be in the same position if we do not deploy.

I wish to ask this question. Is not the difficulty with that argument, "Sure, the Russians are being very conservative. They are operating the same way. They have their hands in the same cookie jar. Their leaders are doing exactly what we are doing."

Somebody has to have the enterprise to lift this whole operation above that mundane grocery store level—without any disrespect to grocery stores—but everybody is thinking the same thing: Arms under the sea bed.

I wonder if the Senator would care to comment.

Mr. PERCY. I am not a Soviet expert but I have talked with them as I have with our national leaders as to whether or not we have a mutuality of interest here. The best information I have is that the Soviet Union finds that when they are spending a high proportion of their gross national product on defense systems and strategic systems that they are feeling the effect. They have people who want more and more consumer goods. They have all these unmet needs such as housing, automobiles, or whatever it may be.

As they look at Eastern European countries, particularly the window on the West, and into Western Europe, they see great dissatisfaction on the part of the people if they are not provided what they have come to expect all these years.

They have a great mutuality of interest because they know if they continue the race we will have a greater offset because we have a greater capacity to produce. They can simply appropriate the money without having the matter debated in Congress, but they do know they have to fulfill the promises they have been making to the people for some time. They have a great community of interest.

We could offset each other by the actions we take and continue the race and build and build and build; but I cannot feel any safer with all the weapons we have built in the last 10 years than I did 20 years ago. In fact, the reign of terror is substantially greater. I think it is time we deescalated. However, someone always says, "Let us try this new system we have. We have an ABM that we would like to produce. We have a MIRV that we would like to produce." Then, the other side will say, "We have another system we would like to produce." When is this race going to end?

Mr. JAVITS. Never.

Mr. PERCY. The time is now. There is a great mutuality of interest. As I listened several days ago to the distinguished Senator from Washington, (Mr. JACKSON), I was afraid when he was speaking that he was really leading up to saying, "You cannot trust the Russians and, therefore, do not negotiate." I was exceedingly pleased at the end of his analysis when he said, "Of course, I want negotiations; we all want negotiations."

I was very interested yesterday in listening to one of the proponents for the deployment of the ABM, the distinguished Senator from Idaho (Mr. JORDAN), a revered and respected colleague. I have now read every word of his statement because I have tremendous respect for him. Both of us serve on the Joint Economic Committee. He said:

> The most compelling need of the present times is to stop this devastating nuclear arms race. This is a long, hard road—but like any long journey, it must start with a single first step. That first step is serious negotiation by the principals at the bargaining table. Whether steps to deploy a Safeguard ABM system would advance or retard negotiations is again a matter about which the experts disagree. Frankly, I do not know. The President thinks we need the start that this bill gives us and he thinks we need it now. He thinks we are protecting valuable leadtime should negotiations fail. Personally, I might be willing to take that "risk for peace" which proponents endorse.

I repeat once again that the safety of this country depends on two things: our capacity to retaliate against anyone who deals a first strike, and our willingness to use that capacity and strike if we have ever been struck. Let the Russians or the Chinese never doubt that we have the capability—no matter what they throw at us—to devastate them and that we have the will to do it should they dare strike against us. With that sufficiency on our part and, I presume, a sufficiency on their part, is not today the day to say, as the Senator from Washington and others have said, that we have a basis for agreement?

Mr. JAVITS. I agree and the way to do it is to say that we propose to move in view of the proven fact it does not jeopardize our security.

Mr. PERCY. Mr. President, I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I wish to thank the Senator from Illinois for a very thoughtful discourse today and to note that his discourse is based not only on his long experience in business affairs and his experience as a Member of the Senate, but it is also based on the experience he has had as an industrialist and businessman in a highly technical industry which has given him insight into this very difficult and complex situation, which is denied a great many of us. I appreciate the leadership he has

taken and the time he has taken today to wrestle further with this very difficult problem.

In the last few minutes there has been reference by our good friend, the Senator from California, and in the quotation which the Senator from Illinois just read from yesterday's debate with respect to the role Congress should play in this matter. The Senator from California—and I regret he has temporarily left the Chamber—said the primary responsibility lies with the President to make these determinations; that the President spends many sleepless nights.

I think we all appreciate the tremendous burdens that rest on the President in matters which relate to national security. I do not think anybody in any way can diminish the role of the President as Commander in Chief of the armed services and in connection with the security of the United States. I do not think anybody in any way wants to pretend that this tremendous burden is not one that is very heavy for any man to bear.

However, this is the point at which not only do we have to be clear ourselves but I think also the country has to be clear. I was at a meeting last night, and I think it is all too easy for people to fall into the frame of mind that if the President wants it it is automatic that it has to be that way.

That is not the way the Constitution says it. In article I of the Constitution, section 8, it states that the Congress shall have the power to provide for the common defense. As if to underscore this power of the Congress and the discretion vested in Congress, the same section further provides that Congress shall declare war and do various other acts in relation to the armed services.

I do not say this in derogation of the President's powers in this area, but merely to emphasize that we have a role to play here, which is not to rubberstamp, not merely either to approve or veto, but to make a subjective judgment.

That is what the Senator from Illinois, I think, has done. He has made a subjective judgment which weighs not just the mere question of cost, but the question of the desirable course of action, what the effect of that course of action will be, does it actually increase the security of the Nation, or could, in fact, a given course of action decrease the security of the Nation?

That is our job. It is not a job that any member of the executive branch, be he President, Secretary of Defense, or a member of the Joint Chiefs of Staff, or anyone else, can do for us. It is our job.

The Senator from Illinois, I think, has illustrated the intelligent way to go about that job.

Mr. PERCY. Would the distinguished Senator from Maryland, who has served in the other body and now in the Senate, give me the benefit of his judgment on an answer that might be given to those who merely say that the President wants this, he has said it is in the national interest, and in the interest of national security that we have it, and therefore we have an obligation to vote for it?

This has been said not only in this Chamber many times but also by many of our constituents, by the newspapers in our home States, and certainly in some very, very tough letters I have received.

If this principle had not been followed at another time, we might have questioned the decision of two Presidents which took us into a land war in Asia, something that the Joint Chiefs of Staff, General MacArthur, and other military authorities have said above all else we must avoid. Would it not have been far better for this country if Congress had been able to stand up and prevent that action from carrying us from an advisory role to a fighting role and putting the whole interests of Presidents of this country on the line in a guerrilla-type war 11,000 miles away? Would not our national security have been better off if Congress had resisted two Presidents of the United States in the decisions that they made, decisions which were made in utter honesty, with complete devotion to the country, and patriotically, feeling that what they were doing was in the national interest?

Today, would not Congress, looking back, and would not the country, looking back, say that Congress somehow, should have prevented those decisions from being made as they were made?

Mr. MATHIAS. The very best answer I can give to the Senator is to refer to the vote which was taken in the Senate a few weeks ago on the national commitments resolution. A great majority of Senators who voted on that resolution—and a great majority of Senators voted for it—were Members of either one House or the other of the Congress during the tragic period in which we became more and more deeply involved in Vietnam. Out of the bitterness of that experience, we rolled up the kind of majority behind that national commitments resolution which is now a part of the history of the Senate.

Mr. PERCY. Although I realize my distinguished colleague was in the House last year, and not in the Senate during the debate on the Sentinel system—and I voted against deployment of the Sentinel system—the argument was used in this Chamber, by editorial writers, and by constituents writing to me, "How can you possibly vote against the deployment of an ABM system when the President of the United States has said it is necessary in the national interest?"

At that time, I, together with some of my colleagues, declared that we were voting against it in conscience because we felt it was wasteful, that it would not do the job it was presumed to do, and that it could not defend the cities. We felt we must not lead the country to believe that the cities would be protected once we dragged in the bombs and put them around the cities, for it would escalate the nuclear arms race because it was provocative.

What does one do then, when we say the policy is to support the President, when the next President that came in said that in the national interest we would not deploy the Sentinel system? In this instance, I think President Nixon was absolutely right. One of the great decisions he has made was to take away the potential for the deployment of a thick system which he himself, by word and implication, said was wasteful and could not accomplish what it was pledged to do. He himself said it would be provocative and would call forth retaliation from the Soviet Union, just as we responded when we thought they were building an effective ABM system.

So that I hope we never hear this argument again on this floor, that we must vote for something merely because the President in his judgment says it is in the national interest. I simply could not feel, in principle, that that should be the principle that governs us. If each of us is governed by conscience and what we think is right, we have a deep responsibility to create and form our own judgment because we are a totally separate and distinct branch of Government.

Mr. MATHIAS. The Senator is absolutely correct. As a Member of the other body last year, the same question was before the House, whether to deploy the Sentinel system. I voted against it last year. I do not believe that we are yet at the point that we should deploy.

However, how easy our job would be, easy to the point of being superfluous, if all we had to do was accept the President's recommendations. In fact, I venture to say to the Senator from Illinois that neither he nor I should be here. If that is the way Congress has to act, I do not believe any of us should be here.

This is a duty of conscience as well as of judgment. As the Senator from California said, the President undoubtedly has spent many sleepless nights considering this question. I think that all of us have devoted a great deal of thought and conscience to it.

As I have said before in the Senate, I walked through the atomic ashes of Nagasaki and Hiroshima less than 30 days after both bombs had been dropped. Thus, I know what happens when atomic or nuclear devices fall upon a city, because I have seen the results. If one needs anything to stimulate his conscience, just have that experience.

I know that this body is not only discharging the duty which is provided for it in the Constitution, but it is also discharging the duty which every one of us is called upon by our consciences to perform. That is why I am extremely grateful for the manner in which the Senator from Illinois is conducting this debate this afternoon.

Mr. PERCY. I thank my distinguished colleague very much.

Several Senators addressed the Chair.

Mr. PERCY. Mr. President, I am happy to yield to the distinguished chairman of the Armed Services Committee, the Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Illinois for yielding to me. I commend him for his closely reasoned and well put together speech in which he stated his points with clarity and in a challenging way.

I think he is really contributing to this debate, although I think his contribution is on the wrong side; but still it is a contribution, and I am glad to salute him.

Let me ask the Senator this question. Virtually all of us here have agreed that there should be a continuation of the research and development program as to the ABM; that it is not only desirable, but necessary. Is that correct? That is the Senator's position, anyway, and I do not know of any dissent from it.

Mr. PERCY. Absolutely. I think that should be clarified once and for all, because in oversimplifying the reporting of the debate, some newspapers and news media have called us pro-ABM and anti-ABM. I do not know of anyone who is anti-ABM or against our having the capability and capacity to deploy, if needed, the finest, the best ABM system that we know how to put together. It is a question of whether we are ready for deployment and do we have to go into deployment now, on the eve of negotiations?

Mr. STENNIS. I think there is unanimity on the part of all of us about the need for continued research and development, which recognizes that there is a problem here that must be contended with.

Mr. PERCY. And evaluation and testing.

Mr. STENNIS. Some Senators have agreed—and I understand the Senator from Illinois has said—that sometime later we may have to have an ABM system. That was one of the points the Senator made. Is that correct?

Mr. PERCY. That is correct.

Mr. STENNIS. So all Senators, then, including the Senator from Illinois, recognize by those positions that there is a threat confronting us, and that we should not just be dilatory; we should be moving to some degree in trying to face that threat.

Mr. PERCY. There is a potential threat, without any question whatsoever. We must guard ourselves against that threat and have the capability for meeting it.

Mr. STENNIS. And try, with the limitations the Senator puts on it, to be able to meet it.

That brings the Senator to the field, then, that his only limitation on the ABM is its deployment and advance testing. That is what the Senator objects to primarily, so far as the weapons are concerned?

Mr. PERCY. I have one other departure, which I should like to make clear, in which I differ with Senators who have opposed deployment. I simply feel that we should give the Department of Defense a little extra leeway. I have to look at it as a man who has spent his entire life in industry. If we cannot reach agreement, if these talks fail, and if we are convinced that we have a system that is reasonably invulnerable and can be deployed and can be truly effective and a deterrent for our second-strike capability, I want to be sure we minimize the loss of time and that we complete the design.

So I would be willing to include as a part of the $345 million in the bill—this is not a military spending attack; this is not a charge against the military industrial complex; this is a judgment of whether we should go ahead—a provision to authorize the production of certain long leadtime component parts which take considerably longer than other parts in that design. So these funds would be used not only to perfect the design, but even to take the risk that we might throw away these parts and never use them, but to get the production lines going on those parts that are most difficult to complete.

I would be glad to illustrate, if it is necessary, what I mean by that modification.

Mr. STENNIS. To describe the long leadtime items, does the Senator mean?

Mr. PERCY. The type of components and parts which I have in mind.

Mr. STENNIS. If the Senator wishes to, now would be a good time to do it. It would be well to do it, if it is not classified.

Mr. PERCY. It certainly would not be classified. This is simply a principle. Rather than take the ABM system, which is highly complex, which is composed of computers, radars, missiles, and so forth, let me take an illustration of something which is simpler, but serves the purpose.

Suppose we decide now, with the interest in outer space, to develop, and take the great deal of time needed to develop, a far-out-reach telescope which would permit us to see into the universe much more than we can now discern. The design of a telescope, which we have never put together, has been completed. We have never built it. In fact, it is in the same state of the art as the ABM system is today. We have tested certain parts of it, but not the whole. Say we need 100 of them deployed around the world. Do we go to the deployment of all 100, or do we complete one and build it and test it functionally before we build any parts?

My compromise or suggestion is that what we do is go ahead with our evaluation and testing and build one model and make sure it works, but at the same time we test the parts in the telescope. It would have metal, cylinders, springs, washers, all sorts of retaining rings, and glass components. Some would be simple glass components and some would have deep curves which would be difficult to grind and which would require hand honing. Some of these take years to build, just as parts of the ABM do.

I would be quite willing to authorize the production of those components of the optical system that will take perhaps twice as long as all the other components. If we started grinding 100 sets of the glass and we went ahead with the deployment, we would not have lost a bit of time, because all the other parts of the components could be completed before we completed the long lead-time parts. If we decided they would not work, or perhaps there was some other national priority and we decided not to build the 100 telescopes, then we would have to throw away the lenses that had been made, and we would have thrown away only one or two percent of the cost of the total component parts.

Mr. STENNIS. I thank the Senator.

The Senator recognizes the potential threat, as he calls it, and that something ought to be done about it toward preparation to meet it. So the Senator's objection really goes to that part of the bill which is in the field of diplomacy or international political situations. At least, that is the major part of it. That is where the President comes in. I am one of those who have said that the President's position is entitled to a great deal of consideration. No one stands stronger than I for the legislative branch, the Congress, in making its judgments, and that is a direct mandate in the Constitution, which we have to make here. But is not the President, whoever he may be, probably the best judge of what he needs to take to the negotiating table with him? That is my point. After all is said and done, this is not a matter of opinion; it is a matter of judgment; it is a matter of projecting into the future. It pertains to weapons. After all is said and done, is not the Chief Executive's opinion of what he needs to represent us entitled to a great deal of weight and the most worthy consideration?

Mr. PERCY. I think it is due a great deal of weight. If I may be somewhat partisan, I would say, on the part of a Republican who respects the President and has worked with him over the years, to know I am opposing a man whose judgment I respect so much has given me great cause for sleepless nights. But I also know that, in the end, the President, in this particular instance, though his opinion should be given more weight than anyone else's, is not infallible.

I would like simply to illustrate that by citing the judgment of another President, Lyndon Johnson, who took the advice of the Joint Chiefs of Staff when they said the only way to bring about negotiations was to bomb in the north.

There were many people who believed that for a long time. I did for a long time. I took a position opposite the position of some of my colleagues in my class in the Senate, on national television, opposing the cessation of bombing at that time.

But over a period of months, after many, many deaths, and after agonizing reappraisals, I finally came to the conclusion that the only way to bring about negotiations would be to cease the bombing; and the President of the United States himself rejected his former judgment, he ceased the bombing, and the negotiations in Paris began.

It is another question as to how to make the negotiations successful. But in that case, I could not simply say the President's judgment was infallible and I should not exercise my own conscience and judgment. I did in that case, and I am doing the same thing in this case.

Mr. STENNIS. I do not object to the Senator's exercising his judgment. My point is a good deal farther down the line than that, and, with all deference to the Senator, the bombing, stopping the bombing and starting it, were matters involving an act of war itself, an act of a shooting war going on, where men were dying by the hundreds every day, and we had committed, at that time, close to a

half million men before the bombing ever started.

With all deference, I do not think the Senator's analogy will hold up. Here we have involved diplomatic relationships at a negotiating table, involving the question of limitation of arms, and so forth. The President of the Unitel States, who is our chosen representative—it makes no difference about party, as the Senator says—needs this weapon at that table, as well as for a part of our national arsenal. I think that if we just withdraw that, or hold back, and say, "You shall not have it, now run along and represent us at this international table," we are cutting the rug out from under him, and will be doing a great injury. I know others think otherwise, and I respect their opinions.

I am confident that ultimately this proposal will prevail. No one can be certain, no one has an absolute answer, no one knows what will be the conditions in 1975.

I conclude by saying again, I think the Senator has put together a mighty good, cogent piece of reasoning here, and I commend him for it. I can tell from the tone of his voice that he is concerned about this matter, and wants to go just as far as he possibly can without supporting the ABM as it is in the bill.

I think the President of the United States did not want to go any farther than he thought was necessary. He has always trimmed these matters down, and, while I do not like to use the word "compromise," he has been very reasonable about it; and I think this is a minimum.

I do not see how anyone can condemn him for changing from the Sentinel to the Safeguard ABM when he did it all in one sentence. Even if his judgment was bad in part, I do not see how it can be upheld in one part and condemned in another. It was his judgment, and a very courageous judgment, too, because the simple thing would have been to say, "Well, in view of all the other troubles we have, let this one go." But he did not do that, and I commend him for taking his stand.

I thank the Senator very much for yielding.

Mr. PERCY. Mr. President, I am very grateful for the Senator's generous and gracious comments, and would like to simply state for the record the deep gratitude that I think this country should have for the distinguished chairman of our Committee on Armed Services. In the past, when the Department of Defense urged deploying Nike-Zeus and Nike-X, Congress had to have an independent judgment in those cases, and the President had to have an independent judgment. President Eisenhower decided not to go ahead; President Kennedy decided not to go ahead; and, if my recollection is correct, though I was not in Congress at the time, I believe that the distinguished Senator from Mississippi was deeply concerned about committing this country to the deployment of a system that might possibly be obsolete before it was finished, that might not be—in the light of the cost-conscious economy and the state of the budget—worth the kind of money we would be putting into it, and technically might not be ready for production.

I think we were saved $20 billion to $40 billion by the Senator's judgment and by his patience. I know that he feels that today conditions are such that it is wise to go ahead. I do not feel that we are hurting the President's hand in negotiations simply because of the word "capability." We have talked about the Russian capability of destroying us many times over. I do not think there is a member of the Politburo who would ever question our capability to produce an ABM system, and a better system than they could ever produce. They have the utmost respect for our technical competence and for our scientific community. But I think they must have read, and certainly read carefully, all of the scientific testimony that we have had about the problems that are involved in this particular system at this particular time.

It has not been fully put to work. That is a statement of fact. It has not been fully tested; that is a statement of fact. It is nowhere near certain that it will provide the kind of deterrent protection that we think it will.

We have mentioned before on the floor of the Senate the vulnerability of the MSR. We know it would be a lot better, now that we are designing for point defense, to have multiplicity of radars and hardened radars. I am not permitted to mention, in open session, the vulnerability of that particular radar; but the Senator knows full well that the SS–9 would never have to be used to knock out that radar today.

A question that has never been raised on the floor of the Senate, to my recollection, and a point of interest to me as I have been trying to research this system, and determine where it is strong and where it is weak—and where it is weak is not from debating holes in it—by asking the Department of Defense what we are doing to strengthen that end of it, because I want us to have the ability to deploy the best system, if we ever need it. The power source alone gives me pause.

I ask the Senator if he would be satisfied with the power source, which today depends on commercial power. We know ourselves, in the midst of a snowstorm—I was in New York City one time when the power went out, and we had to walk up and down all the stairs. We know that power blackouts occur just through natural phenomena, just from overloading, much less a few hydrogen bombs exploding around us.

Can we feel content and absolutely safe with a system using normal commercial power sources, and only shifting to hardened diesel generators if need be, or if as some member of the Department of Defense said, "The balloon goes up"?

We all know, and I know, having been in the military service 3 years, the degree of maintenance that is required for generators, and how to keep them in absolutely tiptop condition, you have to turn them over; and if we have 30 minutes' notice to turn them over, do we know that we would even have a power source to operate this vast complex of computers, radars, and all of the other paraphernalia required? I mention this, not as a debating point, but as a point that I am probing deeply now, to see what more we may need to strengthen and improve, test and evaluate the integrity of this system, so that, should we ever have to go into one, we will go into a good one.

I do not think the Russians are impressed one bit by our rushing into production today with a system that is as vulnerable as Safeguard is, and that offers as little protection to our second-strike forces as it would, considering the whole complex of second-strike forces we have available to us should we ever need them. We have them and would use them, and they had better not ever believe we would not.

Mr. STENNIS. I do not know whether they are impressed with our moonshot or not. We made pretty good headway, but we had to take that one step at a time, so we started early. I know we have to take this one step at a time also, and I think the bell is already ringing for us to make this much of a start, anyway, this year.

I thank the Senator again for yielding to me.

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

Mr. PERCY. I am happy to yield to my colleague from Colorado.

Mr. DOMINICK. Mr. President, I simply wish to say to the Senator that, while I did not hear all of his talk, I did hear a good deal of his colloquy with the Senator from Maryland concerning the question of the President's requirements. I wish to emphasize a point that I think has been made by the Senator from Mississippi, and also the Senator from Illinois in his colloquy with the Senator from Mississippi, and that is: Because the President has said that in his opinion it is essential to national security, a great deal of weight should be given to that opinion.

Some talk has been reported in the Senate and in the newspapers that merely because the President suggests something, some Senator ought to oppose it automatically. I have heard it said over and over again that, "I am not going to be influenced by what the President's opinion is."

It strikes me that in this kind of a situation, what the President's opinion is and what the Soviet Union's opinion is would be very important to the security of our country. I think the Senator would agree with that.

Mr. PERCY. I would agree. Not only that, but within the last 30 minutes, I have indicated that this is what has caused me sleepless nights and deep concern and caused me to cast aside many projects that I wanted to work on so that I could go back and do research to make certain that my judgment was not wrong in this particular case.

I feel that the President's judgment and the judgment of the National Security Council should be given greater weight than any other single factor and should be taken into account. However, I point out that they have made decisions in the past that have been wrong.

They may be making decisions at present that are wrong. It is possible that they can make decisions in the future that will be wrong.

We have a totally separate responsibility to make our own judgment.

Mr. DOMINICK. I completely agree. As a matter of fact, some 4 years ago I started making speeches and pointing out the need for the Senate and the Congress as a whole to regain some more influence and exercise more judgment in the foreign relations field.

I totally agree with the Senator. The problem as I see it is that a lot of people do not understand this, and that, therefore, as an exercise in independent judgment, they automatically oppose what any President suggests, be he Republican or Democrat. I know that the Senator is not like that, but some others are.

Mr. PERCY. Mr. President, automatically, under either a Democratic or Republican President, I presume that the President for the most part is always acting in the national interest and that he at that stage is above purely partisan action. That is not to say that he is not partisan on occasion. However, when it comes to national security, I could not imagine and could not name any President who has ever been partisan in that respect.

I am naturally partisan in many matters. It is only with the deepest of misgivings that I take a position contrary to that of the President and the National Security Council.

Mr. DOMINICK. Mr. President, in connection with the decision concerning the position the country might be placed in if we do not go forward with the Safeguard system, it would seem to me, having listened to the arguments over a period of about 2½ or 3 weeks, that those who are against the Safeguard system are in fact relying on the offensive capability of our country to inflict a second strike in the middle 1970's.

If our land-based ICBM's that we now have deployed are in fact threatened, then the only position that those who do not want to put up the Safeguard system can take is to say, "We increase our offensive weapons, or we make a preventive strike."

I personally do not want to do either. I do not want to see the number of offensive weapons increased because it might create a real holocaust in the world.

I think, therefore, that when we deploy an ABM system which will defend our credibility, we are doing our best to protect the security of our country. We cannot then be increasing the number of offensive weapons. Does the Senator agree that there is logic in the argument?

Mr. PERCY. Mr. President, I think that there is, except for one point. I think the decision has already been made by the President and the National Security Council that we would not build an ABM system if the Soviet Union does not. So, that decision has been made. Secretary Rogers reiterates the position, as does the Department of Defense and the administration, backed up by every witness we have heard, that if they want to go ahead with an ABM system, we will go ahead with an ABM system. So, with relation to all of the talk about a Chinese strike and an accidental launch, or whatever it might be, there has been a thorough analysis and appraisal and a balance has been reached on the judgment that if the Soviets want to go out of the ABM business, we will go out of the ABM business.

I regard that as a very significant decision. And I assume that the distinguished Senator would support that decision of the President and the National Security Council and, in fact, advise—as does the distinguished Senator from Washington—talks getting underway to see if we can reach agreement.

Mr. DOMINICK. That is totally correct. I think in each instance that this has been said, it has also been added that they do not anticipate that the Soviet Union would leave itself wide open to an attack by the Chinese and that, therefore, they would retain a degree of their defensive capability in the ABM system, and that we should, too.

Mr. PERCY. Here I think we are coming into accord. This demonstrates that the proponents and the opponents are not really as far apart, if we clarify the matter, as we did with the distinguished Senator from Mississippi.

It is a question of whether we rush into production. I think we are together here, because I have said many times that if as a result of those negotiations, we both decide that it would be well to deploy an ABM system, I would be perfectly willing to go ahead and do so, because then that would not be provocative. That would not be escalating the nuclear arms race. We would be starting to work together in an area where we think we have a mutuality of interest, to stop the arms race.

I think that would be sensible. But let us wait and see. The President said, "Let us go ahead and get the talks under way by the end of this month."

I do not have any inside information as to what the Soviet Union is willing to do. Perhaps Ambassador Dobrynin is in Moscow now, seeing about the talks.

Let us get under way with the talks and see if they have any real basis for reaching agreement. If so, why should we rush into production at this particular point of an invulnerable ABM system?

Mr. DOMINICK. That is exactly the phrase, "rush into production," that I wanted to question the Senator on.

We are talking about $345.5 million today, because that is the only deployment phase involved. Included in that figure there is $600,000 for long leadtime missile components.

We do not have any actual procurement of the missiles involved. We do have the ability to test this system on a deployed basis if we go forward with the long leadtime items we are talking about.

This is not what I would call rushing into production on all the items, in the context that is usually taken. Is that not true?

Mr. PERCY. No; that is not true in the context in which I would say rushing into production. Certainly the distinguished Senator from Colorado has had a great deal of experience with the military. And I think I have, not only as an officer in charge of production control a quarter of a century ago in the Navy here in Washington, but also as a defense contractor for some 24 years, and a part of the industrial-military complex.

I am deeply impressed with the inertia of these things once they get going. I would like to reiterate one illustration of what it is like when we get into production and then try to stop it.

Mr. DOMINICK. We cut off the F–111B with no problem last year. We took $2 billion out of the pending bill with no problem.

Mr. PERCY. Mr. President, I have seen and experienced this inertia and I feel that once we get the production lines geared up and going, we will have 1,000 reasons why we should not stop production.

There is psychologically quite a difference between not going into production on something and going into production on an item and then stopping production. If we try to stop production, there will be thousands of employees and thousands of contractors in 172 different congressional districts which are touched by the ABM.

I think it is exceedingly difficult. And as I have tried to point out before, I think that by going into production while we are still designing, we will lose time in the end. I think the best way to put an item into production is to put it into production after we have finished the research, design, evaluation, and testing. We can then put one together and know that it works.

Then we can go into production. But if we start to go into production on pieces, parts, components, and segments, and such things, and then rush the program through at the same time that change orders, modifications, research, design changes, and testing are being made, we will cause a great waste of money and a considerable waste of time.

Mr. DOMINICK. A philosopher has said that a long journey starts with but a single step. But that does not necessarily mean there must be a long journey every time one takes a single step.

Mr. COOK. My President, will the Senator yield?

Mr. PERCY. I am glad to yield to the Senator from Kentucky.

Mr. COOK. I should like to clear up one point with the distinguished Senator from Colorado. When we talk about improving our offensive capabilities and creating nuclear havoc throughout the world, we ought to make it clear that, as of now, this country—and obviously it is public knowledge—has 1,054 ICBM's. If we MRV them—and that means at least three nuclear warheads apiece—we will have 3,162. If we MIRV them, we can go as high as 10,540.

I should like the RECORD to show, so far as I am concerned, that if it is said we can create a nuclear holocaust by increasing our production of ICBM's, we already have the needed capability for producing a nuclear holocaust. We have enough nuclear warheads to destroy any enemy throughout the world. We have the capability to do that.

When the American people are given—and I am not saying that the Senator from Colorado has done so—the impression that if we improve our offensive capabilities and produce more, we are in fact putting this country in a position to cause nuclear havoc throughout the world, the people ought to know that the Nation indeed has that capability. I wanted to get this point into the RECORD.

Mr. PERCY. It is a very valid point.

I think the most important word that has been added to the defense vocabulary was added by President Nixon, who used the word "sufficiency." I feel that we have a sufficiency of second-strike capability as not to cause anyone, other than an utterly mad person, to push that button if they know that we have the capability and will to retaliate, as we certainly do have.

Mr. PELL. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I am glad to yield to the Senator from Rhode Island.

Mr. PELL. Following up on the point made by the Senator from Illinois, the Disarmament Subcommittee of the Foreign Relations Committee asked a panel of distinguished scientists what would be the effect of a nuclear exchange with present weapons. His reply was that it would not only destroy the Soviet Union and the United States, but that it would also make the Western Hemisphere uninhabitable. So I think the question is whether we will make it uninhabitable or more uninhabitable.

I should like to return to a point the Senator from Illinois mentioned, which struck a chord in my memory. He spoke of first-strike and second-strike capabilities. Am I correct in saying that the Pentagon's definition of first strike is that it means one side can knock out the other side without any appreciable harm to the first side?

Mr. PERCY. That is correct; that the other side does not have the capacity to strike back.

Mr. PELL. Is it not to our advantage, basically, that the present balance of terror be retained? That means that neither side has the capacity for a first strike, but that both sides have the capacity for a second strike. That would be the best way of avoiding nuclear war. To my mind, nuclear war may come from an accident or because of automaticity of response. But it will not come because of a thoughtful decision to the effect taken either in the Kremlin or the White House.

Mr. PERCY. I think that would be my understanding.

Mr. PELL. So it would be best for both sides to avoid having a capacity for first strike. Along the same line, would it not be correct to say that when we examine our present arsenal and add to it the MIRV and the ABM, we will have a capacity for a first strike?

Mr. PERCY. I think the closer we get to that possibly the greater will be the fear on the other side. I am always concerned about someone who deals from fear.

Possibly the buildup by the Soviet Union is giving them the feeling that they can now afford to negotiate. Still, they also know what the buildup is costing them. They may feel that they now have such a sufficiency to retaliate against us that we will not need a first strike.

I was interested to probe whether there was fear in the Soviet Union that we might make the first strike. It is not possible to test these reactions accurately. I have not talked to any Soviets about it, but I have talked with persons from countries that deal with them. I was shocked to find that there is a considerable body of fear that we will use our weapons. That fear exists among allies and friends in neutral nations. So we can well imagine the fear the Soviet Union might have, because we have dropped the bomb, and we do have a tremendous capacity.

They have escalated, out of fear, to develop a second strike. I do not believe they have the capacity for a first strike. I think they are rational enough human beings to know what would hit them if they ever tried it, because they do not have first-strike capability, in my judgment.

I have heard it said that the Soviet Union is the only country to have a first-strike capability. If by that is meant that they have the capacity to hit us so hard that we cannot retaliate, I have no intelligence that would lead me to that conclusion.

The distinguished Senator from Rhode Island is a member of the Committee on Foreign Relations. He has heard the testimony of many persons and has the advantage of their views. I wonder if he would concur in that judgment.

Mr. PELL. I would. But I think that neither side has first-strike capability today.

Looking at the record, thinking of what has been said in the past, and thinking back to the time of Korea, when some serious leaders in the country discussed the possibility of using nuclear weapons, one can well imagine that the Soviet Union would become anxious and nervous, and that that would be the time when an accident could occur. Therefore, it seems to me that it would be wisest to concentrate on a policy of both sides having a second-strike capability, but neither having a capacity for a first strike. That argument seems to me to be pretty compelling.

Mr. PERCY. The distinguished Senator from Rhode Island has made a valuable contribution to the colloquy. I have not heard the point better expressed.

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

Mr. PERCY. I yield to the distinguished Senator from Texas, a member of the Committee on Armed Services and a seatmate of mine.

Mr. TOWER. I think the Russian intelligence is probably very good. I am sure that as a result of their intelligence, they are aware that we do not have a first-strike policy. As to the institution of a first-strike policy, we are not so deployed as to be able to launch a first strike. I do not think any Senator would, under present circumstances, authorize a first-strike capability on our part.

The Senator from Texas, who is often regarded as a hawk, would certainly not support that notion. I think there are reasons to believe that the Soviets, though they may not now have the kind of first-strike capability that would cause them to launch a first strike against us with impunity, may be building in that direction. We should not think only in terms of the current situation, but in terms of what the conditions will be in the mid-1970's. That is what we are looking at—not the situation as of now, but the situation as it will be in the mid-1970's.

Mr. PERCY. I think that is the responsibility of the President, the Department of Defense, and the Committee on Armed Services.

Certainly, I know the distinguished Senator from Texas has been called a hawk and I have been called a dove. I am not an ornithologist. I do not know what those terms imply exactly. However, no one should imply that I would not be cognizant that our greatest security does lie in strength and in our will as a people to use that strength, and also in the degree of sacrifice we are willing to make to provide the defense establishment that will put us in a position where we will always have a second-strike capability against any adversary. I would say that I would adopt that as a policy.

Our only question relates to today, 1969. Do we need to take this action in connection with what I consider to be a vulnerable system, to go into production on something that has not been fully proved and tested?

If the Senator could take me to see a Safeguard system so that I might see a complete testing of that system—which I do not think is possible—I certainly would feel we should look at it in the context of what is happening, possibly, in 1975. However, our actions are too often geared to what we think they might possibly do, rather than to what we think they might rationally do.

In my judgment, in the judgment of one of my dearest friends who was Deputy Secretary of Defense in the Eisenhower administration and who was in that Department for 8 years, and in the judgment of many other distinguished and knowledgeable people, it is felt we do not need to deploy, nor should we deploy, the Safeguard system today to maintain a second-strike capability.

Mr. TOWER. Mr. President, those of us who are proponents of the ABM system—and that is, the whole bag of research, development, and deployment—are accused of proceeding on assumptions. I, in turn, have accused opponents of proceeding on assumptions. I am prepared to agree to a stipulation at this point that both sides are proceeding from assumptions. If all of us are honest with each other we can concede that. Certainly, we are making assumptions.

I think my side proceeds more on enlightened and educated assumptions. However, be that as it may, the fact is that if we are proceeding on assumptions, again we come back to what sounds like "old saw" around here and that is that in proceeding on assumptions, if we are going to err, let us err on the side of safety.

To return to testing and evaluation, those two words have been left out of the discussion too much. We talk too

much about research and development. However, there must necessarily follow, as night the day, testing and evaluation. The fact of the matter is that Admiral Rickover—and I have made reference to this quotation two or three times in this debate and will probably refer to it five or six times more—has said:

> You can go through all of the research and development and you can keep on researching and development; but eventually if you are going to determine whether or not the thing will work you are going to have to haul off and make one.

We feel that in a testing and evaluating situation it can proceed on a much more effective basis and provide much more knowledge in time and at much less cost over the long haul.

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

Mr. PERCY. I yield to the distinguished Senator from Rhode Island.

Mr. PELL. Mr. President, I have one question in connection with one of the points raised by the Senator from Texas. I would agree with him that we do not have a first-strike policy. There is no question about that. However, would it not be a correct statement that successful MIRV plus successful ABM equals first-strike capability?

Mr. TOWER. I must say we could not develop a first-strike capability. I do not foresee that we will. At least, we will not be so arranged as to be able to implement a first-strike capability. We are treading on the narrow edge of classified ground here and I am a little hesistant to pursue it much beyond this point. I think it is an enlightened assumption but I think the assumption is that we will not have a first-strike policy.

Mr. PELL. I agree with the Senator that we do not have a first-strike policy.

Mr. TOWER. Indeed, we would not have unless Congress approved it and there will be no first-strike deployment without the knowledge of the Committee on Armed Services, the Committee on Foreign Relations, and this body.

Mr. PELL. I agree with the Senator, but I also wish to add a further thought. I do not wish to push this matter too far. I agree with the Senator's statement about the delicacy of the ground we are on. However, if both the ABM and the MIRV were a success, we would have the capacity, although certainly not the policy; and I think it is very dangerous in this world to even have the capacity.

Mr. TOWER. Even with MIRV, it depends on when there is deployment and whether it is aimed at missile sites or aimed at cities.

Mr. PERCY. Mr. President, I think the colloquy this afternoon again has demonstrated the deep and strong feelings which we all have. We are trying to deal with the facts and we look at the facts in different ways.

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

Mr. PERCY. I yield.

Mr. TOWER. May I say that that is today's massive understatement.

Mr. PERCY. I believe we do have the second-strike capability. The Russians know it. Let them never be uncertain of the fact that we will continue to keep our capability so that if we are ever struck we will strike back.

With the program we have for not only hardening, but the deep-rock hardening of our missile silos, our ICBM's, the tremendous power we have in our nuclear submarine fleet, the capability we have to keep that capability ahead of anything the Soviets could throw against it, the thousands of intermediate missiles we have deployed in Europe, with all the hundreds of bombers available for takeoff in moments, armed with nuclear weapons, I cannot see that any attack would be made on us or would be made on us by anyone who was rational, or who would not recognize, those things being so, that they would bring forth their own total destruction.

I do not feel that the ABM Safeguard system adds one iota to our national security or our national interest. I think the forthcoming talks, on which we all agree, would get underway in a better atmosphere if we were not in production or going into production on another nuclear system, whether it is offensive or defensive in character.

I yield the floor.

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

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

PROMOTION OF HEALTH AND SAFETY IN THE BUILDING TRADES AND CONSTRUCTION INDUSTRY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 311, H.R. 10946.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill H.R. 10946 to promote health and safety in the building trades and construction industry in all Federal and federally financed or federally assisted construction projects, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 2, line 3, after the word "or" strike out "contractor" and insert "mechanic"; in line 8, after the word "on" strike out "the record after an opportunity for an agency hearing." and insert "proceedings pursuant to section 553 of title 5, United States Code, provided that such proceedings include a hearing of the nature authorized by said section."; and in line 22, after "U.S.C." insert "38,".

Mr. WILLIAMS of New Jersey. Mr. President, on behalf of the Committee on Labor and Public Welfare, I reported H.R. 10946, Calendar No. 311, on July 15, 1969, with an accompanying report, No. 91-320). The act would require all construction contractors and subcontractors to meet health and safety standards on construction projects under contracts entered into under legislation subject to Reorganization Plan No. 14. Construction is a very hazardous occupation in terms of both the frequency of accidents and their severity. Data for 1966, from the National Safety Council, show that the construction industry had an accident frequency rate of 12.24 per million man-hours worked—a rate that was almost twice the all-industry rate of 6.91.

Department of Labor statistics, higher for most industries than those of the National Safety Council, show very high rates for construction, ranging from 20.7 per million man-hours worked for electrical work, to 24 for heavy construction, to 28.8 for general building, to 43.9 for roofing and sheet metal work.

Additional evidence of the hazardous nature of construction is found in the data which reflect the severity of injuries. The severity rates, indicating how badly workers are injured, place construction with a higher number of days lost to accidents per million man-hours worked than any industry except mining, lumber, and marine transportation.

Put another way, the men who risk their lives erecting the buildings that house the Government of this country, who build our roads and bridges, our State universities and hospitals, these workers do not have the benefits of protective legislation. There are no requirements that safe and healthful working conditions prevail for them. This bill corrects this inequity.

I wish to make some observations concerning due process as part of the legislative history of this bill.

Section 107(d)(3) provides that any person aggrieved by the Secretary's action under subsections (b) or (d) may obtain judicial review. This section is designed to assure complete judicial safeguards for contractors and subcontractors who are aggrieved by actions of the Secretary of Labor.

Other elements of the bill are designed to insure due process in enforcement. For example, the Secretary, under section 107(b), can only determine noncompliance after a formal agency hearing. So too, is a formal agency hearing required prior to the Secretary's determinations under section 108(d)(1).

Mr. President, the report of the committee should be corrected as follows:

First. On page 7, line 5 of section 107(a): delete the word "owrk" and insert in lieu thereof "work".

Second. On page 7, line 8 of section 107(a): delete "," after the word "health".

Third. On page 7, line 9 of section 107(b) after the word "section" insert "after an opportunity for an adjudicatory hearing by the Secretary".

Fourth. On page 7, line 14 of section 107(b) delete the words "a violation" and insert in lieu thereof "noncompliance".

Fifth. On page 7, line 14 of section 107(b) after the word "Secretary" insert "after an opportunity for an adjudicatory hearing by the Secretary".

Sixth. On page 8, line 1 of section 107(d)(3): delete "paragraph" and insert in lieu thereof "subsections".

Seventh. On page 8, line 2 of section 107(d)(3): delete "(1)" and insert in lieu thereof "(b) or (d)".

Eighth. On page 8, lines 9 and 10 of section 107(d)(3) delete "jurisdiction to affirm the action of the Secretary or to set it aside," and insert in lieu thereof "power to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part, the order of the Secretary or the appropriate Government agency."

Mr. PROUTY. Mr. President, it gives me great pleasure to speak in support of H.R. 10946, the construction industry safety bill reported from our Committee on Labor and Public Welfare.

This legislation is long overdue, as it will provide protection for employees in one of our most hazardous industries who have not been covered by any Federal legislation in the past.

We are also finally recognizing that the Federal Government has a special responsibility toward construction employees who work under contracts entered into by the Federal Government.

This, I repeat, is a good bill and one which has been worked out over a substantial period of time by the members of our committee and the committee staff. I am glad to say that the bill which is now before the Senate not only is strongly supported by the building trades unions, but also that it is not opposed by the contractors or other segments of the business community.

It would not be fair to conclude my remarks without referring to the one person who has probably done more over the years to get this type of legislation enacted than any other. That, of course, is Walter Mason of the Building and Construction Trades Department, AFL–CIO.

Walter is a good friend of mine, and while we do not always see eye to eye, he is a man of unquestioned honesty and integrity. I commend Mr. Mason for his persistency and unfailing zeal in his longtime effort to obtain satisfactory safety legislation for the construction industry, which is being culminated in the enactment of this measure today.

Mr. YARBOROUGH. Mr. President, it is a great pleasure to rise in support of H.R. 10946, the Construction Safety Act. Too long have we tolerated needless waste of human life while on the job. Too long have we been insensitive to the hardships imposed on worker's families when the breadwinner in needlessly injured. Today, the first step toward the elimination of this waste is being taken when the Senate passes this legislation. It will protect construction workers while employed on Federal and federally assisted projects and require the setting and enforcement of occupational safety standards.

I am very proud of my committee. They reported this bill to the Senate without a dissenting vote. And I have faith that the Senate will agree with the committee's report. In the future I hope they will be as favorably inclined to a general occupational health and safety bill.

Last year, when I was chairman of the Labor Subcommittee, I held extensive hearings on a bill which would have protected all workers employed in interstate commerce. We did not pass that bill last year; however, I am sure that hearings will again be held this year.

Too long have we tolerated a waste of human life and capacity resulting from occupational accidents and disease. This past year's total of deaths reached approximately 15,000 and disabling injuries reached the 2 million mark. The direct and indirect effect of industrial accidents on the "gross national product" was a loss of $6.8 billion. In 1965, $1.8 billion was paid in workmen's compensation.

The construction industry has had one of the highest industry accident rates. Today, we are starting on the path toward greater safety. I hope that this is only the first step toward better health and safer life both on and off the job for all our citizens.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–320), explaining the purposes of the bill.

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

BACKGROUND

Of the three major Government contractors—suppliers, service contractors, and construction contractors—all but construction contracting is covered by protective legislation. Suppliers are covered by the Walsh-Healey Act of 1936, which requires that the prevailing wage be paid, and that work be conducted under safe and healthful working conditions. The other major Government contractors are service contractors, and their employees are similarly covered under the McNamara-O'Hara Service Contracts Act, which requires that the prevailing wage be paid, and that the workers be accorded healthy and safe working conditions.

But the final component of Government contractors, the construction workers, are covered only by the Davis-Bacon Act provisions that require payment of the prevailing wage. There are no requirements that safe and healthful working conditions also prevail.

This bill corrects the exclusion of the construction workers from this legislative pattern.

PURPOSE OF THE BILL

It is the purpose of H.R. 10946, to promote health and safety standards in the construction industry, to rectify the serious oversight in existing Federal statutes which presently only provide safety standards to protect workers in supply and service industries under Federal contract, and to correct these problems by authorizing the Secretary of Labor to set standards which contractors and subcontractors would be required to meet on Federal, federally financed, or federally assisted construction.

Construction is a very hazardous occupation in terms of both the frequency of accidents and their severity. Data for 1966, from the National Safety Council, show that the construction industry had an accident frequency rate of 12.24 per million man-hours worked—a rate that was almost twice the all-industry rate of 6.91.

Department of Labor statistics, higher for most industries than those of the National Safety Council, show very high rates for construction, ranging from 20.7 per million man-hours worked for electrical work to 24.0 for heavy construction, to 28.8 for general building, to 43.9 for roofing and sheet metal work.

Additional evidence of the hazardous nature of construction is found in the data which reflect the severity of injuries. The severity rates, indicating how badly workers are injured, place construction with a higher number of days lost to accidents per million man-hours worked than any other industry, except mining, lumber, and marine transportation.

According to the National Safety Council and the Bureau of Labor Statistics, over 20 percent of the workers killed yearly and over 11 percent of the workers disabled in on-the-job accidents are in the construction industry.

The 2,800 construction workers killed on the job in 1968 represents the highest death rate for an industry in the United States.

Since 1959 there has never been less than 2,300 workers killed per year.

Since 1959 there has never been less than 209,000 construction workers disabled per year.

The construction industry includes 4 million workers and another 20 million workers depend on this industry—one-third of the Nation's work force. The annual economic dollar value of this industry is 10 percent of the gross national product—or $91 billion. Work accidents will cost approximately $3 billion in 1969.

Despite the magnitude of the problem, both in terms of money lost to the economy through on-the-job accidents and in terms of human suffering, there exists today no nationally accepted set of standards concerning safety in construction, nor does the Federal Government have the authority to promulgate or enforce uniform standards on construction contracts. At the same time, many existing State safety laws do not adequately protect workers.

THE CALENDAR

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 318, Senate Resolution 212, and that all measures on the calendar subsequent thereto be considered in sequence.

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

AUTHORIZATION FOR THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO EXPEND ADDITIONAL FUNDS FROM THE CONTINGENT FUND OF THE SENATE

The resolution (S. Res. 212) authorizing the Committee on Interior and Insular Affairs to expend additional funds from the contingent fund of the Senate was considered and agreed to, as follows:

S. RES. 212

Resolved, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate, during the Ninety-first Congress, $10,000 in addition to the amount, and for the same purpose, specified in section 134(a) of the Legislative Reorganization Act approved August 2, 1946.

INCREASE IN THE LIMIT OF EXPENDITURES FOR HEARINGS BEFORE THE COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 213) increasing the limit of expenditures for hearings before the Committee on Armed Services was considered and agreed to, as follows:

S. RES. 213

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Ninety-first Congress, $20,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF THE HEARINGS ON THE UTILITY CONSUMERS' COUNSEL ACT OF 1969

The resolution (S. Res. 215) authorizing the printing of additional copies of the hearings on the Utility Consumers' Council Act of 1969 was considered and agreed to, as follows:

S. RES. 215

Resolved, That there be printed for the use of the Committee on Government Operations one thousand additional copies of part one of the hearings before its Subcommittee on Intergovernmental Relations during the Ninety-first Congress, first session, on the Utility Consumers' Counsel Act of 1969.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–329), explaining the purposes of the resolution.

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

Senate Resolution 215 would authorize the printing for the use of the Committee on Government Operations of 1,000 additional copies of part 1 of the hearings before its Subcommittee on Intergovernmental Relations during the 91st Congress, first session, on the Utility Consumers' Counsel Act of 1969.

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

Printing-cost estimate

Back to press, 1,000 copies..... $1,135.95

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF PART 18 OF SENATE HEARINGS ON RIOTS, CIVIL AND CRIMINAL DISORDERS

The resolution (S. Res. 218) authorizing the printing of additional copies of part 18 of Senate hearings on Riots, Civil and Criminal Disorders was considered and agreed to, as follows:

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".

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–330), explaining the purposes of the resolution.

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

Senate Resolution 218 would authorize the printing for the use of the Committee on Government Operations of 2,000 additional copies of part 18 of the hearings before its Permanent Subcommittee on Investigations during the 91st Congress, first session, entitled "Riots, Civil and Criminal Disorders."

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

Printing-cost estimate

2,000 additional copies..... $1,200

AUTHORIZATION FOR THE PRINTING OF ADDITIONAL COPIES OF PART 17 OF SENATE HEARINGS ON "RIOTS, CIVIL AND CRIMINAL DISORDERS"

The resolution (S. Res. 219) authorizing the printing of additional copies of part 17 of Senate hearings on "Riots, Civil and Criminal Disorders" was considered and agreed to, as follows:

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."

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–331), explaining the purposes of the resolution.

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

Senate Resolution 219 would authorize the printing for the use of the Committee on Government Operations of 2,000 additional copies of part 17 of the hearings before its Permanent Subcommittee on Investigations during the 91st Congress, first session, entitled "Riots, Civil and Criminal Disorders."

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

Printing-cost estimate

2,000 additional copies..... $700

AUTHORIZATION FOR THE COMMITTEE ON THE DISTRICT OF COLUMBIA TO EXPEND ADDITIONAL FUNDS FROM THE CONTINGENT FUND OF THE SENATE

The resolution (S. Res. 220) authorizing the Committee on the District of Columbia to expend additional funds from the contingent fund of the Senate was considered and agreed to, as follows:

S. RES. 220

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.

ERMA POPE CURRY

The resolution (S. Res. 222) to pay a gratuity to Erma Pope Curry was considered and agreed to, as follows:

S. RES. 222

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Erma Pope Curry, widow of James G. Curry, an employee of the Senate at the time of his death, a sum equal to eleven months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SUBVERSIVE INFLUENCES IN RIOTS, LOOTING, AND BURNING

The concurrent resolution (H. Con. Res. 208) authorizing the printing of additional copies of parts 1, 2, and 3 of the publication entitled "Subversive Influences in Riots, Looting, and Burning" was considered and agreed to.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–332), explaining the purposes of the resolution.

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

House Concurrent Resolution 208 would provide that there be printed for the use of the House Committee on Internal Security 3,000 additional copies each of parts 1, 2, and 3 of its hearings of the 90th Congress entitled "Subversive Influences in Riots, Looting, and Burning."

THE ANALYSIS AND EVALUATION OF PUBLIC EXPENDITURES: THE PPB SYSTEM

The concurrent resolution (H. Con. Res. 209) authorizing the printing of additional copies of the committee print "The Analysis and Evaluation of Public Expenditures: The PPB System" was considered and agreed to.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–333), explaining the purposes of the resolution.

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

House Concurrent Resolution 209 would provide that there be printed for the use of the Joint Economic Committee 5,000 additional copies of volumes 1, 2, and 3 of its joint committee print of the 91st Congress, first session, entitled "The Analysis and Evaluation of Public Expenditures: The PPB System."

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

Printing-cost estimate

Volume 1:	
Back to press, first 1,000 copies	$3,473.71
4,000 additional copies, at $1,186.52 per thousand	4,746.08
Total estimated cost, volume 1	8,220.79

Printing-cost estimate—Continued

Volume 2:	
Back to press, first 1,000 copies	$1,165.44
4,000 additional copies, at $336.33 per thousand	1,345.32
Total estimated cost, volume 2	2,510.76

PRINTING OF INAUGURAL ADDRESSES

The concurrent resolution (H. Con. Res. 291) to provide for the printing of inaugural addresses from President George Washington to President Richard M. Nixon was considered and agreed to.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–334), explaining the purposes of the resolution.

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

House Concurrent Resolution 291 would provide that a collection of inaugural addresses, from President George Washington to President Richard M. Nixon, compiled from research volumes and State papers by the Legislative Reference Service, Library of Congress, be printed with illustrations as a House document; and that 16,125 additional copies of such document be printed, of which 10,975 copies would be for the use of the House of Representatives (25 per Member), and 5,150 copies for the use of the Senate (50 per Member). The copies of the document would be prorated to Members of the Senate and House of Representatives for a period of 60 days, after which the unused balances would be distributed by the respective Senate and House document rooms.

House Concurrent Resolution 291 would also authorize the printing of President Nixon's inaugural address as a separate pamphlet, in such quantity needed to serve as inserts for the existing number of copies of the former edition (through President Johnson) still available for sale to the public by the Superintendent of Documents.

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 bill clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

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

LATEST AMERICAN CASUALTIES IN VIETNAM

Mr. GORE. Mr. President, I have been making weekly inquiries as to the number of casualties we are suffering in Vietnam.

The Department of Defense reports that for the week ending July 19, 1969, we suffered 182 killed by hostile action, 39 killed by nonhostile action, and 1,405 wounded, making a total of 1,626 casualties last week.

This brings the total of casualties suffered in Vietnam since the inauguration of President Nixon to in excess of 51,000.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, under the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Friday, July 25, 1969, at 12 o'clock noon.

EXTENSIONS OF REMARKS

"IMPOSSIBLE" MOON LANDING A VICTORY FOR MIDDLE AMERICA

HON. WILLIAM M. McCULLOCH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1969

Mr. McCULLOCH. Mr. Speaker, since all men of good will are so happy, so pleased, and so grateful for the successful conclusion of "the impossible achievement, the unimaginable voyage to the face of the moon," and the magnificent return to earth, a column by William S. White, in the Washington Post of July 24, 1969, is particularly appropriate.

The column follows and I hope it is read not only in America, but all around this world:

"IMPOSSIBLE" MOON LANDING A VICTORY FOR MIDDLE AMERICA

(By William S. White)

The impossible achievement, the unimaginable voyage to the face of the moon, offers this country the opportunity for a far better and far less abrasive life here on this earth if only the human implications can be grasped amidst the technological vastness of it all.

For not the least of the lessons of these unique days in the story of the human race is the profound proof that the heart of the Nation is still strong and sound and that at the end it is the quiet, undemanding competence and talents of simple and unaggressive Americans, and not really the petulant posturings of a self-nominated "intellectual elite," that express the real America.

Neil Armstrong came from a middle-class family in a middle-American town in Ohio and never knew that he was "alienated" from his family, has region, or even his flag. A strange sort of fellow for a thinking type—he fought without complaint in Korea. He spoke without "glamour" or "style" and even with a certain common touch.

Edwin Aldrin went aloft quite unashamed that he was taking along with him a Presbyterian communion. Mike Collins, in the hovering Columbia, was content to talk language far removed from the more ivied cant of our more ivied halls of learning, and even further removed from pretense and preciousness.

So removed, too, were all those fellows down there in Houston, whose doctorates of philosophy did not alter their casual humanity, their inherent good taste and their humility in the face of something approaching the infinite.

But, most of all, nobody involved in this mission of such unspeakable power and purpose and meaning felt it necessary to act with the arrogance of self-seeking, to press forward at all costs with the promotion of number one.

It was, come to think of it, a quiet vindication for many men who are very far from chic by the standards of the intellectual elite. One of these was a fellow called Lyndon Johnson, who not too long ago was driven from officer by this self-same new leftist new elite for lack of "style" and for persisting in designs so big and dangerous, like the moon search, as to be intolerable to minds so oddly pre-occupied with the small and the mean.

For it was Johnson, whatever his faults and shortcomings, who above all others made this adventure politically, administratively and financially possible, first as a Senator creating a space agency and later as Vice President and President. And another man called Richard Nixon was big enough to tell Johnson so, in a telephone call from the White House to that ranch in Texas.

Contributions scarcely less vital were made, too, by John Kennedy, who had the vision and the courage to go on while the new elite of his time was picking and carping and pointing to the undeniable, if also irrelevant, truth that there were still slums in this Nation.

So, too, of the third man here, Richard Nixon. Any one of these three harried Presidents could so easily and so safely have run away from this challenge of transcendental cost and risk and could have bought so much in quick and cheap popularity by bellowing that he was prudently "saving" billions and was ready to pour them all out in a great, benign flood to cure all ills and discontents in this Nation.

Indeed, for years here in Washington the shortest way to promotion and pay among the elite new leftists, short of being against the war in Vietnam, was to make epigrams at the expense of the space program, though not going quite so far as openly to obstruct it, lest it might after all really work.

So, finally, whose triumph was all this?

It was a triumph of doing men over merely talking men; of plain, outlander types who would never be acceptable in the ultra-liberal drawing rooms; of men out there in the hinterland who still believe there are such things as vital national interests and that it is not necessarily stupid to serve them.

Where, indeed, lives the authentic intellectual elite of this country? At least some of them must be said to live and work a good distance away, in every sense, from those ultra-liberal drawing rooms.