

prising that in the past decade ADC rolls have more than doubled—some 2 million new recipients being added to the relief rosters. We are in effect manufacturing a welfare population, replete with squadrons of illegitimate children, through the ministrations of the social-planners and handout artists who tell us they are going to abolish poverty in America.

The handout philosophy, in this instance, has clearly become an influence for corruption rather than improvement. It has created a system of incentives which makes it more profitable not to work than to work, more desirable to be irresponsible than to stand on one's own two feet, more seemly to exist on government checks than to labor for a living.

The purposes of relief programs, supposedly, is to help transform dependent citizens into useful ones; the real effect, as the above-cited figures indicate, is precisely the reverse. When the workings of welfare can bring a major American city to the point where it anticipates more illegitimate children than legitimate ones, we are in serious trouble.

SENATE—Tuesday, July 29, 1969

The Senate met at 11 o'clock a.m. and was called to order by the Vice President.

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

O God, our Father, giver of grace and wisdom, we lift our tangled lives and jaded spirits into the light of Thy presence, beseeching Thee to make the work this day acceptable in Thy sight. Deliver us from any coldness of heart or callousness of spirit that would shut Thee out. Deliver us, too, from all weakness of will; from the indecision which cannot make up its mind; from the irresolution which cannot abide by a decision once it is made; from giving up or giving in too soon; from being too easily discouraged; from allowing any task to defeat us however difficult. Grant us the will to say "Yes" or to say "No" as conscience commands. May we walk and work with Thee this day with a clear mind, a gentle spirit, and a pure purpose.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 28, 1969, be dispensed with.

The VICE PRESIDENT. 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 agreed to the amendments of the Senate to 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.

The message also announced that the House had passed a bill (H.R. 13079) to continue for a temporary period the existing interest equalization tax, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, with the approval of the distinguished Senator from New Hampshire (Mr. COTTON) who will be recognized shortly, 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.

CXV—1329—Part 16

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER LANDS—ETHAN ALLEN AND UNDERHILL, VT.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 328, S. 59.

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

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 59) 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 U.S. Army Materiel Command Firing Range, Underhill, Vt.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 59

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provisions of law, the Secretary of the Army may, at such times as he may deem desirable, relinquish to the State of Vermont all, or such portion as he may deem desirable for relinquishment, of the jurisdiction heretofore acquired by the United States over any land within the Army National Guard Facility, Ethan Allen, and the United States Army Materiel Command Firing Range, Chittenden County, Vermont, reserving to the United States such concurrent or partial jurisdiction as he may deem necessary. Relinquishment of jurisdiction under authority of this Act may be made by filing with the Governor of the State of Vermont a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Vermont in such manner as its laws may prescribe.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-335), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of S. 59 is, as stated in the title, 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 U.S. Army Materiel Command Firing Range, Underhill, Vt.

EXPLANATION OF THE BILL

This measure, if enacted into law, will grant general authority to the Secretary of the Army to retrocede such legislative jurisdiction as he deems necessary within the two

Government-owned military reservations described above and over which the United States is now vested with exclusive legislative jurisdiction. This will permit the local authorities to afford these areas adequate police protection which is now lacking. This measure is identical with previous enactments on the subject with respect to other military reservations and is in keeping with the position of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States.

BACKGROUND OF THE BILL

The two military reservations referred to in this bill are located about 12 miles apart in Chittenden County, Vt. Both are presently under the control of the Department of the Army and are licensed to the Vermont National Guard. Since over the years these installations have been alternatively used under various designations by the Army and the Air Force, a brief history of each may be helpful.

(a) The Army National Guard Facility, Ethan Allen, is situated in the towns of Colchester and Essex, County of Chittenden, Vt. It was originally established by the Department of the Army in 1892 as the Fort Ethan Allen Military Reservation on 600 acres of land, acquired in fee by the United States and was expanded by additional land acquisitions in 1896, 1918, and 1942 to a total of 1,203 acres. In 1952, the reservation was transferred to the Department of the Air Force for use as a cantonment and housing area and designated Fort Ethan Allen Air Force Base. In 1960, the airbase was inactivated, determined excess to Air Force requirements, following which, in 1964, the Army reacquired 822 acres by transfer for joint use by the Vermont National Guard and Army Reserve components. The remaining lands were disposed of by the Air Force and the General Services Administration. The reservation, now known as the Army National Guard Facility, Ethan Allen, currently comprises 822 acres of land and improvements, and is under license to the Vermont National Guard.

(b) The U.S. Army Materiel Command Firing Range, Underhill, Vt., is located in the towns of Bolton, Jericho, and Underhill, County of Chittenden, Vt. It was originally established by the Department of the Army in 1926 as the Fort Ethan Allen Artillery Range on 6,025.97 acres of land acquired in fee by the United States. In 1941, it was expanded by the acquisition of an additional 5,192.73 acres, making a total land holding of 11,218.70 acres. The installation was transferred to the Department of the Air Force in 1952 and redesignated Air Force Plant No. 55. In 1965, it was again transferred to the Army and assigned to the U.S. Army Materiel Command. Now known as the USAMC Firing Range, Underhill, it is licensed to the Vermont National Guard which uses the reservation jointly with Reserve components of the Armed Forces for training and testing purposes. Additionally, approximately 2,175 acres are used on a joint basis by the General Electric Corp. in conduct of testing activities for weapons and armament systems under contracts with the Army and Air Force.

The United States is vested with exclu-

sive legislative jurisdiction over all of the lands within both of these reservations by virtue of various acts of cession and the general statutes of the State of Vermont, generally granted coincidental to the dates of Federal acquisitions of the respective lands. From the time of the inactivation of these bases, an increasing need has developed for greater police protection and surveillance of the lands and buildings thereon. During recent years numerous incidents of vandalism have occurred and on two occasions, ammunition bunkers were broken into and live ammunition stolen. Neither the military departments nor the U.S. attorney, located 70 miles away, have sufficient staff to provide the necessary police protection. On the other hand, the State and the local municipalities do have sufficient law enforcement agencies to provide the necessary protection. However, the State and local agencies, while willing to do so, are without legal authority over these areas by reason that exclusive jurisdiction is held by the United States.

It is well established that, as long as the United States retains ownership of subject lands, legislative jurisdiction cannot be re-vested in the State unless authorized by an act of Congress. The Adjutant General of the State of Vermont, with the concurrence of the Attorney General, has urgently solicited the support of this Department in obtaining re-vestment of concurrent jurisdiction. It is anticipated that the ability to utilize the combined forces of the Federal, State, and local agencies will result in effective protection and law enforcement in the reservation areas. This bill, if enacted, would provide the requisite authority for the retrocession of jurisdiction to the State of Vermont.

FISCAL DATA

The enactment of this bill will have no effect on the budgetary requirements of the Department of Defense.

A SLIPPERY STEP FOR MAN

Mr. SCOTT. Mr. President, I am just asking a moment for a philosophical observation.

The astronauts reported, when they landed on the moon, that the footing was slippery. This does not indicate necessarily that the moon is made of glass, but it does suggest to me that, with our fiscal and tax problems what they are, with our concern over the pending bill, and with our concern over the defense of the United States, our footing on earth is not too sure, either.

EXECUTIVE SESSION

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

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

The VICE PRESIDENT. The nominations on the Executive Calendar will be stated, beginning with "New Reports."

HOUSING AND URBAN DEVELOPMENT ACT OF 1968 CORPORATION

The assistant legislative clerk read the nomination of 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.

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

FEDERAL HOME LOAN BANK BOARD

The assistant legislative clerk read the nomination of Thomas Hal Clarke, of Georgia, to be a member of the Federal Home Loan Bank Board.

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

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

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

SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Executive Calendar No. 473.

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

The nomination will be stated.

The assistant legislative clerk read the nomination of Carl J. Gilbert, of Massachusetts, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary.

The VICE PRESIDENT. Under the previous order, the Senator from New Hampshire (Mr. COTTON) is recognized for a period not to exceed 2½ hours.

Mr. COTTON. Mr. President, the nomination of Carl J. Gilbert is to a position of dignity and great significance. It is to the position of Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary.

Mr. President, I have the highest respect and regard for Mr. Gilbert. He is a man of unquestioned integrity. He is a man having long experience, dating back, I believe, to 1950, with membership on various trade committees and councils, and in advising and participating in our trade negotiations with other countries. He is skillful; he is a man of exceptional ability.

The reason why I am raising a question regarding the confirmation of his nomination is that he is a symbol, he has become a symbol, for devoted, dedicated adherence to a position of this country's having absolutely no restrictions of any kind upon importations from foreign countries, in a world in which practically every other nation engaged in manufacturing does, directly or indirectly, impose restrictions. The result is that this Nation has become a complete, open dumping ground for all kinds of foreign imports, which are, year by year, throwing more and more thousands of our workers out of their jobs and out of employment.

Mr. President, I believe in the two-party system. Ninety percent of the time I am a loyal supporter of the President

and his administration. I want the President and Secretary Stans to have the people whom they want to assist them in their negotiations. I believe that this very week Secretary Stans is engaged in negotiations with the Japanese, particularly or almost entirely on the subject of textile imports and the problem of trying to obtain some voluntary agreement for restrictions.

But I think there should be a tangible indication that the Senate has some reluctance to confirm the nomination of a man for this significant position who is known to be and is frank in his disapproval of any restrictions on the part of the United States except those that are obtained by importuning other nations to exercise some measure of restraint in dumping their goods into this country, thus causing the destruction of American jobs.

Mr. President, I would remind Senators that through the past years—I do not know how many years, but it has been a reasonable number—I have come to the Chamber on an average of once every 2 months and sometimes every month. The word goes out to the offices of Senators who represent States that are being hard hit by foreign imports that Senator so-and-so is about to make a speech on the floor of the Senate about the destruction of our textile industry or about the coming destruction of our shoe industry or the electronics industry or something else. They say, "Will you please, Senator, come over to the floor and after the distinguished Senator has finished his speech we would like to have as many Senators as possible register their protests."

So we come over time after time and we have a full-dressed talkfest. Sometimes as many as 28, 29, or even 30 Senators rise and register their deep concern. They wring their hands about what has happened to our textile jobs, what is happening to our shoe jobs, and what is happening to jobs in the electronics industry, or steel, or perhaps some other industry.

Then, we all go back to our offices, having done our good deed for the day.

Mr. President, I have a feeling that unless we do something other than talk, unless there is a protest on the floor of the Senate, unless we register by our votes what we have been saying over the years, we are not going to be effective in trying to remedy this situation.

Mr. President, in stating this protest today, I am doing so with the feeling it is not hostile to the President, to the administration, to Secretary Stans, or even to Mr. Gilbert. I feel that it will strengthen the hand of the President.

There has been a good deal of discussion here over the past week about the assertion that the installation of the Safeguard system will strengthen the hand of the President at the conference table. I shall not go into the merits or demerits of that contention. It is a subject of contention. However, there is one thing I think I can say without fear of intelligent contradiction, whatever may be the facts about the Safeguard system being a weapon in the hands of the President in his dealings and negotiations

for disarmament. Certainly some tangible action or protest by Members of the Senate, evidenced by their votes, and not just by speeches, will be of value to the President, Secretary Stans, and even Mr. Gilbert, assuming that his nomination will be confirmed.

I do not think any of us like the matter of unilateral quotas or restrictions unless we find no other way. A vote will strengthen the hand of the President in dealing with other countries, if there is real evidence that Congress is becoming extremely restive and is getting ready to do something unless we have some satisfactory and reasonable agreement.

Mr. President, it should be unnecessary for me to remind the Senate that we are not seeking to freeze imports where they are today, even though they have jumped during the past few years. It is not the desire of those of us who are concerned about this matter to prevent a reasonable increase as the market grows. We do feel we must take steps to see that the increase is controlled; that it be 3 percent, 5 percent, or even 8 percent, or perhaps 10 percent, which would be a reasonable restraint on the continued increase, instead of jumping 25 percent and 30 percent yearly.

(At this point, Mr. ALLEN assumed the chair.)

Mr. President, when it was known that Mr. Gilbert's name was coming to the Senate for disposition, the distinguished Senator from Rhode Island (Mr. PASTORE) asked Mr. Gilbert to come to his office. I do not know who all of the Senators were who were invited, but he telephoned me and I went to his office. There I found Mr. Gilbert, the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. TALMADGE). The three of us had a heart-to-heart talk with Mr. Gilbert. He was very frank, he was very honest, and he was very cooperative with us in stating his position.

I have not lobbied Senators. It is quite possible the distinguished Senator from Rhode Island or the distinguished Senator from Georgia might feel some obligation to support the nomination of Mr. Gilbert after having had the conference. But I am very clear so far as I am concerned. While I appreciate his courtesy and frankness, I was not bound by anything said at that conference.

Mr. Gilbert made his position perfectly clear to us—and if it is necessary to take the time I shall do so but I do not intend to do it now—and he made it clear in his evidence before committees, including the Ways and Means Committee of the other body, the Committee on Foreign Relations, and the Finance Committee of the Senate.

His position is that he is now, as he always has been, absolutely and positively opposed in general to any kind of quotas or restrictions on foreign trade by this country except by mutual agreement. He made it perfectly clear that he considers textiles to be in a class by themselves; that he is prepared to the extent of his ability—and I take his word for this because I consider him to be a man of scrupulous honesty and honor—to back the President and Secretary Stans to the fullest extent in

conferences regarding textiles seeking a voluntary agreement, but that he is not ready and has no intention of pressing for voluntary agreements, at present at least, on any other commodity, and that so far as textiles are concerned he is still opposed to any unilateral action by Congress, the Executive, or anyone else in imposing or attempting to impose restrictions of any kind whatsoever.

Let me say, first, that the attitude of Secretary Stans is that textiles are in a class by themselves and he wants to press, particularly the Japanese and others, for some voluntary restrictions. But when I addressed questions to Secretary Stans on another occasion, about shoes and footwear, he said, "We will take one thing at a time. I am not going to becloud our case on textiles by even pressing or talking about shoes, electronics, steel, glass, or anything else."

It was my distinct impression from what Secretary Stans said that he, too, was opposed, even as a last resort, to any action on the part of Congress to impose even a very, very slight and reasonable restraint on textiles.

Now, I do not need to remind the Senate that practically all the nations engaged in foreign trade—by various means are restraining exports from this country into their country.

They do so by various expedients. One, by import licenses. Two, by excessive port fees. Three, by indirect sales taxes. Four, by health, safety, and sanitary regulations. Five, by State trading, the setting up of monopolies by the State. Six, by border tax adjustments. Seven, by excessive health and safety inspection requirements of the kind which are entirely unrealistic and only a coverup and actually are a restraint upon our exports into their country. Eight, by discriminatory credit restrictions.

Now this very week, as I have already said, the Secretary of Commerce, his advisers and assistants met, and, I assume, even though he is not yet confirmed, that Mr. Gilbert is among them—and quite properly so—trying to deal with the Japanese.

Mr. President, in 1959, the late distinguished Senator from Kansas, Andrew Schoepel, who was at that time the ranking minority member of the Committee on Commerce, and I, after holding hearings in the then Territory of Alaska on another matter within the jurisdiction of the committee, went to Japan.

I went there because of my interest in the textile situation. We went down to Kobe, where most of the Japanese textile mills are located. The Japanese are very courteous and polite. I was shown through their mills equipped with the best and most modern machinery that any plant in this world could possibly have—furnished by us, while our own mills were gradually limping along trying to modernize their machinery.

Former Senator Schoepel and I had the opportunity to talk to the Japanese millowners. I have said that they are very courteous people and they were courteous enough to us, but when it came even to venture to suggest some kind of voluntary restraints on the flow of their

textiles into the United States of America, they simply laughed at us.

I do not remember how they phrased it. They phrased it in somewhat smooth and stilted language. But what they said in effect was, "You fellows must believe in Santa Claus. It is ridiculous. Of course we are going to export our goods to the United States as long as we can and in as great quantities as we can"—by inference, until something is done to restrict the amount.

I do not think their attitude has changed. I recall Secretary Stans, in his report, talking about his visit to the United Kingdom, France, Italy, and then on to Japan and talking about his reception there. He reported that he felt encouraged that in many of the countries they had come to the point that they were willing, at least, to discuss and contemplate voluntary restraints on the increase of their exports to us. He reported that was so in every country except Japan.

Frankly, former Senator Schoepel and I found no real, encouraging disposition on their part to consider such an agreement.

I hope that during negotiations this week, the Secretary finds something more encouraging.

I hardly dare to expect it.

I note that the distinguished chairman of the Ways and Means Committee in the other body made a statement yesterday in which he warned that he will support restrictive trade bills unless other countries reach an agreement with the United States on textiles.

Mr. President, I am being very frank. I suppose it is a poor lawyer and a poor advocate who gives away his case. I do not expect that the Senate will refuse to confirm the nomination of Mr. Gilbert. But I want to say, Mr. President, if a substantial number of Senators—and I have never challenged any Senator, I have never tried to embarrass any Senator, and I am not doing so now—but if only those Senators who have spoken repeatedly in this Chamber expressing their deep apprehension about the loss of jobs, if only they will cast a protest vote, not against Mr. Gilbert personally, not against the President or the Secretary of Commerce, but write it into the RECORD of the Senate that they recognize the time has come to act, then I believe it will have two beneficial effects.

First, it will serve notice on the administration that we are not prepared to sit quietly by and simply make sporadic speeches, but that we have come to the point where we are going to begin to take action.

Second, as I said before, it will help the President, it will help the Secretary of Commerce, it will help Mr. Gilbert himself, if that indication can be brought to his attention.

It is easy to say to representatives of other countries, "Well, if you do not come to some agreement, if you do not make some little concession, Congress will take the matter into its own hands and impose restrictions." But if we cannot point to one single vote that has been cast to back up the sentiments so many of us

have expressed, I do not think it is going to be very impressive.

Other Senators are waiting to speak, and I shall not prolong these remarks, but I just want to mention that, as far as textiles are concerned—and I am speaking now for my own section, for my own State, for New England—I am aware that long before foreign nations began to take away our textiles, our good friends from across the aisle from the Southern States did quite a job in getting our textiles away from us. But solicitous as I am about the textile industry, it is almost like locking the stable door after the horse has been stolen.

Finally, in the Kennedy round, we got some kind of protection for cotton fabrics; but so far as New England and my own State are concerned, the largest cotton mills in the world, the famous Amoskeag Mills that had existed for a century, closed their doors and went out of existence some years ago. So we have practically no cotton industry left.

Our woolen industry is fighting a last-ditch fight and needs protection.

There is, of course, the present problem of protecting man-made fibers.

I would like to mention, so it is in the RECORD, the fact that in the matter of footwear, we are starting down the same road. Apparently the administration and the Secretary of Commerce and Mr. Gilbert have not learned the lesson that an ounce of prevention is worth a pound of cure. While we are holding postmortems on much of the textile industry, the footwear industry is going the same way.

In 1966 the increase of exports over 1965 was practically 10 percent—9.7 percent. In 1967 there was a 34.2 percent increase over 1966. Last year, 1968, it was 35.8 percent—over 1967.

Thus, from 1965 up to the present time there has been a 100 percent increase in footwear imports into this country, mostly lower-priced footwear. The projection for 1975, if only the present rate of increase continues, is a 434 percent increase over 1965—in 10 years.

I ask unanimous consent to insert in the RECORD at this point the actual figures, in addition to the percentages.

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

1965	87,632,000
1966	96,135,000
1967	129,137,000
1968	175,438,000
1975	468,000,000

Mr. COTTON. Mr. President, one-fourth of the sales for footwear in our domestic market has been taken by imports. If the growth is allowed to continue at the present rate, by 1975 over 50 percent of that market will have been taken over by foreign imports.

As to jobs lost, in 1968 alone there was a loss of 64,000 jobs in footwear.

I am using this as an example to show we do not talk only about textiles. It was 64,000 in 1968.

By 1975, if allowed to continue at the present rate—the jobs lost in this country will be 168,600.

Foreign workers in footwear receive about one-fourth, in most cases—in all

cases less than one-half—the wages paid in the United States.

Three hundred footwear companies have gone out of business in this country in recent years. In New England 12 factories have closed in the past 10 months. In my own small State of New Hampshire three factories have closed since January. In my small State, 2,500 footwear jobs are done and the people are out of work.

Mr. President, Mr. Gilbert serves on certain committees, one of them as chairman and director of the Committee for National Trade Policy. That committee is almost entirely composed of executives of companies that have already built factories abroad. Their interest in maintaining jobs for American workers could not possibly be as keen—though I am sure they are interested, but they could not possibly have the same force of interest—as domestic companies and the interest of American workers.

It is a healthful symptom that organized labor has at last awakened to the situation and is beginning to make its voice heard.

That brings up another point, which I shall not go into, but company after company has been compelled to construct factories in Taiwan and in Hong Kong to avail themselves of cheap labor. So American concerns are going abroad and sending back into this country foreign constructed goods.

In the case of electronics, the Sprague Co., which has three plants in my own State and many other plants throughout the United States, is being compelled, reluctantly, to do so. It has already constructed factories abroad, but so far as I know, up to now it has used those factories only to send its goods into other foreign countries, not back into the United States. But its officials are very frank to say that they will be compelled to close many of their own factories in this country, and put our people out of work. Sprague makes electrical components that go into radios and television sets. It feels compelled, in order to compete, to send goods back into this country from its foreign plants.

Mr. President, that is a situation which absolutely calls for affirmative action. I do not know how long we are going to wait. I have bills I have introduced in the Senate, and the distinguished Senator from South Carolina (Mr. HOLLINGS) has bills, which we are pressing. I will not start talking about the Democrats. I will let them speak for themselves. I shall not intrude into their business. I will talk only about my own party. The last Republican National Convention wrote into the platform a promise "to work toward freer trade among all nations of the free world," but added, "But artificial obstacles to such trade are a serious concern."

Then the platform says:

We promise hard-headed bargaining to lower the non-tariff barriers against American exports and to develop a code of fair competition, including international fair labor standards, between the United States and its principal trading partners.

It goes on to say:

A sudden influx of imports can endanger many industries. These problems, differing in each industry, must be considered case by case. Our guideline will be fairness for both producers and workers, without foreclosing imports.

Then the platform continues:

Thousands of jobs have been lost to foreign producers because discriminatory and unfair trade practices—

Practices which I have enumerated already—

The State Department must give closest attention to the development of agreements with exporting nations to bring about fair competition. Imports should not be permitted to capture excessive portions of the American market, but should, through international agreements, be able to participate in the growth of consumption.

It goes on with three or four paragraphs more of plain, downright promises. I do not know whether the President or the Secretary of Commerce—as to Mr. Gilbert himself, I know nothing about his political affiliations—have refreshed his memory about this promise made by the Republican Party, in its convention, to the workers of America. I am not talking so much about the employers or manufacturers, although, if we are ever going to compete with the markets of the world, they also must have a chance—a chance to machine their mills, a chance to improve their efficiency and effectiveness, and do what America has done for generations, or we would not be where we are today—wherever that may be right now. They must have an opportunity.

I am speaking for the workers. I speak for the workers in my own State, who are my constituents, and who have been thrown out of employment every month in increasing numbers in the last 2 years and will continue to be unless something is done.

Those are some of the reasons. I could quote the statements of Mr. Gilbert, made to the committee. I have here a statement which he made in response to questions by members of the Senate Finance Committee, in which he said that he would consider textiles in a class by themselves, and he wanted to back up the President and the Secretary of Commerce in trying to get voluntary agreements. He would not say that in the absence of voluntary agreements he would ever approve of any unilateral restrictions on our part to counterbalance restrictions elsewhere.

I was in Spain, Mr. President, 3 years ago. The commercial attaché of the American Embassy told me that the Spanish people are eager to buy American-made goods, particularly radios, televisions, toasters, and all kinds of electrical appliances; but they could not buy them. Why? Because only perhaps half a dozen people in Spain were allowed import licenses; and those import licenses were restricted to minimum amounts.

Here we are, openly inviting and allowing everybody to dump their goods here; and not one of those countries—I do not care whether it was Japan, the United Kingdom, France, or any other—not one of the exporting countries has

failed to protect its own by restrictions in some form or other.

Mr. President, I have not had the opportunity to confer with the distinguished Senator from South Carolina (Mr. HOLLINGS), who just arrived in Washington a few minutes ago, but I would feel that the opportunity to vote on this matter—and by that I mean a record vote—should be afforded so that Members of the Senate, after all of the protests we have made in speeches, may be recorded. I think that a reasonably substantial protest vote, which is not a reflection in any way, shape, or manner on the skill or the integrity of the nominee, Mr. Gilbert, would be of great value, and would be a weapon in the hands of our negotiators as they negotiate with these other countries.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I admire the character and courage of my distinguished colleague from New Hampshire, to be able to stand up and speak for the preservation of American jobs and the economic sustenance of our country. With respect to his desire that we have a record vote, that is also my desire. With respect to having a protest vote, I hasten, just on my short return to Washington, to point out to the distinguished Senator from New Hampshire that the other crowd has been working, and our crowd has been taken down the primrose path that "We are going to look out for textiles, so why vote against a guy who is supposed to go to bat for you, and get him irritated? Let us just sort of go along with this situation."

The fact of the matter is, Mr. President, that I speak not only for textiles but for all jobs. In the last 3 years, the U.S. Government has appropriated approximately \$577 million to preserve the jobs of Americans. Last year and the year before, the style on the Senate floor was "jobs." Anywhere we could pour money into the urban areas, money into the ghettos—job training, OEO, any kind of programs—the key word was "jobs." And yet, at the very time that we were spending almost three-quarters of a billion dollars to create jobs, we actually exported jobs by the tens of thousands—an equal number of jobs. So our policy has been frustrated.

Simply and to the point, obviously Mr. Gilbert is very able to do very many jobs. He has character and he has ability. But from his past record, it is equally obvious that he would be a very poor negotiator for American jobs and for U.S. trade policy.

He defends himself by saying he is an advocate. You do not take the fellow who has been the attorney for arson cases for 19 years and appoint him fire marshal; you do not take the lawyer who has been defending drunk drivers for 19 years and make him highway safety director; you do not ask Melvin Belli to defend a personal injury case; and you do not ask the insurance lawyer to prosecute on behalf of the plaintiff in a personal injury case.

Specifically, you do not ask to nego-

tiate for the sale of a horse with a man who has already characterized the horse as a nag, and dead, and out on its feet. This is the position that Mr. Gilbert has taken as to American industry.

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

Mr. HOLLINGS. I am happy to yield to the Senator from Rhode Island.

Mr. PASTORE. And you do not choose a fox to protect the henhouse.

Mr. HOLLINGS. Well, I was going to mention that, but the distinguished former Vice President and Presiding Officer of the Senate did not do too well. There are some around here who are willing to put the fox in the chicken coop, and I am holding back on that particular.

But the fact is that we reached this confirmation discussion, Mr. President, at a time very critical in America's trade history with respect to jobs and with respect to the credibility of the U.S. Government itself.

Referring specifically to jobs, we were common adversaries, known to each other, who had been working on both sides of the fence for 10 years—I on the one side in favor of a policy to help us compete competitively and preserve jobs, and Mr. Gilbert on the other side exporting them willy-nilly to any country. Do not give me the talk about competition. Let us specifically take the Japanese jobs. There is a \$1.3 billion deficit in trade.

There is no antitrust act in Japan. There is no wage and hour law. There is no safety standard. There is no workmen's compensation. There is no overtime. There is no child-labor standard.

Most of those jobs—I would say 90 percent of those jobs—are performed under conditions that would be criminal in a manufacturing industry in the United States.

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

Mr. HOLLINGS. I yield.

Mr. PASTORE. Mr. President, I do not know if the Senator has brought out this point, but to me it is a very crucial and important point. During the campaign, the President of the United States recognized the problems of the textile and some other industries because of this great influx of imports. And he said that special consideration ought to be given to some of these domestic industries to make sure that we will not see their demise and thereby jeopardize American jobs.

I am inclined to believe that the President of the United States is very sincere about this matter.

Immediately after his inauguration and the appointment of the Secretary of Commerce, he expedited the trip of Maurice Stans throughout the world to have talks with these various nations exporting to the United States.

Secretary Stans appeared before a group of Senators. I was there. The Senator from New Hampshire was there. The Senator from South Carolina was there. And I think we were all impressed with the sincerity of Maurice Stans and believed he wanted to do something about the matter.

I think that our friends abroad who

are exporting to our country at a tremendous volume began to understand that there was sincerity and resolve on the part of the administration to do something about bringing these matters under control, not by any false procedure, but by agreement.

Lo and behold, an appointment is made of an individual who represents everything contrary to what we are doing. After all, these foreign exporters are not fools. They are pretty smart people. One ought to deal with them to see how really smart they are.

What are they saying to themselves? They are saying, "You cannot possibly mean what you said during the campaign. You cannot possibly take this Maurice Stans seriously if you want to send someone to negotiate the agreements who does not believe in the same policy."

That is what we are up against. I think we have counteracted all the good we have done and all the progress we have made thus far, although it is limited progress, by appointing someone who exemplifies the opposite viewpoint and is a contradiction of everything that we are attempting to accomplish.

I think that the Italians, the Japanese, the French, and the people in Hong Kong are looking at us and saying, "You cannot be serious. This is double talk. You send Maurice Stans to us to tell us we have to control the exports to your country, and then by the same token you send a man to negotiate with us who does not stand for any control at all. What is this?"

This is the difficulty. This is the dilemma. And this is where the irreparable harm has been done.

I have nothing against the man. I have talked to him. I think he is a fine American. As a matter of fact, I think the people on the other side of the aisle think he is a fine American. I think that the Senator from New Hampshire is a fine American. He is a Republican and I am a Democrat, but we just do not agree on some things.

And that is all we are saying.

Mr. COTTON. The Senator is correct.

Mr. PASTORE. I am glad we agree on this matter.

That is all we are saying about Mr. Gilbert. We do not agree with him. We think he is a fine man of excellent character. This is no reflection on him. He has a right to believe as he does, as much as I have a right to believe as I do. I would not deny him that right. However, how can I in good conscience go along with the appointment when he is a contradiction of everything that the Senator and I have been striving for on the floor of the Senate and in private meetings for years and years? It does not make any sense to me.

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

Mr. HOLLINGS. I yield.

Mr. COTTON. Mr. President, there is not a Senator who does not remember down through the years when the Senate has taken a certain position on a bill and the conferees appointed on the part of the Senate to stand by the Senate position in conference with the House have been those who were against the

Senate position and for the House position.

They were honorable men and they did their best. We have their confidence, but I have always had the feeling that we never go into a conference between the Senate and the House with the Senate conferees agreeing with the House in their hearts and come out as well as we would if we had in conference those who really had supported the Senate position. It is exactly the same situation here.

If the President had sent us the name of the distinguished Senator from Rhode Island or the distinguished Senator from South Carolina for this very important task of negotiator with the rank of Ambassador Extraordinary, of course, I would be in favor of that, although I would rather he had sent up the name of a Republican.

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

Mr. COTTON. I yield.

Mr. PASTORE. Mr. President, I do not even want them to send up my name for the position, as extraordinary as it is. I would rather be a Senator.

Mr. COTTON. What I am saying is that everyone in the industry, whether employer or employee, would have really been reassured because they would know that this ambassador would conduct negotiations, believing in his heart in reasonable restraint on the industry.

Just as the Senator from Rhode Island and the Senator from South Carolina have so well said, the confirmation of this gentleman is notice that we are approving someone to negotiate that we know is not really in our corner.

Mr. HOLLINGS. Mr. President, in substance, I am sure that the distinguished Senator from New Hampshire would not want me to negotiate the Republican vote in New Hampshire, and I certainly would not want to call on him to negotiate the Democratic vote in South Carolina.

We have been working on opposite sides of the fence politically.

I think highly significant is not what he may say now on textiles, but his record through the years, because we will be negotiating in the main with the Japanese, for whom I have the highest respect. They are the toughest, canniest, williest, and cleverest of negotiators.

I have been working on the other side of the fence for about 10 years. I think I know a little bit about how they operate. Is not the Japanese trade negotiator going to say to Ambassador Gilbert: "Now, Carl, really, do you mean that? Do you not remember that in 1968 before the Merchandise Mart in Chicago, you said your domestic industry ought to discipline itself better and ought to be willing to be competitive and not be weaned by the Federal Government?"

Or they may later say: "Carl, now, really, before the House Ways and Means Committee in 1968, did you not say that import quotas you oppose, of all kinds, and now you are asking us to agree to something that you said you always opposed and opposed religiously and zealously for 19 years?"

Or, again, before the same committee, is the Japanese negotiator going to use the words "corruption," "catastrophic," and "explosive"? Is he not going to say, "Mr. Gilbert, are you not the one who says quotas would really demoralize and bring about corrupt practices in trade? Did you not say it would be explosive to put these things on that you want us to agree to now?"

Are they not going to say: "Mr. Ambassador Gilbert, when questioned by Congressman LANDRUM, before the House Ways and Means Committee, on trade policy, when Mr. LANDRUM pointed out the thousands of employees in the textile industry in Georgia that he was about to lose, are you not the one who told Mr. LANDRUM to go ahead and get in a different business and write off this industry as expendable and noncompetitive and archaic?"

Mr. President, is not the Japanese negotiator going to say: "Carl, are you not the one who says that this really has to do with national security; go ahead and give the money to the Pentagon and let the Pentagon give them a grant, but do not innovate import quotas as a policy for international trade?"

Those are the kinds of things that the negotiator, Ambassador Gilbert, would be confronted with, and as a result he would end up with being a very, very poor trade negotiator. And all the time, as the distinguished Senator from New Hampshire has pointed out, we Senators would run down and beat our breasts and indicate how we were so concerned about the American worker, concerned about the employees, and everything else back in the United States.

As I said earlier, to ask him to be the trade negotiator is like delivering lettuce by way of a rabbit. It will never arrive.

Back in 1960, after attesting before the Tariff Commission as a witness in the trade cases, we were told at that time by the then occupant of the chair in which the Presiding Officer is now seated—Richard Milhous Nixon—he said:

Don't worry. The Tariff Commission is going to find with you on your textile case. You have lost about 400,000 jobs in a 10-year period.

This was in March of 1960, when I came into the Senate Chamber and shook hands with the then Vice President. He said:

Don't worry. The Tariff Commission is going to come out all right. The Japanese realize the predicament they are in and how unfair and how uncompetitive this is. They have put on voluntary quotas; and rather than go into legislating, they are going to make a verbal finding in the Tariff Commission.

But on June 23 of that year, the Tariff Commission found again as they had found in many other hearings. Mr. Gilbert, in his testimony, time and again said: "Exhaust your remedies. You, as an industry, have not exhausted all your legal and administrative remedies."

We are already at the point of exhaustion. We were at the point of exhaustion in 1960; and I read the original letter of then Senator John F. Kennedy, who was exhausted:

U.S. SENATE,
Washington, D.C., August 30, 1960.
HON. ERNEST HOLLINGS,
Governor of the State of South Carolina,
State Capitol Building, Columbia, S.C.

DEAR GOVERNOR HOLLINGS: I would, of course, be delighted to discuss with you and with textile industry leaders the problems of the textile industry and the development of constructive methods for showing the growth and prosperity of the industry in the future. The critical import situation that confronts the textile industry which you so eloquently describe in your letter is one with which I am familiar. My own State of Massachusetts has suffered and is suffering from the same conditions.

Mind you, this is the Carl Gilbert from Massachusetts, who at that time was working with the Massachusetts Ports Authority. He is now—up until his appointment about 3 months ago—chairman of that port authority. But then Senator Kennedy said that he recognized the problem in his own State.

Continuing Senator Kennedy's letter:

The past few years have been particularly difficult for this industry. There seems to have been a basic unwillingness to meet the problem and deal constructively with it. During the first six months of this year imports of cotton cloth are twice what they were during the same period in 1959, the highest year on record. Similarly alarming increases are occurring on other textile and apparel products. Since 1958 imports have exceeded exports by constantly increasing margins. There are now 400,000 less jobs in the industry than there were 10 years ago. It is no longer possible to depend upon makeshift policies and piecemeal remedies to solve the problems which the industry faces.

As you know, I supported the establishment of the Special Senate Sub-committee for the Textile Industry, under the chairmanship of Senator Pastore, of which Senator Strom Thurmond is a member. In an effort to help develop suggestions to improve the competitive position of the industry in the United States and world markets, this Subcommittee for the first time undertook a broad investigation of the problems of the United States textile industry and offered a number of constructive recommendations. With only minor exceptions, the Eisenhower Administration has failed to implement these recommendations.

This was in 1960. In a moment I shall come to President Nixon and Candidate Nixon, when he tells of the Johnson-Humphrey administration failure as to the industry. In August of 1960, the Eisenhower administration had failed to implement these recommendations.

The letter continues:

I agree with the conclusions of the Pastore Committee that sweeping changes in our foreign trade policies are not necessary. Nevertheless, we must recognize that the textile and apparel industries are of international scope and are peculiarly susceptible to competitive pressure from imports. Clearly the problems of the industry will not disappear by neglect nor can we wait for large scale unemployment and shutdown of the industry to inspire us to action. A comprehensive industry-wide remedy is necessary.

The outline of such a remedy can be found in the Report of the Pastore Committee. Imports of textile products, including apparel, should be within limits which will not endanger our own existing textile capacity and employment, and which will permit growth of the industry in reasonable relationship to the expansion of our over-all economy.

I will divert for a moment. After I had set in the RECORD—July 10, 1969—the answer to Michael Daniels of the Import Council and all his charges and paper that preceded Secretary Stans' visits to Europe and Japan, Senator GOODELL came up and said this was a novel approach, that the domestic industry should think that it had a fair share in the growth of domestic industry, in the percentage growth. It is not novel. It was in Senate John F. Kennedy's mind in August of 1960, and he so wrote:

We are pledged in the Democratic Platform—

The Senator from New Hampshire has pointed out the Republican platform. This is the same platform the Democrats have had over the years—

to combat sub-standard wages abroad through the development of international fair labor standards. Effort along this line is of special importance to the United States textile industry.

The office of the Presidency carries with it the authority and influence to explore and work out solutions within the framework of our foreign trade policies for the problems peculiar to our textile and apparel industry. Because of the broad ramifications of any action and because of the necessity of approaching a solution in terms of total needs of the textile industry, this is a responsibility which only the President can adequately discharge. I can assure you that the next Democratic Administration will regard this as a high priority objective.

Additionally, we shall make vigorous use of the procedures provided by Congress such as Section 22 of the Agricultural Adjustment Act and the Escape Clause in accordance with the intention of Congress in enacting these laws.

Lastly, I assure you that should further authority be necessary to enable the President to carry out these objectives, I shall request such authorization from the Congress.

I hope that these thoughts are helpful to you in your own deliberations and I reaffirm my interest in discussing problems of mutual concern with you.

With all good wishes, I am,
Sincerely yours,

JOHN F. KENNEDY.

Mr. President, President Kennedy was elected on a Tuesday in November of 1960. By Friday of the same week he called me on the telephone and said, "Let us go to work on that textile problem." We began meetings. I met with him at his home in Georgetown. We agreed to set up a Cabinet committee, which held hearings and made findings which thereafter culminated in his White House seven-point program.

Without reading the entire program, then, President Kennedy stated in a White House release of May 2, 1961:

The problems of the textile industry are serious and deeprooted. They have been the subject of investigation at least as far back as 1935, when a Cabinet committee was appointed by President Roosevelt to investigate the conditions in this industry. Most recently these problems were the subject of a special study by the Interdepartmental Committee headed by Secretary of Commerce Luther H. Hodges. I believe it is time for action.

It is our second largest employer. Some 2 million workers are directly affected by conditions in the industry. There are another 2 million persons employed in furnishing requirements of the industry at its present level of production. Two years ago, the Office

of Defense Mobilization testified that it was one of the industries essential to our National security. It is of vital importance in peacetime and it has a direct effect upon our total economy. All the studies have shown that unemployment in textile mills strikes hardest at those communities suffering most from depressed conditions.

Mr. President, I ask unanimous consent to have printed in the RECORD the release dealing with the entire seven-point program.

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

WHITE HOUSE PRESS RELEASE, MAY 2, 1961

The President today announced a program of assistance to the United States textile industry, designed to meet a wide range of the problems it faces as a result of rapid technological change, shifts in consumer preference, and increasing international competition. The program was developed by the Cabinet Committee, headed by Secretary of Commerce Luther H. Hodges, which was formed by the President on February 16, 1961.

In announcing the program, the President said:

"The problems of the textile industry are serious and deeprooted. They have been the subject of investigation at least as far back as 1935, when a Cabinet committee was appointed by President Roosevelt to investigate the conditions in this industry. Most recently these problems were the subject of a special study by the Interdepartmental Committee headed by Secretary of Commerce Luther Hodges. I believe it is time for action.

"It is our second largest employer. Some 2 million workers are directly affected by conditions in the industry. There are another 2 million persons employed in furnishing requirements of the industry at its present level of production. Two years ago, the Office of Defense Mobilization testified that it was one of the industries essential to our National security. It is of vital importance in peacetime and it has a direct effect upon our total economy. All the studies have shown that unemployment in textile mills strikes hardest at those communities suffering most from depressed conditions.

"I propose to initiate the following measures:

"First, I have directed the Department of Commerce to launch an expanded program of research, covering new products, processes and markets. This should be done in cooperation with both union and management groups.

"Second, I have asked the Treasury Department to review existing depreciation allowances on textile machinery. Revision of these allowances, together with adoption of the investment incentive credit proposals contained in my message to the Congress of April 20, 1961, should assist in the modernization of the industry.

"Third, I have directed the Small Business Association to assist the cotton textile industry to obtain the necessary financing for modernization of its equipment.

"Fourth, I have directed the Department of Agriculture to explore and make recommendations to eliminate or offset the cost to United States mills of the adverse differential in raw cotton costs between domestic and foreign textile producers.

"Fifth, I will shortly send to the Congress a proposal to permit industries seriously injured or threatened with serious injury as a result of increased imports to be eligible for assistance from the Federal Government.

"Sixth, I have directed the Department of State to arrange for calling an early conference of the principal textile exporting and importing countries. This conference will seek an international understanding which will

provide a basis for trade that will avoid undue disruption of established industries.

"Seventh, In addition to this program, an application by the textile industry for action under existing statutes, such as the escape clause or the national security provision of the Trade Agreements Extension Act, will be carefully considered on its merits.

"I believe this program will assist our textile industry to meet its basic problems, while at the same time recognizing the national interest in expansion of world trade and the successful development of less developed nations. It takes into account the dispersion of the industry, the range of its products, and its highly competitive character. It is my hope that these measures will strengthen the industry and expand consumption of its products without disrupting international trade and without disruption of the markets of any country."

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

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, I believe that technically the Senator from New Hampshire is in control of the time.

The PRESIDING OFFICER (Mr. EAGLETON in the chair). The Senator is correct.

Mr. COTTON. Mr. President, we do not wish to monopolize the time on one side.

Mr. President, will the Senator from South Carolina suspend for the time being so that other Senators may have an opportunity to speak, particularly those who must go to the Republican policy committee meeting?

Mr. HOLLINS. I yield for that purpose.

Mr. COTTON. Mr. President, I ask unanimous consent that the Senator from South Carolina be recognized after certain other Senators have spoken, without the rule being applied with respect to a Senator speaking twice.

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

Mr. COTTON. Mr. President, I now yield such time as he may require to my distinguished colleague from New Hampshire.

Mr. McINTYRE. Mr. President, I ask unanimous consent to proceed for 5 minutes.

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

Mr. McINTYRE. Mr. President, first I commend my senior colleague, along with the distinguished Senator from South Carolina (Mr. HOLLINGS), for bringing this matter of the nomination of Mr. Gilbert so forcibly to the attention of the Senate.

I have examined Mr. Gilbert's record at some length. I have read the transcript of the hearings conducted by the Committee on Finance. I have decided that my vote today will be cast against Mr. Gilbert's confirmation for one simple reason—the shameful, unfair, unjust, and obviously political attitude which he took in the Finance Committee hearings toward two industries of great importance, in very different ways, to my own constituents.

I refer to the shoe industry and the petroleum industry.

New Hampshire produces shoes, and the policy of the U.S. Government re-

garding shoe imports is of vital significance to the workers of my State.

New Hampshire consumes petroleum and petroleum products, and the policy of the U.S. Government regarding petroleum imports is of vital significance to the consumers of my State.

How does Mr. Gilbert react to the problems of the shoe manufacturers and petroleum consumers of New Hampshire? The answer is clearly given in the hearings before the Finance Committee.

There is "no question at all" in Mr. Gilbert's mind that the oil industry deserves the totally unwarranted quota protections which it presently receives. His reason is very simple.

He said:

There has been a finding by the appropriate agency that it was important.

And he had no questions about that finding.

When it comes to shoes, however, Mr. Gilbert is far less sympathetic to the needs of domestic industry. He is, fortunately, aware that many of us in the Congress do have information indicating that the shoe industry is really in need of quota protection. Nevertheless, he feels that our views should be discounted in light of a Tariff Commission report which states that protection is not needed. My Small Business Subcommittee will be holding hearings early this fall to investigate in depth the problems being experienced by small shoe manufacturers and their workers. In New Hampshire alone over 1,200 workers have lost their jobs already this year as a result of plant shutdowns. These hearings should resolve once and for all the extent to which the recent flood of imported shoes into this country is responsible for these shutdowns.

Mr. President, I simply cannot, as a Senator from the State of New Hampshire, support the nomination of a special representative for trade negotiations who is perfectly willing to question the need for legitimate help for the shoe industry but who is unwilling to question the unwarranted and unfair subsidies granted to the petroleum industry.

We are not, in New England, asking for any more than our fair share of the benefits which can accrue from the National Government. But it is totally unfair for national trade policy to force us to pay outrageously high prices for petroleum while at the same time not permitting us to keep our citizens employed in the shoe industry. If Mr. Gilbert were consistent in his philosophy, I could probably find it possible to vote for his nomination, even if I disagreed with him. But when his inconsistencies add up to a totally unfair trade policy from the point of view of my own constituents, I must vote "no" on his nomination.

Mr. COTTON. Mr. President, I thank my colleague for his remarks.

Mr. HOLLINGS. Mr. President, I commend the Senator from New Hampshire for placing into focus vital considerations with respect to this particular appointment. It is very important to realize that Mr. Gilbert's record in his trusteeship jobs, as chairman of the Committee for a National Trade Policy, coupled with the knowledge that for 19

years Mr. Gilbert has been in favor of free trade against any kind of unilateral or import quotas, has sustained the fact that, while he is a man of character, his interest in this field has been established as representing those of a committee favoring a policy of free trade, which the leaders of our Government opposed in both 1960 and 1961.

The very seven-point program by President Kennedy, which I placed in the RECORD, was implemented with respect to cotton but not with respect to wools and manmade fibers.

Specifically what is the power of a trade negotiator? For one thing, Mr. Gilbert thinks he does not have enough power. He has been a witness before the Congress many times. When the Trade Expansion Act was presented to the Congress in 1962, he attested that that office should have more power than it has, that it should be at the highest level, the ambassadorial level.

Specifically, I may mention the bill that was passed by the Senate last year and was before the committee of conference. We had the Senate speak on this important bill. We had over half of the Members of the House of Representatives endorse a similar bill, word for word. In fact, we told them we would accept theirs. But Ambassador Roth kept chastising us that it would be the end of free trade, that it would be the worst thing that could happen to the United States of America. He was representing the State Department viewpoint, which has been its position consistently from the time we began on this particular problem in 1959.

What was the position of President Nixon? As a candidate for the Presidency, he sent a telegram to Republican sponsors of textile import control legislation on August 21 of last year, during the campaign, which was given nationwide publicity. The telegram reads:

As you know, my associates and I are continuing our evaluation of factors bearing on constructive development of the total U.S. economy in the years ahead. Among these factors is the ability of private enterprise to achieve real growth, thereby contributing most effectively to job preservation and opportunity.

Again answering the distinguished Senator from New York (Mr. GOODELL), there was placed in the RECORD an answer to the particular question of where-in we ever got the idea that domestic industry was entitled to such protection. The President of the United States, running on that platform, said so in this telegram, which I continue to read:

One such consideration involves the impact of dramatically increasing imports on the 2.4 million people directly employed in the Nation's textile and apparel industries and the countless additional thousands involved directly or indirectly in related activity.

Knowing of the concern you have demonstrated in these industries and their employees, as evidenced by your support of legislation designed to encourage orderly textile trade, I thought you might like to have my views on the subject.

The Johnson-Humphrey Administration has failed to carry out the Program initiated by President Kennedy and reaffirmed less than four years ago.

There is the record. President Kennedy blamed President Eisenhower. President Nixon blamed President Johnson and Vice President Humphrey. Every time the people get a chance to vote on the question, this is the way they vote. They put the man in. Where does the policy come from? From the people. The policy we have before us is the policy of the people, and we should not have it destroyed by a negotiator who is representing the other side. I read further from the telegram:

At the same time, it has permitted much of the rest of the world to establish or maintain barriers to the products of our industry while we have provided foreign textile producing nations virtually unlimited access to our markets.

As President, my policy will be to rectify this unfair development and to assure prompt action to effectively administer the existing Long-Term International Cotton Textile Arrangement.

Mr. President, President Nixon said that, as President, he was going to rectify this unfair development, however, he is nominating a man who has opposed LTA from its inception and has insisted on nothing being done on wool and manmade fibers.

This raises the credibility gap. I conclude the reading of the telegram:

Also, I will promptly take the steps necessary to extend the concept of international trade agreements to all other textile articles involving wool, man-made fibers and blends.

Our goal will be the creation of an environment which will encourage job-creating growth of the domestic industry while permitting imports to participate fairly and in an orderly fashion in the future expansion of the domestic market. Opportunities for our own industries to participate on a reciprocal basis in the future expansion of textile and apparel markets in the rest of the world also must be assured.

Minus such an overall policy I am convinced that the potential for tens of thousands of new jobs in these industries will be jeopardized. On the other hand, the program to which I am committed will provide this vast industrial-agricultural-fiber complex far-reaching opportunity for employment of American citizens in both rural and urban communities where jobs are needed most.

Mr. President, the importation, for example, of manmade fibers, has increased 100 percent during the first 4 months of 1969. By the same token, a specialized study by Arthur Anderson Associates was made of the textile industry, projecting a 25-percent lowering in jobs, at the present rate and under the present policy, by 1975, or 600,000 jobs.

This study was made during the last few months. And here is a President committing himself to rectify that situation, and appointing, if you please, a man who has opposed it religiously for 19 years. The credibility gap. This is what cursed us with foreign countries, with respect to manmades and woolsens. Specifically, in December of 1961, when the Assistant Secretary of Commerce, Mr. Hickman Price, went to the London conference to represent the U.S. Government, he was preceded by State Department personnel, who advised the conferring nations, "Do not worry, have no fear, we are not serious about this thing; let Secretary Price make his noise, let

him go through his act, let him get his headlines; we will adjourn this conference and nothing will be done."

And that is exactly what happened. It was so bad that Mr. Price, after using the conference room for 4 hours one afternoon, was told by the authorities at the hotel that the rent on the room was over with. The State Department did not have any other place to meet and the meeting had to be adjourned. Mr. Price had to go and rent a room out of his own pocket and try to salvage the conference.

Time and again, the President has said one thing and the State Department another. President Johnson said in Rhode Island in September 1964, and in Georgia in October 1964, that he was going to implement the Kennedy program. But where was the State Department and Secretary Rusk? Where were Nick Katzenbach and that crowd last year, when we were working in direct opposition to the policy?

I think by now the Japanese have got the message: "If you stick with the State Department, do not worry, we will get all the jobs. Pour the coals on, boys, we have got a readymade situation."

As a result, they have almost no concern. They voted almost unanimously in their Diet—save one vote—not to even discuss the subject with Secretary Stans, Mr. Gilbert, or the U.S. representative—the country that we freed and nourished back to economic sustenance, the country whose textile industry we built with American payroll dollars. We are told: "We will not even discuss it with you," and on top of that, the administration appoints as its negotiator Mr. Carl Gilbert, and asks the Senate to confirm it.

Mr. President, in a speech before the 31st Chicago World Trade Conference on February 28, 1968, Carl Gilbert made a very stirring address in behalf of his position that he has stuck to for the past 19 years. Mr. John Hight, the executive director of the Committee for a National Trade Policy, on March 13 of that same year said this about the Gilbert speech:

Although Mr. Gilbert spoke in his personal capacity, we feel that what he said represents essentially the viewpoint of this Committee. We know you are familiar with the problems discussed here and recognize that 1968 is a critical year both for maintaining a liberal trade policy and for beginning to solve our balance-of-payments problems.

Here are excerpts from the speech made by Mr. Gilbert:

There seems to be complete agreement, verbally at least, to the proposition that of vital importance to our national future "is the ability to maintain and improve the competitive position of the United States", to quote the recent report of the Council of Economic Advisers. Virtually all of the private sector would agree on this proposition when talking in terms of the need of greater governmental restraint on inflationary forces. Yet those industries now seeking new protection from the forces of import competition seem hell bent on permanent and virtually irreversible impairment of their industries' capacity to compete by removing the restraining influence of competition. What is the ultimate end of this course of action?

If any industry should have learned how ineffective are "jawbone" controls of the wage-price spiral, the steel industry, God knows, should have. If it weren't for the

impossibly bad results on all the rest of us, I would almost like to sit back and watch the inevitable interplay of the forces involved if they should get the quotas some of the industry seem to think they want.

With quotas in effect I would expect within a short term of years to find the American steel industry permanently priced out of the international market and to be returning to the Congress again and again asking the Congress for further legislation to erect other and higher barriers to protect them against the inevitable consequences of the earlier measures enacted to enable them to avoid the restraining influences and stimulation afforded by competition.

Most of us have learned the hard way the basic truth that in this hard world in which we live, no one is going to get anything of value for nothing. The same is true of whole countries in the field of national trade regulation. If new tariffs are imposed or quotas established by the United States at the instance of one industry, some other American industry or industries must be made to pay the price for that new protection, either by compensatory reductions in tariffs on imports in their fields or through consent by the U.S. to increases of foreign tariffs on U.S. exports. At its best, this is bad, since in its simplest terms this involves robbing Peter to pay Paul—a regrettable degree of direct participation by government in the allocation of foreign trade between industries.

How does Mr. Gilbert say to "compete?" Like all the other members of the Committee on a National Trade Policy, he says, "Go overseas and build your plant, and employ Japanese and Chinamen in Hong Kong, and the people in Pakistan; go to India and all the other countries."

Mr. President, that is what he says—to compete. He does not say anything about the wage and hour law. He does not say anything about unemployment compensation. He does not say anything about child labor standards, about safety standards and regulations. He does not say anything about the cost to the industry of health regulation and pollution control. He does not say anything about the antitrust laws in America which all American industry is beset with now. In Japan, they have the cartel system.

He is talking as if he were back in the Smoot-Hawley days of the 1930's. He says to compete, and to go ahead under non-competitive conditions in manufacturing under circumstances which would be criminal within the United States.

On page 7 of his talk he says:

God knows nothing stimulates research and development, process improvement and the drive for greater efficiency than the hot breath of competition, and we would be fools to seek to remove that stimulus or reduce its influence.

Mr. President, no one has ever asked for less than that in the American textile industry which is the most competitive. I have had cases of plagiarism where they have copied the exact pattern, cases where they had tried to develop, as we have done in the United States, modes and processes of manufacture. We are the most competitive industry. And we have been sustaining a limited growth in spite of all of this just because we are competitive and productive.

Mr. President, I again quote from Mr. Gilbert:

In short, to a very great extent the industries now seeking quotas have not, to use the old lawyer's phrase, exhausted their existing specific remedies against some of these alleged evils, and instead seek to short-cut established procedures by going direct to Congress where the alleged evils can be asserted in terms of generalities rather than specifics.

Mr. President, we had during the 1950's over 20 escape clause cases which were brought before the Tariff Commission and in only two cases were there favorable findings.

As former Senator John F. Kennedy said in the earlier correspondence which I submitted for the RECORD, the industry was exhausted to the tune of 400,000 jobs. And the projection is that it will be exhausted under the present policy to the tune of an additional 600,000 jobs.

This is the lawyer running around making lawyer talk and saying, "You have not exhausted your remedies."

The only thing this policy has supported is jobs for lawyers before the Tariff Commission. It has not created any additional jobs. Let me point out the contrast between sophisticated jobs in some industries and the unsophisticated jobs in the textile industry. Everyone will agree that textile jobs are semiskilled.

Question: Is the United States satisfied with the policy where we will relegate to ourselves nothing but the sophisticated technology, the computerized type of industry and leave all of the other jobs for the countries importing into the United States?

Everyone talks about black power and black economy and black enterprise and giving them loans.

Seventeen percent of the textile industry is in black employment in the State of South Carolina. And since the first of the year, since January 1, 1969, they have had an increase in Negro employment of more than 10 percent.

This is what we are talking about. These are the job opportunities we need. But, instead, we get this runaround about being competitive and exhausting our remedies. We listen to Senators on the floor say how they stand for jobs and training to give the underprivileged, the undereducated, the unskilled an education and the economic opportunity to become a part of society. At the same time, we are exporting jobs by the thousands.

This is what we have to listen to and yet we are being asked to confirm this man.

I quote further from Mr. Gilbert:

Perhaps it was a mistake for the U.S. to agree to this provision in the GATT in 1947, but the answer to the problems it creates today does not lie in unilateral action on the part of the U.S. It can come only from patient negotiation and agreement with the other GATT nations.

I quote further from Mr. Gilbert:

It seems to me unfortunate that the heavy emphasis in the administration's 1968 program to remedy our balance of payments problems sound so strongly of protectionism. Restriction on the international movement of capital, of people, and of goods runs counter to all of our national aims.

This is the foreign investor talking who further stated:

What has happened to us as a nation when our government, as well as major segments of industry, faced with the disciplines of the international market place moves first to find ways to remove the immediate pressures to action which those disciplines provide.

It sounds to me as if the gentleman is more qualified to be the president of a military college. I never heard anyone talk about discipline in the Senate and never heard anyone in the world of international trade use that term.

Mr. Gilbert says further:

Have we lost our fortitude?

Now we get the adjectives. Have we lost our fortitude? We are losing our shirts. We are losing our economic subsistence. We are not losing fortitude.

Mr. Gilbert continues:

Are we confessing to the world that we haven't the moral stamina to justify our position of world leadership?

We are confessing to the world that we believe in the wage and hour law controls, unemployment compensation, a safe place for man to work, and that we believe in health standards and the right of competition protected by our antitrust laws. That is what we are saying to the world. We are not saying this gobbledygook about moral stamina and fortitude.

Mr. Gilbert continues:

There are these deeper issues involved in the question we have been discussing. I hate to believe that the answers to these questions are in the affirmative but I keep waiting for the clarion call from Washington to pull in our belts and fight to defend the things we believe in.

Here is a man chastising us and urging us to fight for the things we believe in. And after 19 years of fighting the American textile industry and the quota policy for Japan. Japan has a quota today and all of the trade countries have quotas. They were agreed to by 34 countries.

He wants to fight, he says, against what he has believed in for 19 years. I cannot take his word in a personal call when he says, "Don't worry, Fritz, I will look out for you on textiles."

I think it is more serious than that. I think we will lose textile jobs, leather jobs, electronic jobs, and all other kinds of jobs we can possibly think of to foreign trade under a noncompetitive situation.

I read further from Mr. Gilbert:

It has also seemed clear to me for a long time that national defense motivated support of a particular industry should be in the form of a direct open subsidy—rather than by way of inducement to industry wide price increases—and ought to be charged to the defense budget—if defense consideration are that direct and significant.

The businessman approach to the problems of America always destroys the human element. They get frustrated. They become a little restless. And they say to throw money into the problem. That is the guaranteed annual wage, the negative income tax. Then, when we have an industry that involves the national security, we are told to give them a grant through national defense and give them the money. We are told that we do not have to be competitive in free enterprise, as enunciated by Cordell Hull, but that we should give them a grant.

This is the fellow who will negotiate for the United States on this all-important question.

Mr. President, Mr. Gilbert appeared before the House Ways and Means Committee on June 11, 1968. At that particular time he testified for the Committee for a National Trade Policy as follows:

Our committee has always opposed import control legislation, because such statutes would impair the national interest. Once the United States starts a pattern of import quotas, allocating a fixed percentage of the U.S. market to American producers and the balance to foreign suppliers, we will find ourselves opening a Pandora's box of governmental controls.

Of course, Mr. President, we got import quotas under the long-term arrangement; and all we are asking for is the very same thing that President Kennedy talked about—a comprehensive, industrywide solution, to make it comprehensive or extend it to woolen and manmade fibers. No Pandora's box has been opened under the LTA for cotton.

The fact is that the wholesale price index has been increased .7 percent since 1961, when we had the 1-year short-term arrangement extended for 5 years under the LTA, and last year for a 3-year period, in comparison with a 6-point increase in the wholesale price index of all other commodities.

I continue to quote Mr. Gilbert:

A protected market inevitably leads to a spiral of price increases.

It has not led to price increases in cotton articles. For the cotton, in the shirts we wear, the cotton farmer gets less than does the launderer for cleaning it. The price of that shirt, relatively speaking, has increased by three times less than the average increase in the wholesale price index of other articles in America.

Mr. Gilbert further stated:

We could expect to see a wide range of Government intervention in the U.S. economy such as we have never experienced except in wartime, and one which could totally distort the competitive economy which has made America prosperous.

I will state what it does to the competitive economy, Mr. President. When I was Governor of South Carolina, a watch industry came to open up a plant—the Elgin Co., from Elgin, Ill. We even renamed the town of Blaney, S.C., to Elgin, S.C. South Carolina trained 425 employees for this plant. Within a year and a half, they were 30 percent more productive than the average employee at the Elgin, Ill., installation. There was nothing wrong with their training; there was nothing wrong with their skill. But they could not make a profit under Mr. Gilbert's concept of competitive enterprise. They came, exhausting their remedies before the Tariff Commission. The result: They were denied relief, and the plant has moved overseas. They do not make Elgin watches in Illinois or in South Carolina or in America. The directors and the stockholders of Elgin are making a grand profit now. But the American worker does not have a job. Unemployment—that is what we are talking about.

I quote Mr. Gilbert further:

In addition, we must anticipate that foreign suppliers, limited to a fixed share of the

U.S. market, regardless of how efficiently they produce, will turn more and more to dividing up that share on a cartel-like basis, and will undoubtedly raise their prices in the process. The temptations to price rigging, and even corruption, will be great. And the price that will be paid by U.S. consumers will be a heavy one.

Now, Mr. President, here is a man who last year—within the past 13 months—believes that any kind of trade regulation to help a man hold a job in America and help the industry to compete on a fair and equitable basis is going to bring corruption. He said it regularly, constantly, persistently, and repeatedly for 19 years—until he was appointed trade negotiator. Then he said: "Oh, I believe there is something to be said for the textile industry. It deserves study. You know, if the President is thinking along these lines, maybe I could help."

I do not happen to think so. I think he has made such a sorry record in this regard that any fellow negotiating with him would put him in deep centerfield, and he would be completely powerless to represent the interests of the United States.

I quote Mr. Gilbert further:

Moreover, U.S. manufacturers who are big users of steel, and other important materials, will find themselves progressively priced out of world markets on their manufacturers and, in more and more cases, obliged to manufacture abroad not only to supply foreign markets, but even to supply their own normal markets in the United States.

Temporarily, Mr. President, steel is being taken care of. Oil is taken care of. They have a quota. Steel is taken care of. They have their quota. So we do not find the oil people around, and we do not find the steel people around, because they are temporarily taken care of.

But what is happening to black jobs, that everybody is talking about, on a national basis? Where are we employing them in the textile industry in South Carolina? What has happened to the semiskilled in Appalachia, for whom we are trying to get jobs? We are exporting the job overseas by giving them Gilbert. Do we understand why they riot and are restless and wonder about Congress? They wonder about this body. They give all this talk and get headlines on TV, but what do they give us? The Japanese negotiator—that is what they have.

Mr. JAVITS. Mr. President, I appear today in support of the confirmation of the nomination of Carl J. Gilbert to be the President's Special Representative for Trade Negotiations.

This is a key post in the trade field. The nomination has not been confirmed for 3 months. I do appreciate the sincerity of the opposition to the nomination. I have known Mr. Gilbert for a long time, and I have had a great interest in the trade policies of the United States under a series of administrations which go back over the past 20 years. Therefore, I felt it appropriate that I speak at this time.

Mr. Gilbert is an American who is unusually well qualified for this position. He has appeared at length before the Committee on Finance and the Committee on Foreign Relations, and has answered all questions fully. Both committees have reported his nomination favor-

ably. Yet, although a crucial trade conference is presently underway in Japan, and at a time when the new administration is actively formulating its new trade policies, the United States is being denied the use of the full services of Mr. Gilbert because the Senate has yet to act on the President's nomination.

I make this point because he is now leading the position of the United States in a very important area. We have a serious trade imbalance with Japan. Later in my statement I shall refer to some of the problems that are involved. The position of the United States becomes of great importance.

There can be no doubt of Mr. Gilbert's qualifications. A lawyer for 17 years in the Boston firm of Ropes, Gray, Best, Coolidge, & Rugg, he distinguished himself as a citizen with a cool, reasoned approach to complex issues. For the past 20 years he has served the Gillette Co. in various capacities and was chairman of the board at the time of President Nixon's nomination on April 10 of this year. His business affiliations are impressively extensive. As a former director of firms dealing with textiles, electronics, banking, and publishing, Mr. Gilbert would bring to this critical position the breadth that is so important in the formulation, coordination, and administration of our foreign trade policy.

The opposition to Mr. Gilbert has trained its guns upon his advocacy of trade liberalization. In fact, those most vehemently opposed to the nomination have expressed concern that Carl Gilbert would be anathema to the textile industry. I cannot concur with this opinion as this is not the impression I obtained from the Foreign Relations Committee hearings on the nomination and from my knowledge of Mr. Gilbert.

Under questioning by the Senator from Wyoming (Mr. MCGEE), he agreed that the textile interests must be preserved but not overprotected. This is an eminently reasonable position. It is also important to note that the Senator from South Carolina (Mr. HOLLINGS) carefully questioned Mr. Gilbert at length before the Senate Finance Committee in regard to his position on foreign imports and quotas. The Senator from South Carolina (Mr. HOLLINGS) apparently was satisfied with Mr. Gilbert's answers, particularly with regard to Mr. Gilbert's stated firm intent to carry out the President's textile policy and general trade policy.

Yet, there is a potentially more critical aspect surrounding this recommendation. During the tenure of Ambassadors Christian Herter and William Roth, the Special Representative for Trade Negotiations has been responsible to the Executive Office of the President. This structure reflected the belief that U.S. trade policy should not be the hostage of a particular agency or department of the Government.

In order effectively to coordinate often conflicting views within the executive branch of our Government, it is important that the lines of responsibility run directly to the White House. Only then can U.S. commercial interests be clearly

delineated and translated into an effective policy.

Mr. Gilbert has, much to my satisfaction, assured the members of the Foreign Relations Committee that this traditional structure will be preserved when he undertakes his duties as U.S. chief trade negotiator. It is worth repeating that Mr. Gilbert has publicly testified that as a representative of the President of the United States, he would carry out the trade policies of this administration to the best of his ability.

I should now like to explain why it is urgent that the Senate act on this nomination today. Indeed, we will act on it affirmatively.

With significant justification, we in Congress and the Nation have been concentrating our attention and efforts in recent months on the serious inflationary danger threatening this Nation. These problems certainly demand our concerted action, but we must not let it obscure our view of an integrally related and equally serious economic problem—our deteriorating international trade position. The Nation's balance of payments, the chief indicator of that position, skidded from a surplus in the fourth quarter of 1968 to a deficit of over \$1.7 billion in the first quarter of the current year. Similarly, our balance of trade with the nations of the world showed a deficit of about \$275,000,000 in the first quarter of 1969 in the area of general merchandise alone and an overall balance of payments deficit of up to \$4 billion is threatened in 1969.

It must be remembered, the sharp reversal of the whole postwar trade history of the United States, when we had surpluses in trade of \$5 billion to \$6 billion consistently, year after year.

Although our balance-of-payments problem is longstanding and obviously not easily solvable, I rise now to bring to the attention of my colleagues one opportunity to begin the alleviation of this serious imbalance—the 7th annual meeting of the Joint U.S.-Japan Committee on Trade and Economic Affairs which has just opened in Tokyo. It is not mere coincidence that the eyes of the international economic community are viewing this conference with particular interest. Not only is Japan our greatest overseas trading partner—two-way trade exceeded \$7 billion in 1968—but Japan as well makes the greatest contribution to the U.S. trade imbalance.

In the past year, Japan showed a surplus of over \$1 billion in her export-import trade with the United States. In the first 5 months of this year alone, the Japanese surplus was more than a half billion dollars. In April and May, the Japanese trade surplus was running at a monthly rate of approximately \$150 million. This contrasts with 1961 when our trade balance with Japan was \$782 million in the black.

In terms of the health of the international trading and monetary system, a surplus of such magnitude needs careful handling. Surplus nations must act with a special sense of responsibility—and it is my hope that Japan will soon take the necessary measures to help in dealing constructively with this imbalance. I repeat, trade policies which result in a

mere 9-percent annual rate of increase in 1968 of U.S. exports to Japan, while our imports from Japan increase by 35 percent over the same 1-year period, raise political and economic problems.

Yet, more than any other nation in the free world, Japan has erected the most severe nontariff barriers to U.S. goods and capital. Since the war, our corporations have actively promoted U.S. sales in the Japanese market, but have been faced with continuing and, in my view, increasingly unjustified trade and investment barriers. It is true that some easing of restrictions were enacted by Japan as a result of the Kennedy round and GATT. I am also gratified that the Japanese Government has just put 24 items including automotive engines, wool textile goods, color film, large electric generators, and machine tools on liberalized trade list. It is to be hoped that more significant items will be added to this list in the very near future.

But in reviewing these limited liberalization measures, I must ask whether a progressive, economically powerful country whose automobiles are now being sold in all principal markets of the world, should not move away from trade and investment controls more appropriate to the era of the model T. Is not the complex and comprehensive Japanese system of trade and investment controls, established when Japan was striving to rebuild its economy, in need of a complete model change? Would not, also, the Japanese consumer welcome the product diversification and lower prices that would result from trade liberalization?

Now, the reason I place these issues before the Senate is that they are the very issues with which the President's special representative for trade will be dealing in Japan—right now. It is with issues such as these which the President's Special Representative for Trade Negotiations must be integrally involved. Mr. Gilbert, a member of the American delegation to the meetings with Japan, is scheduled to make a major address concerning the need for an improved trading relationship between the United States and Japan. It should be obvious to us all that such an otherwise significant statement would have negligible impact if delivered by a man who has not yet been confirmed by the U.S. Senate.

Mr. HOLLINGS. Mr. President, will the Senator from New York yield at that point, so that I may ask for the yeas and nays?

Mr. JAVITS. I yield.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The yeas and nays are ordered.

Mr. HOLLINGS. I thank the Senator from New York.

Mr. JAVITS. Mr. President, traditionally, the Japanese are a people more sensitive to the proprieties of proper protocol than perhaps are Americans. More than 3 months have passed since the President of the United States nominated an American of outstanding qualifications and character to become his special representative. Hopefully, if we do confirm him today, it will acquire much more significance to Japan and

I hope will have a measurable effect on them, which is certainly very badly needed.

The situation certainly calls for our immediate and positive action in the Senate on this nomination. Mr. Gilbert is over there, under the shadow of having been appointed 3 months ago. Although he is an outstanding man and very well known, he is still not confirmed by the Senate. How much more acceptable will be his speech and his representation of the United States in the ensuing negotiations if his status is confirmed by the Senate.

I, therefore, sum up as follows, Mr. President.

First, Mr. Gilbert is a man of outstanding qualifications, one of the most distinguished Americans who could be appointed in this field. He is a most desirable man for the United States to enlist in its services in this very critically important position.

Second, because of his assurance of objectivity and his profound awareness of the problems, particularly of the textile industry in terms of trade and tariff barriers, which he has explained to the committees of the Foreign Relations and Finance, which have caused them to report him out favorably.

Third, because he is right now in a conference of critical responsibility and great delicacy in which his confirmation will be of materially beneficial effect to the United States, I urge the Senate to confirm this nomination.

Mr. COTTON. Mr. President, I thank the Senator from New York for his contribution.

Mr. President, without losing his right to the floor, will the Senator yield 10 minutes to the distinguished Senator from Massachusetts (Mr. BROOKE), who must go to a policy meeting?

Mr. HOLLINGS. I am delighted to yield to the Senator from Massachusetts.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Massachusetts is recognized for 10 minutes.

Mr. BROOKE. Mr. President, I rise in support of the nomination of Carl J. Gilbert to be the President's special representative for trade negotiations. I believe that the President could not have chosen a better man to fill this key position.

I have known Carl Gilbert for many years. He has lived and practiced in Massachusetts since the late 1920's. In his career at the Harvard Law School, as a partner in the distinguished Boston law firm of Ropes & Gray, in his military service, as president and chairman of the board of the Gillette Co. in Boston, and as officer, director, and counsel for several major U.S. firms and organizations, Carl Gilbert has always distinguished himself.

His experience in the field of international trade has been extensive, deriving not only from his business associations but from his role in many trade-related organizations. Over the years he has served as chairman of the advisory committee on the Export-Import Bank, chairman of the Committee for a National Trade Policy, director of the At-

lantic Council, and chairman of the Massachusetts Port Authority, to name but a few.

In appearances before both the Committee on Foreign Relations and the Committee on Finance, from which he received unanimous approval, questioning was extensive and detailed; and I believe a number of important points emerged which will be of interest to the Senate.

I know that much concern has been expressed regarding Mr. Gilbert's views on what has been referred to as "free trade." This is, of course, a relative term, for never in the history of the world has genuine free trade been in effect.

Mr. Gilbert readily acknowledged that as a spokesman for various organizations, and for the Committee for a National Trade Policy in particular, he had advocated freer trade among the many exporting and importing nations of the world. Freer trade, as he described it at that time was essentially an anti-inflationary measure; for where genuine competition exists, industries will make every effort to reduce prices and improve the quality of their goods.

But Mr. Gilbert also emphasized in his testimony that his commitment to freer trade was neither ideological nor irrevocable. First of all, he stressed that his previous arguments had been made as an advocate, in the fullest legal sense of the term. In his own words:

My entire life has been spent either as a lawyer presenting my clients' views in the strongest terms of which I was capable, or as a member of an organization pursuing the organization's objectives with all the energy at my command.

He goes on to explain that—

In these (previous) statements I was speaking, of course, as a private citizen, sometimes in terms of hyperbole.

Second, he readily agreed that our trade policy could not be decided in a vacuum. Considerations of national security, protection of domestic manufacturers, and preservation and expansion of employment opportunities, are also essential factors. "Free trade," or "freer trade," is not an unmitigated blessing and cannot be pursued as an end in itself. His previous positions will, therefore, be carefully reviewed in the light of the additional facts to which he now has access and his own larger responsibilities.

In other areas, Mr. Gilbert expressed grave concern over the expanding use of nontariffs by our trading partners, and he committed himself to insuring that not only the United States, but also the other nations of the world meticulously observe their international commitments. He promised to take a "much tougher approach" in policing present international trade agreements and committing ourselves to new ones. And he promised to take another serious look at the growing problems of such troubled industries as shoes, textiles, and steel.

As an advocate for international business and trade associations, Mr. Gilbert presented an eloquent and persuasive case for freer trade. As an administrator, with concerns encompassing the health

of domestic industries as well as our role in world trade, I am certain that Mr. Gilbert will apply that same understanding and eloquence to representing the interests of all his "clients" fairly and effectively.

I have great confidence in Carl Gilbert's knowledge, judgment, and exceptional abilities. I urge that he be confirmed for the office to which he has been nominated, that of the President's special representative for trade negotiations.

I thank the distinguished Senator from New Hampshire and the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, will the Senator from Massachusetts yield?

Mr. BROOKE. I yield.

Mr. HOLLINGS. Does the Senator from Massachusetts believe that the electronics industry of Japan, with no wage and hour controls, with no unemployment compensation, with no child labor standards, with no health and safety standards, is competitive with the Massachusetts electronics industry?

Mr. BROOKE. Not at all. I do not suggest that in my vote of confidence for Mr. Gilbert.

Mr. HOLLINGS. Does the Senator know that the nominee does not subscribe to competition?

Mr. BROOKE. No; and in his testimony before the Committee on Finance he did not so indicate.

Mr. HOLLINGS. Does the Senator know that on the contrary, before Mr. Gilbert testified before the Committee on Finance, he testified last year before the Ways and Means Committee and opposed legislation such as the Senator has offered on electronics and textiles as promoting corruption that would cause spiraling prices and wages, and that the industry should discipline itself?

Mr. BROOKE. As the Senator from South Carolina knows, I have long been an advocate and have worked very closely with him in these matters affecting the textile industry, the shoe industry, and the electronics industry. I can assure the Senator with all the persuasion at my command that I would not vote for the confirmation of Carl Gilbert if I thought he would not act fairly and equitably and in the best interests of American industry. I think that his statements before the Committee on Finance are statements upon which the distinguished Senator can rely because this is a man of exceptional ability and great integrity. As he said before those committees, he had acted as an advocate, as a lawyer by profession, and he represented his clients to the best of his ability. In dealing with other nations as representative of a larger and more diverse clientele, he will keep in mind the best interests of the United States and its industries. I believe him and I ask my colleagues to believe him.

Mr. HOLLINGS. It is not a question of his integrity. The question is with respect to how capable he would be in the position of trade negotiator as a result of his 19 years of advocacy of a different position. He has been zealous in opposing what the distinguished Senator proposed and voted for last year. The question is:

How is he going to answer the question from the country of Japan, when he proposes quotas on woolens and says, "This is what my Government wants. I have integrity and I am sincere," and the Japanese negotiator says, "Carl, forget it. This is the thing you said would promote corruption."

Does not the Senator think that compromises his position if he is the trade negotiator?

Mr. BROOKE. I do not think he can be or will be compromised.

Mr. HOLLINGS. Does not the Senator think that after 19 years of taking one position and the last 60 days taking another position, that that, in and of itself, is a compromise?

Mr. BROOKE. No, I do not think so. As I said, I think the man will represent the United States and its industries to the best of his ability and in keeping with the policies established by our Government.

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

Mr. BROOKE. I yield.

Mr. COTTON. Mr. President, as I said earlier, I recognize the fact that since 1950 Mr. Gilbert has acted in various capacities. He is experienced in the problems of our foreign trade. His integrity has been brought out to me.

He has definitely said before the Committee on Finance and in conversation with the Senator from Rhode Island (Mr. PASTORE) and me, "I want it definitely understood that textiles are in a class by themselves. I am willing to do all I can wholeheartedly to secure voluntary curtailment or some restraint of increasing imports in textiles. This is as far as I can go."

I asked him about shoes. He said he was not sure shoes needed protection.

In the Committee on Finance in response to a question by the minority leader, Mr. Gilbert said:

Mr. GILBERT. Well, my response was not intended to indicate that I had an opinion as to whether the shoe industry needed protection or not. It was to indicate that, on the record there are two conflicting views as to the need or lack of it. And my point was that I think this called for prompt and thorough examination of the facts to find out what the true facts are on the basis of which a judgment could be arrived at. I have no opinion on the subject at all, sir.

Senator DIRKSEN. Of course, Mr. Gilbert, it calls for something more than an investigation. It calls for some action, if what is related to me is the fact.

Mr. GILBERT. It is that "if" that we are talking about.

I cannot conceive of a man who has been concerned in his various capacities over the years since 1950 or earlier as director of the Foreign Trade Council and a former director of the Committee for National Trade Policy, and who has before him obviously the facts that we have that in 1968 alone 64,000 shoe workers lost their jobs; that in New England alone, in the last 10 months, 12 plants have gone out of business—incidentally, five of them in my little State of New Hampshire where we lost over 2,500 jobs—I cannot conceive his saying that he has no opinion at all or "I am not satisfied the shoe industry needs any

protection at all. We have to start from the beginning and give it a study."

He is honest about it. He said, "I will go with you on textiles. I do not approve of any unilateral action taken by this country so as to get a curtailment on textiles. I am with you 100 percent in my assurance, but on nothing else." I think that that sort of proclaimed position, sincere as he is, and honest and able as he is, is just like sending the Senator from New Hampshire over to the House to sit in a committee on conference and when I sit down for the House position out of a belief in the House position as a matter of honor to carry through, I do not believe that the House Members will listen to me. I do not think this impresses people with whom we are bargaining.

Mr. BROOKE. Mr. President, I do not think anything will be gained by discussion and debate on protectionism at this time. As I understand it, what Mr. Gilbert was saying before the Finance Committee—and apparently he made his case because they unanimously voted to report his name to the Senate for confirmation—was that he was well informed about the textile industry, that he understood it, and understood the need for strengthening the textile industry's position. When it got to a question of shoes and other products, there are many who feel that we cannot have a blanket quota which would cover all the industries, that we should take each one separately and discuss it and investigate it and make a determination as to what each industry needs. A quota may not be the best thing; perhaps subsidies may be the answer to some industries. But I think what he was saying was that he had an open mind, and that he would do the work and make the investigations before he made a final determination.

I think Carl Gilbert is the kind of man we need in this position. The Senator from New Hampshire has said that the man has eminent qualifications for the job by virtue of the long service he has had. And his integrity is not in question.

When we have qualifications such as his, and the unquestioned integrity of a man who has always been honest with us, when he has been before the committee twice, and the committee being satisfied with what he said, I think that the distinguished Senator from South Carolina may have exaggerated fears concerning Mr. Gilbert. I would have fears myself if I did not believe that Mr. Gilbert could take a larger view in carrying out the policies of the President and the country, but I firmly believe he can do this, and will do it.

Mr. HOLLINGS. Mr. President, there is no question as to the character and integrity of George Ball and Christian Herter or of William Roth. But they have been the nemeses of our premise on textiles for the past 10 years.

When President Kennedy was trying to implement his own program, the State Department, through George Ball, dragged its feet. Mr. Ball said he did not believe in it.

That is not a question of integrity. It is a question of heart, of belief, of confidence in fair representation of the Government's position.

George Ball did not believe in President Kennedy's seven-point program and dragged his feet and undercut the program.

Later on, trade negotiator Christian Herter just sort of stood still. Although President Johnson came forward and said in Providence, R.I., and in Georgia, what he was going to do but nothing was done. Thereupon came Mr. Roth, who outright opposed what the distinguished Senator from Massachusetts and I voted for last year when it got over to the conference committee. So it is not a question of the man just coming up. I rather question it when they tell me, "You have got to fight." He says, "You have got to believe," when he talks about discipline in strong terms, just like a cheerleader in a ball game. But I find his heart has been on the other side. His word I respect, but I do not believe he has developed his heart in the past 60 days to represent the employees of America, underprivileged as they are. He thinks otherwise.

Mr. President, we never had any trouble with the pronouncement of President Eisenhower, but President Kennedy later said it was President Eisenhower's fault.

We never had any trouble with President Kennedy in his pronouncement, but President Johnson said it was President Kennedy's fault.

Now when we get to President Nixon, we did not have any trouble with President Johnson's pronouncement, but President Nixon ran on a program that the Johnson administration did not carry out what it was supposed to do.

All on account of one point: the trade negotiator. He has been the one ruining us every time when they bring up the bill on foreign trade policy and Mr. Gilbert, nominated for trade negotiator has been on the other side for years—for 19 years.

The Senator from Massachusetts says I have got unfounded fears. Well, there is no education in the second kick of a mule. I am now around to the fifth kick.

Mr. COTTON. Mr. President, unfortunately, I have the responsibility of controlling the time, and shortly all our time will expire, unless we are able to get an extension, in 10 minutes.

There is one Senator who wishes to be heard. I do not wish any one of us to—

Mr. BROOKE. I appreciate very much the time the distinguished Senator from New Hampshire has given me. Let me just say in conclusion that I think that the distinguished Senator from South Carolina has made out a case against all Presidents of the United States. I think that is where the power to make policy lies, so that is probably where he should lodge his complaint, not necessarily with the trade negotiator. The trade negotiator is only carrying out the philosophy and the policies of Presidents of the United States.

I believe we will see that Mr. Gilbert will be a pleasant surprise to us. The fears the Senator entertains at the present time are false fears.

Mr. COTTON. Let me say to the Senator from Massachusetts—

Mr. BROOKE. I hope that I am right.

Mr. COTTON. That in this respect every President of the United States I have served under since Harry S. Truman—who, incidentally was capable of telling the State Department to take a jump in the lake, every one since—Republican and Democrat—in this respect has knuckled under to the State Department time and time again. Thus, I am disappointed in our Presidents, as is my good friend from South Carolina.

Mr. BROOKE. I am not being critical, I assure the distinguished Senator. He knows that, of course.

Mr. COTTON. Mr. President, I am happy now to yield to the distinguished Senator from Wyoming (Mr. HANSEN).

Mr. HANSEN. Mr. President, let me say, first of all, that I have nothing but the greatest respect for Mr. Gilbert. Although I do not know him personally, everything I have read about him inclines me to believe that he is a man of extraordinary talent and ability, and of unimpeachable integrity. Certainly, he is a person in whom the President of the United States might well repose the utmost confidence.

Mr. President, let me point out that, philosophically, I am a free trader.

As a student many years ago of economics courses, it seemed to me to make good sense to contend that if a country can produce things which it is best equipped to produce, we would all have more in the long run.

It is only because of some very personal experiences and a rather long period of observation over the intervening years between my academic career and where I now serve, that I have become disillusioned with the argument that holds such great philosophical appeal for so many.

I would also like to point out that I am not unaware that the argument has been made repeatedly and pointedly and persuasively that to lower tariff barriers is, indeed, one of the surer and more direct routes to world peace.

Mr. President, I occupy, as it is my privilege to do, one of the two Senate seats of the State of Wyoming.

For those who may not know, Wyoming ranks fifth among the 50 States in oil production.

Wyoming is probably No. 2 in production of uranium at this time.

Wyoming is high up in the production of wool. Further, we consider ourselves to be an important beef-producing State, although we are not in the top 10. We also produce sugar beets.

For those who have been in the West and have visited Wyoming, I need not point out that we are, as my distinguished predecessor Milward Simpson pointed out, "a land of high altitude and low multitude."

We do not have many people in Wyoming. Our average elevation is perhaps 5,000 feet. As a consequence, there are not many crops that can be successfully produced in Wyoming.

Sugar beets happen to be one of those crops. They are our best cash crop.

The production of hay on the mountain meadows found throughout the State is an important source of winter forage for the cattle raised in our State

and for some of the herds of sheep that are found in Wyoming.

I point out that we do not have all of the agriculture options some States have. We do not have an agricultural economy of sufficient flexibility to enable us to go into the production of other types of crops if we cannot raise and profitably market our sugar beets.

While I know the problem of sugar quotas is resolved in a separate act, nevertheless I want to point out that sugar beets happen to be one of the relatively few successful cash crops we have in Wyoming.

I would like to ask the question, Why does not free trade work? What is wrong? Where has this policy, which has such great appeal to many, many people, broken down?

Let us consider our declining trade balances. If we were to subtract from the balances in the last few years the amount of money that has been poured into different types of subsidized industry by the United States, we would have had a negative balance of trade long before this.

Why does not free trade work? In the first place, we ought to take note of the fact that the taxes the average businessman pays in this country represent a far greater investment in government than is true in many other parts of the world.

These taxes provide funds for some of the finest government services. They finance programs that are of interest to all of us. Therefore taxes necessarily represent a very important cost of doing business.

Secondly, and of prime importance, American wages and the American standard of living are higher in this country than in any other country in the world. While it can be contended philosophically that free trade makes sense, it does not make good sense when we compare, on the one hand, the wages paid in this country and the wages paid in other countries that are in competition for the American market.

I know something about the cattle business because I happen to be in that business. I have been observing that imports of beef into this country have been climbing steadily, almost without interruption, for the last 20 years. They have come from countries like Australia, New Zealand, and Ireland. Denmark imports a great deal of pork into this country. Those imports have come from areas of the world that do not start to pay the wages that the American livestock producer pays. They come from parts of the world where the contribution the livestock producer makes to his country does not start to approximate the contribution that is made here.

Why should that be of concern to us? It is of concern to me because actually what we are doing is exporting jobs. Every time we put an industry out of business, every time we make the economic stability of a business shaky, we threaten the jobs of the people who are engaged in that business.

It is unnecessary for me to point out, because distinguished Members of this body have already called attention to it, what has happened in the textile and shoe industries. The same thing is hap-

pening in other industries. As a matter of fact, just across the border in Mexico, one of the important electronic manufacturing companies that is based in the United States has a sizable number of employees in the nation of Mexico. The wage paid those Mexican workers is about 30 cents an hour.

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

Mr. COTTON. Mr. President, it is proposed that there be a quorum call in order that Members of the Senate who are now in committee can return in time for the vote. I ask unanimous consent that the limitation of time be extended for 5 minutes more.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

Mr. BYRD of West Virginia. Reserving the right to object, for how long?

Mr. COTTON. Five minutes.

Mr. BYRD of West Virginia. I have no objection.

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

Mr. HANSEN. Mr. President, it is of prime concern to all of us that we examine what is happening today. The American market is the most avidly sought after market in the world. That is true because of the purchasing power Americans have.

I say it makes little sense at all to destroy the purchasing power of our people by depriving them of jobs, which is precisely what we are doing when we permit different facets of American industry to go under because of competition from foreign countries where the wages paid do not even approximate what we pay workers in the United States.

For that reason, I must express my concern for the jobs not only of the people in my State of Wyoming but people throughout America, and for the kind of purchasing power that those jobs produce, in order that there may be a ready and a good market for the products we raise in Wyoming and throughout the rest of the country.

The oil business today is an important contributor to Wyoming's economy. If we were to lower all of the barriers that limit the importation of oil into the United States at this time, there is no doubt in my mind at all that the oil industry as we know it in the State of Wyoming would dry up and become practically nonexistent.

Likewise, if we permit the unlimited importation of beef, lamb, and wool these industries would suffer irreparable damage.

Such a course of action might have an initial appeal to consumers anticipating lower prices.

But I respectfully point out, Mr. President, that in the long run such actions would weaken the United States. It would wreak havoc to our schools in many districts of Wyoming, and elsewhere, because of the loss of taxes the cowman, the woolgrower, the oilman presently pay.

It would hurt our economy. The money these businesses generate would go to foreign producers—not our next door neighbors.

It would mean unemployment. No longer would the services of many now employed in the United States be needed. The welfare and relief burden would be increased upon our remaining taxpayers and employers.

For these reasons, Mr. President, I shall vote "nay" on the matter of the confirmation of Mr. Gilbert in order that there can be no doubt about my position regarding the further lowering of our trade barriers to unlimited imports.

Mr. COTTON. Mr. President, I ask unanimous consent that an article in today's Washington Post, reporting on a speech by Representative WILBUR MILLS, chairman of the Ways and Means Committee of the House of Representatives, be inserted in the RECORD at this point.

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

MILLS WARNS OF U.S. TRADE RESTRICTIONS

Rep. Wilbur Mills (D-Ark.), chief sponsor of trade legislation in the House, warned yesterday that he will support restrictive trade bills unless other countries reach agreement with the U.S. on textile exports.

Mills, in a House speech, said he would give other nations until this fall to accept a voluntary limitation on textile exports to the U.S.

Mills, chairman of the House Ways and Means Committee, indicated his remarks were mainly aimed at Japan. They were clearly timed to coincide with a meeting this week between Japanese cabinet ministers and U.S. officials, including Commerce Secretary Maurice Stans.

Mills said that if the Japanese would agree to negotiate, then other countries would follow.

Noting that during the first five months of this year U.S. imports of woolens and synthetic fibers were up 29 per cent over the same 1968 period, Mills declared that "this situation is out of control."

Mr. COTTON. Mr. President, there being no other requests for time, I yield back any time that may be left.

The PRESIDING OFFICER. All time is yielded back.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

The Chair, under the previous order, will now state the question.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding the previous order, the able junior Senator from Arkansas be recognized for a period not to exceed 5 minutes.

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

Mr. FULBRIGHT. Mr. President, I merely report—not that it is new—that this nomination was referred to the Committee on Foreign Relations on April 14. There were printed hearings. I do not think there was any objection to the nomination in the committee.

As the Senate knows, this matter was

really held up at the request of the chairman of the Committee on Finance. That committee has now looked at the nomination and, as I understand it, reported it back. It has been on the calendar again for 3 weeks.

I have known Mr. Gilbert for many years. He is a very reputable man of unquestionable integrity. He has been a great success in our private enterprise system. He has been nominated by the President. The Foreign Relations Committee approved his nomination unanimously, I believe.

We have insisted upon the jurisdiction of that committee over ambassadorial nominations. This matter was discussed at considerable length before. So I will not repeat that.

All I wish to say is that I think it is entirely proper that the Senate now pass upon the nomination of Mr. Gilbert. I hope the Senate will overwhelmingly approve him.

I realize that there is some difference of opinion about our present tariff policies. All of us have interests in our own States which conflict even within individual States. Certainly there is a conflict among the various States.

In my own State there is a degree of difference of view between the export segment of our economy, such as cotton, soybeans, and poultry producers.

I believe that it is in the interest of certainly a majority of the people in my State and in this country that we keep a high degree of freedom of trade. I realize that there are certain special situations that need special attention. I would not for a moment pretend that there is never a situation which does not warrant special attention. However, in general, I think the country has prospered and that we have done much better in a period of relatively free trade.

I am always apprehensive of the return to the principles of Smoot-Hawley following World War I, or not long preceding the great depression of the early 1930's.

I would hope that the Senate would endorse Mr. Gilbert, who, I believe, shares the views that, on balance, it is best for the industries of our country to maintain a relatively free trade, always acknowledging that there may be special cases.

I am very pleased, in any case, to support the nomination.

Mr. BYRD of West Virginia. Mr. President, several Senators must attend committee meetings at 2 o'clock. There has been considerable discussion on the nomination. If no other Senators wish to address their remarks to the nomination, I ask at this time that the Chair put the question.

The PRESIDING OFFICER. All time having expired, the question is, Will the Senate advise and consent to the nomination of Carl J. Gilbert, of Massachusetts, to be Special Representative for Trade Negotiations? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the distinguished Senator from Alaska (Mr. STEVENS). If he were present, he

would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. BENNETT (after having voted in the negative). On this vote I have a pair with the senior Senator from Kentucky (Mr. COOPER). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

The bill clerk resumed and concluded the call of the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), and the Senator from Maryland (Mr. TYDINGS) are necessarily absent.

Mr. SCOTT. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Alaska (Mr. STEVENS) are absent on official business.

The Senator from Maryland (Mr. MATHIAS) is necessarily absent to attend the funeral of a friend.

The Senator from Kentucky (Mr. COOPER) is detained on official business.

If present and voting, the Senator from Oklahoma (Mr. BELLMON), and the Senator from Maryland (Mr. MATHIAS) would each vote "yea."

The position of the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOPER), the Senator from Illinois (Mr. DIRKSEN), and the Senator from Alaska (Mr. STEVENS) have been previously announced.

The result was announced—yeas 61, nays 30, as follows:

[No. 58 Ex.]
YEAS—61

Alken	Gore	Miller
Allott	Gravel	Mondale
Anderson	Griffin	Montoya
Baker	Harris	Mundt
Bayh	Hart	Murphy
Boggs	Hartke	Nelson
Brooke	Hatfield	Packwood
Burdick	Hruska	Pearson
Byrd, Va.	Hughes	Percy
Cannon	Inouye	Proxmire
Case	Jackson	Ribicoff
Church	Javits	Schweiker
Cranston	Jordan, N.C.	Spong
Curtis	Jordan, Idaho	Symington
Dodd	Long	Williams, N.J.
Dominick	Magnuson	Williams, Del.
Eagleton	Mansfield	Yarborough
Ellender	McCarthy	Young, N. Dak.
Fong	McGee	Young, Ohio
Fulbright	McGovern	
Goodell	Metcalf	

NAYS—30

Allen	Gurney	Randolph
Bible	Hansen	Russell
Byrd, W. Va.	Holland	Saxbe
Cook	Hollings	Scott
Cotton	McClellan	Smith
Dole	McIntyre	Sparkman
Eastland	Muskie	Stennis
Ervin	Pastore	Talmadge
Fannin	Pell	Thurmond
Goldwater	Prouty	Tower

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Dirksen, against.
Bennett, against.

NOT VOTING—7

Bellmon	Mathias	Tydings
Cooper	Moss	
Kennedy	Stevens	

So the nomination was confirmed.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without

objection, the President will be notified forthwith.

Mr. PELL subsequently said: Mr. President, it was with the greatest of reluctance that I cast my vote against the nomination of Mr. Gilbert. I would not have done so if he were being nominated for any other position within the gift of the executive branch of our Government, because he is a man of singular intelligence, integrity, and ability.

However, the welfare of the textile industry is of particular importance to my own State, and that welfare depends in great part, upon the necessity for quotas on our imports of textile goods. Mr. Gilbert is opposed to quotas, and for that reason would be in a difficult position in working out and negotiating arrangements favorable to the textile interests of our area.

I hope, though, that at a later day I may have the opportunity to vote for the confirmation of Mr. Gilbert for any other job not directly related to this question of quotas.

LEGISLATIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

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

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

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The LEGISLATIVE CLERK. 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.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed for a period of 30 minutes to the transaction of routine morning business, with statements therein limited to 3 minutes.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED WATER USER ACT OF 1969

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the imposition of waterway user charges and for other purposes (with accompanying papers); to the Committee on Finance.

PROPOSED HIGHWAY USER ACT OF 1969

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide additional revenues for the Highway Trust Fund and for other purposes (with accompanying papers); to the Committee on Finance.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the costs incurred to preserve the Columbia River Basin as a source of salmon and steelhead trout, dated July 29, 1969 (with an accompanying report); to the Committee on Government Operations.

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 Board of Supervisors, New City, N.Y., praying for the continuance of tax exemption of bonds of local governments; to the Committee on Finance.

A letter, in the nature of a petition, from Francis L. and Lucile P. Cavendar, of Attleboro, Mass., expressing the hope that the recent accident will not adversely reflect upon Senator EDWARD KENNEDY, personally or professionally; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency, with amendments:

S.J. Res. 140. Joint resolution to provide for the striking of medals in honor of American astronauts who have flown in outer space (Rept. No. 91-337).

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

S. Res. 205. Resolution to set forth as an expression of the sense of the Senate a basic principle regarding the recognition by the United States of foreign governments (Rept. No. 91-338).

Mr. BYRD of West Virginia subsequently said: Mr. President, I ask unanimous consent that the report on Senate Resolution 205, filed earlier today by the Senator from Arkansas (Mr. FULBRIGHT), from the Committee on Foreign Relations, be printed, together with individual views.

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

EXECUTIVE REPORTS OF A COMMITTEE

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

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

I. W. Abel, of Pennsylvania, Harold Brown, of California, William J. Casey, of New York, Douglas Dillon, of New Jersey, William C. Foster, of the District of Columbia, Kermit Gordon, of the District of Columbia, James

R. Killian, Jr., of Massachusetts, John J. McCloy, of New York, Lauris Norstad, of Ohio, Peter G. Peterson, of Illinois, J. P. Ruina, of Massachusetts, Dean Rusk, of the District of Columbia, William W. Scranton, of Pennsylvania, Cyrus Roberts Vance, of New York, and John Archibald Wheeler, of New Jersey, to be members of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency; and

Kenneth Franzheim II, of Texas, to be Ambassador Extraordinary and Plenipotentiary to New Zealand.

AUTHORIZATION FOR PERMANENT SUBCOMMITTEE ON INVESTIGATIONS TO FILE REPORTS

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Arkansas (Mr. McCLELLAN), I ask unanimous consent that the Committee on Government Operations have until November 30, 1969, to file reports of its Permanent Subcommittee on Investigations. These reports are as follows:

"Riots, Civil, and Criminal Disorders in Houston, Tex., and Nashville, Tenn.;"

"Riots, Civil, and Criminal Disorders in Plainfield, N.J.;"

"Riots, Civil, and Criminal Disorders in Detroit, Mich.;"

"Riots, Civil, and Criminal Disorders in Newark, N.J.;"

"Riots, Civil, and Criminal Disorders, OEO Grant to the Woodlawn Organization, Chicago, Ill.;" and

"Riots, Civil, and Criminal Disorders, OEO Grant to Wilmington Youth Emergency Action Council, Wilmington, Del."

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

BILLS INTRODUCED

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

By Mr. MONDALE:

S. 2715. A bill for the relief of Dr. Venancio Tiu Jo; to the Committee on the Judiciary.

By Mr. SCOTT:

S. 2716. A bill providing for a study of serious interruptions of certain essential services; to the Committee on Commerce.

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

By Mr. ERVIN:

S. 2717. A bill to amend title II of the Social Security Act so as to permit certain additional individuals who become disabled prior to attaining age 31 to become entitled to disability insurance benefits; to the Committee on Finance.

By Mr. BENNETT (for himself, Mr. ALLEN, Mr. ALLOTT, Mr. BYRD of West Virginia, Mr. BURDICK, Mr. CANNON, Mr. CHURCH, Mr. COOK, Mr. COTTON, Mr. CURTIS, Mr. DOLE, Mr. DOMINICK, Mr. EASTLAND, Mr. ERVIN, Mr. FANNIN, Mr. GOLDWATER, Mr. GRAVEL, Mr. HANSEN, Mr. HARRIS, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. MANSFIELD, Mr. MCGEE, Mr. METCALF, Mr. MOSS, Mr. MUNDT, Mr. MURPHY, Mr. PACKWOOD, Mr. PEARSON, Mr. PROXMIRE, Mr. SAXBE, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STEVENS, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, and Mr. YOUNG of North Dakota):

S. 2718. A bill to modify ammunition recordkeeping requirements; to the Committee on Finance, by unanimous consent.

(The remarks of Mr. BENNETT when he

introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. TOWER:

S. 2719. A bill to prohibit the sending of certain unsolicited merchandise through the mail and to authorize treble-damage suits for injuries caused by such merchandise which is potentially harmful and unpurchased; to the Committee on Post Office and Civil Service.

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

By Mr. MURPHY (for himself, Mr. FANNIN, and Mr. GOLDWATER):

S. 2720. A bill to place additional restrictions on the political activities of members and commissioners of certain Federal agencies; to the Committee on Rules and Administration.

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

By Mr. JAVITS (for himself, Mr. PROUTY, Mr. BELLMON, Mr. DOMINICK, Mr. MURPHY, and Mr. SCHWEIKER):

S. 2721. A bill to amend the Higher Education Act of 1965 to authorize Federal incentive payments to lenders with respect to insured student loans when necessary, in the light of economic conditions, in order to assure that students will have reasonable access to such loans for financing their education; to the Committee on Labor and Public Welfare.

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

By Mr. NELSON:

S. 2722. A bill to amend title II of the Social Security Act to provide a general increase of 25 percent in the amount of the benefits payable thereunder (with a minimum old-age benefit of \$100), to provide for cost-of-living increases in such benefits in the future, to increase the amounts individuals may earn without suffering deductions from such benefits, and to amend title XVIII of such Act so as to include eye care, dental care, hearing aids, and routine physical examinations within the services covered by the insurance program established by part B of such title, and for other purposes; to the Committee on Finance.

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

By Mr. FONG:

S. 2723. A bill for the relief of Hermogenes Lucuesta Rana;

S. 2724. A bill for the relief of Estrella Baysa Garcia;

S. 2725. A bill for the relief of Burgos Jose Maglay; and

S. 2726. A bill for the relief of Ming Kam; to the Committee on the Judiciary.

By Mr. MILLER:

S. 2727. A bill to provide for the sharing of Federal tax receipts with the States and their political subdivisions for purposes of education; to the Committee on Finance.

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

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

S. 2728. A bill for the relief of James E. Fry, Jr., and Margaret E. Fry; to the Committee on the Judiciary.

S. 2716—INTRODUCTION OF A BILL PROVIDING FOR A STUDY OF SERIOUS INTERRUPTIONS OF CERTAIN ESSENTIAL SERVICES

Mr. SCOTT. Mr. President, I introduce, for appropriate reference, a bill providing for a thorough independent investigation of the causes and effects of electric power failure resulting from storms,

severe or prolonged adverse weather conditions on transportation and other essential public services. Under my bill, the Director of the Office of Emergency Preparedness would be required to submit the results of his study to Congress within 1 year from the date of enactment together with any recommendations minimizing the adverse effects of electric power failures.

The introduction of my bill is prompted by the recent power shortage which nearly crippled the Northeast United States, as has happened at least twice in the past few years. We all well remember how New York, our Nation's largest city, was brought to a standstill a few years ago. I recall how millions of Americans, of whom I was one, groped about, flashlights in hand, in search of their cars, their homes, and their dinners. The New York blackout occurred in the cool autumn, not in the oppressive heat of summer when air conditioning is draining additional amounts of electric power. With the hottest period of this year still ahead of us, and already with one crisis just barely averted, we seem to be facing the real possibility of another blackout.

It should be noted that I introduced bills similar to the one which I am introducing today, following major blackouts, in both the 89th and 90th Congresses, but that no action was taken. With no pun intended, I would hope that in the light of recent events, my bill will now be considered favorably.

This month's power crisis was averted by prompt action of 12 major utility companies in four States, comprising one of the Nation's largest power combines. These companies were forced to appeal to their own customers to curtail the use of electricity to "avoid any widespread power failure." The four States involved, Pennsylvania, New Jersey, Maryland, and Delaware, represent approximately 20 million people, or one-tenth of our Nation's population. Officials of the Pennsylvania-New Jersey-Maryland interconnection, the power pool, said that the "potential emergency" this month existed due to the combined effect of very hot, humid weather and an "unexpected loss of generating capacity due to equipment failures."

Although it is an isolated example, I am aware of at least one instance of such equipment failure in my own Commonwealth of Pennsylvania. According to press reports, there is a malfunctioning at the Keystone Mine-Mouth generating plant near Johnstown, Pa. The plant, which normally puts out 1.8 million kilowatts, was down to only 650,000 when the emergency occurred. One of two generating units, which normally produce 900,000 kilowatts each, was shut down by mechanical failure on June 28. Since then, malfunction in the other unit has reduced its production to 650,000 kilowatts. If these reports are accurate, then we can ill afford to continue operating as we have in the past.

Mr. President, the recent power shortage underscores the great need for an in-depth look at the power setup which we utilize 24 hours a day. We must develop ways and means to avert the type of crisis which once again nearly

caused us tremendous disruption. The study proposed in my bill should help in designing the framework necessary for an orderly approach to solving the problem, and I urge its prompt enactment.

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

The bill (S. 2716) providing for a study of serious interruptions of certain essential services, introduced by Mr. SCOTT, was received, read twice by its title, and referred to the Committee on Commerce.

S. 2718—INTRODUCTION OF A BILL FOR REPEAL OF AMMUNITION REGISTRATION

Mr. BENNETT. Mr. President, I rise on behalf of myself and several other Senators to introduce a new ammunition bill. This is a slightly modified version of my previous bill, S. 845.

I should like to explain to the Senate the purpose for this new legislation.

It has been made quite clear to me that the House Judiciary Committee has no intention of considering and reporting any firearms or ammunition legislation in the 91st Congress. Consequently, in the end it would be a futile effort to have the bill reported by the Senate Judiciary Committee only to have it die in committee on the House side. The American sportsman deserves to have this legislation enacted. I feel an obligation, therefore, to the legitimate sportsman and gunowner who buys ammunition and to the 39 cosponsors of S. 845 to find a way to pass this bill.

I believe that I have accomplished this by redrafting the bill to amend section 4182 of title 26 of the United States Code which deals with firearms record-keeping under the internal revenue part of the Code. This redrafting was accomplished with the full cooperation and support of the Treasury. By amending section 4182, which covers the record-keeping responsibilities of the Alcohol, Tobacco, and Firearms Division in the Internal Revenue Service, it is entirely logical and reasonable to have this bill referred to the Senate Finance Committee.

The bill as written does precisely the same thing as did S. 845. It simply removes the recordkeeping requirements of the 1968 Gun Control Act with regard to ammunition. Of course, when this is done, the regulations drawn up by the Treasury Department in 1968 will also be abolished. These regulations, which require nine separate pieces of information, are nothing more than backdoor registration.

Under the Gun Control Act of 1968, the Secretary is required to record the name, age, and address of a person buying any type of ammunition. But, as the regulations came from the Treasury last year, a person is now required to give his name, address, date of birth, date, manufacture, caliber, gage or type of component, quantity of ammunition purchased and a driver's license or other type of identification. I do not feel from my reading of the act or the debate, that Congress intended such a procedure.

Now after administering that act for some 8 months, the Treasury is quite convinced that registration of persons buying shotgun, rifle, .22 caliber rimfire ammunition and component parts of the same types of shells is unnecessary and unrealistic.

I should point out that this bill, as did S. 845, will not eliminate registration requirements on the purchase of most handgun ammunition. The ammunition it deals with is the type used mostly in sporting types of firearms.

I also feel this bill should be enacted before the 1969 fall hunting season begins. Many of our sportsmen have not yet undergone the experience of purchasing ammunition under the present law, I predict that if we do not enact this before the fall season begins, we will hear from the law abiding, legitimate gunowners as never before.

I wish to express my thanks to the distinguished chairman of the Juvenile Delinquency Subcommittee who most graciously withheld consideration of S. 845 in the hearings which began last week. He has been most cooperative.

The following Senators have joined me in cosponsoring this new legislation:

Senators JAMES B. ALLEN, Democrat of Alabama; GORDON ALLOTT, Republican of Colorado; ROBERT C. BYRD, Democrat of West Virginia; QUENTIN BURDICK, Democrat of North Dakota; HOWARD CANNON, Democrat of Nevada; FRANK CHURCH, Democrat of Idaho; MARLOW COOK, Republican of Kentucky; NORRIS COTTON, Republican of New Hampshire; CARL CURTIS, Republican of Nebraska; ROBERT DOLE, Republican of Kansas; PETER DOMINICK, Republican of Colorado; JAMES O. EASTLAND, Democrat of Mississippi; SAM J. ERVIN, Jr., Democrat of North Carolina; PAUL J. FANNIN, Republican of Arizona; BARRY M. GOLDWATER, Republican of Arizona; MIKE GRAVEL, Democrat of Alaska; CLIFFORD P. HANSEN, Republican of Wyoming; FRED R. HARRIS, Democrat of Oklahoma; ROMAN L. HRUSKA, Republican of Nebraska.

Also Senators LEN JORDAN, Republican of Idaho; MIKE MANSFIELD, Democrat of Montana; GALE W. MCGEE, Democrat of Wyoming; LEE METCALF, Democrat of Montana; FRANK E. MOSS, Democrat of Utah; KARL E. MUNDT, Republican of South Dakota; GEORGE MURPHY, Republican of California; ROBERT PACKWOOD, Republican of Oregon; JAMES O. PEARSON, Republican of Kansas; WILLIAM PROXMIRE, Democrat of Wisconsin; WILLIAM B. SAXBE, Republican of Ohio; RICHARD SCHWEIKER, Republican of Pennsylvania; HUGH SCOTT, Republican of Pennsylvania; JOHN SPARKMAN, Democrat of Alabama; TED STEVENS, Republican of Alaska; HERMAN TALMADGE, Democrat of Georgia; STROM THURMOND, Republican of South Carolina; JOHN G. TOWER, Republican of Texas; MILTON R. YOUNG, Republican of North Dakota.

Mr. President, I ask unanimous consent that since this bill amends the Internal Revenue Code, it be referred to the Committee on Finance.

The PRESIDING OFFICER. The bill will be received and referred to the Committee on Finance, as requested.

The bill (S. 2718) to modify ammunition recordkeeping requirements, introduced by Mr. BENNETT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance, by unanimous consent.

Mr. SCHWEIKER. Mr. President, I should like to congratulate the Senator from Utah on his worthwhile statement, and offer my strong support for his efforts to modify ammunition recordkeeping requirements.

I have been opposed to those gun control measures which have the sole effect of imposing burdensome requirements on sportsmen and other law-abiding citizens, but which have no effect on criminals, and do not serve to deter crimes. The existing ammunition reporting requirements are in this category, and I feel it is our duty to modify them.

This bill, by exempting shotgun shells, .22-caliber rimfire ammunition, and metallic ammunition suitable for use only in rifles, would relieve the buyers of these kinds of ammunition from the burdensome Internal Revenue Service reporting regulations, which I feel are beyond congressional intent when it passed the 1968 law.

Under the existing definition of "ammunition" records are required, even in routine sales of ammunition to law-abiding hunters and sportsmen, of the date of sale, the manufacturer and caliber of the ammunition, and the buyer's name, address and birth date. The buyer must also furnish a means of identification, such as driver's license, in order to buy his ammunition.

In addition, it is interesting to note that sportsmen, not criminals, load their own shells, yet under the current definitions sales of components to reload shells must be registered. This is bureaucratic paperwork at its worst, and I have asked Senator BENNETT to include the exemption of component parts in the amendment.

These paperwork requirements to buy a box of shells are an example of unnecessary bureaucratic excess. But more important, they are totally ineffective in terms of the purpose of the 1968 act; the control of crime and criminals. By removing rifle and shotgun ammunition from these paperwork requirements, we do not weaken the drive against crime in any way, but we do remove unnecessary and inefficient inconveniences from law-abiding citizens.

For instance, worthwhile measures which do deter crime are those which impose mandatory additional prison sentences for crimes committed while possessing or using firearms. I support these proposals, which can work, just as I oppose the inclusion of ammunition reporting requirements, which have no effect on crime.

Administrative complaints have not succeeded in clarifying the Internal Revenue Service regulations, and I therefore urge passage of Senator BENNETT's bill to remedy these excessive procedures.

Mr. SAXBE. Mr. President, I think of this particularly in terms of its effect upon those who are trapshooters and skeetshooters and the difficulties which have come about through this law and

the interpretations which have been changed several times.

This is a large and growing sport. A high percentage of these sportsmen load their own ammunition. They save the shells and buy simple components.

By forcing them into this intricate paperwork, and by making it difficult for gun clubs to acquire and dispense the ammunition on their grounds, they have discouraged a sport which has been one of the outstanding American sports to grow in this century.

I believe that, rather than discouraging these people, they should be encouraged. This bill, I believe, will go a long way toward encouraging them.

S. 2719—INTRODUCTION OF A BILL TO PROHIBIT THE SENDING OF CERTAIN UNSOLICITED MERCHANDISE THROUGH THE MAIL

Mr. TOWER. Mr. President, I am introducing today a bill that would prohibit the sending of certain unsolicited merchandise through the mail and authorize suit for triple damages for injuries sustained as a result of violation of this act. I am proposing this measure today because I have become increasingly aware of the need for a clarification of the consumers' rights and responsibilities in this area.

I became aware of this problem as a result of complaints from my constituents, and on further investigation, I began to see the need for legislation. At present there is no uniform law setting down the rights and responsibilities of the consumer with regard to the receipt of unwanted and unsolicited merchandise. Not knowing what is required of him, the consumer sometimes becomes obligated eventually to purchase merchandise which was never desired. This is because, many times, the burden is on the recipient to return the merchandise within a specified period of time in order to escape being billed. It may happen that the recipient inadvertently uses the merchandise, mistaking it for a sample, finding out only too late that he has obligated himself to purchase it. One would suspect that this would hit especially hard with respect to the poor, who are less informed with regard to legalities, and less able to pay. Mrs. Irma Angevine of the Consumer Federation of America, in response to my inquiries, indicated that, in her opinion, legislation would be very helpful. She stated that the problem was mentioned frequently in letters from consumers, and in question-and-answer sessions in her travels around the country. The Post Office Department also indicated that the problem would seem to be quite significant, if complaints and congressional inquiries are any indication.

My legislation would seek to relieve this situation by shifting the burden of action away from the consumer. The bill would prohibit the Postmaster General from delivering merchandise offered for sale, unless such merchandise is sent at the request of the addressee. Merchandise sent by nonprofit organizations exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 would not be restricted by the provisions

of this bill. In addition to prohibiting the mailing of such merchandise, my bill would authorize suit for triple damages for injuries resulting from potentially harmful merchandise which has been transmitted through the mail in violation of this act, and which has not been purchased by the addressee. I include this provision to provide some relief for accidents which may occur when children come into contact with drugs, pesticides, and razor blades transmitted through the mail in violation of this act.

Mr. President, I feel that this legislation would be beneficial to all Americans. It would remove the burden of proof from the consumer, and hopefully avert some of the accidents involving potentially harmful products.

Mr. President, I ask that the text of this 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. 2719) to prohibit the sending of certain unsolicited merchandise through the mail and to authorize treble-damage suits for injuries caused by such merchandise which is potentially harmful and unpurchased, introduced by Mr. TOWER, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

S. 2719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

“§ 4011. UNSOLICITED MERCHANDISE

“(a) Merchandise offered for sale through the mail is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postmaster General directs, unless—

“(1) such merchandise is sent at the request or upon the authorization of the addressee; or

“(2) such merchandise is sent by an organization which is exempt from taxation under section 501(a) of the Internal Revenue Code of 1954.

“(b) If any person is injured, or his property is damaged, as the result of potentially harmful merchandise which (1) has been transmitted through the mails in violation of subsection (a) of this section, and (2) has not been purchased by such person, he may commence a civil action in a district court of the United States against any person who caused such merchandise to be mailed. The civil action may be brought, without regard to the amount in controversy, in any judicial district in which the defendant resides, is found, has an agent, maintains a place of business, or in which such merchandise has been received. The person may recover in any such action three times the damages sustained by him, together with the cost of the suit and any expenses, including loss of earnings and reasonable attorney fees, incurred as a result of the prosecution of such suit.”

(b) The analysis of chapter 51 of such title, immediately preceding section 4001, is amended by adding at the end thereof the following new item:

“4011. Unsolicited merchandise.”.

Sec. 2. (a) Chapter 83 of title 18, United States Code, is amended by adding at the end thereof the following new section:

“§ 1735. UNSOLICITED MERCHANDISE

“Whoever knowingly deposits for mailing or delivery, or knowingly causes to be delivered by mail according to the direction thereon, any matter declared to be nonmailable under section 4011 of title 39, shall be fined a sum not to exceed \$50 for each such violation, each mailing constituting a separate violation.”

(b) The analysis of chapter 83 of such title, immediately preceding section 1691, is amended by adding at the end thereof the following new item:

“1735. Unsolicited merchandise.”

S. 2720—INTRODUCTION OF A BILL TO PLACE ADDITIONAL RESTRICTIONS ON THE POLITICAL ACTIVITIES OF MEMBERS AND COMMISSIONERS OF CERTAIN FEDERAL AGENCIES

Mr. MURPHY. Mr. President, I introduce a bill and ask that it be appropriately referred. This measure would extend present prohibitions on political activity to the heads of the Federal Government's major regulatory agencies and the Civil Service Commission. My bill would extend existing laws' prohibitions on political activity to the following Federal agencies: the Atomic Energy Commission, the Board of Governors of the Federal Reserve System, the Civil Aeronautics Board, the Federal Home Loan Bank Board, and the National Labor Relations Board, the Federal Communications Commission, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission.

Mr. President, the regulatory process and the regulatory agencies are an important part of our Government. Decisions rendered, regulations promulgated, and actions taken impinge on the daily life of every American. A decision to buy a television set, ride on a train or a plane, buy or sell common stock, make a telephone call, borrow or lend money, hire or fire an employee—all these and many more activities are affected to some degree by the actions of the regulatory agencies of the Government.

Shortly after assuming office in 1961, former President John Kennedy said of the regulatory agencies:

The responsibilities with which they have been entrusted permeate every sphere and almost every activity of our national life. Whether it be transportation, communications, the development of our natural resources, the handling of labor-management relationships, the elimination of unfair trade practices, or the flow of capital investment—to take only a few examples—these agencies and their performance have a profound effect upon the direction and pace of our economic growth.

Under title V, section 7324 of the United States Code, Federal employees of executive agencies are prohibited from, first, using official authority or influence for the purpose of interfering with or effecting the result of an election or second, taking an active part in political management or in political campaigns. Subsection (d) (3) of this section provides an exception from taking an active part in the political management or in

political campaigns prohibition for those appointed by the President with the advice and consent of the Senate. My bill would remove this exemption and thus prohibit partisan political management and campaigning by members of certain Federal boards and independent commissions.

Also, my bill would amend section 7323 of title V of the United States Code, which prohibits political contributions. The section provides that an “employee in an executive agency may not request or receive from, or give to, an employee, a Member of Congress, or an officer of a uniformed service a thing of value for political purposes.” As is the case under section 7324, there is an exemption from this prohibition for one appointed by the President with the advice and consent of the Senate. My bill would eliminate the exemption for the major regulatory agencies previously mentioned and the Civil Service Commission. There is a comparable criminal provision in section 602 of title XVIII of the United States Code and there are no exceptions; however, this criminal provision covers only soliciting or receiving things of value, and it does not apply to giving. Therefore, it would be possible for a member of the regulatory agencies or the Civil Service Commission to give a political contribution to a Member of Congress.

Hence, there is a need for extending the prohibition on giving to the heads of regulatory agencies and the Civil Service Commission, and by removing the exemption of section 7323 for these agencies my bill does just that.

Upon reexamination of these exceptions from the political activity restrictions for persons appointed by the President with the consent of the Senate, I believe it is clear that the exemption for heads of regulatory agencies does not meet the rationale and purpose of the exemption. The exemption was put in the act in recognition that certain individuals who are in top policymaking positions and who are required to answer for the administration must of necessity be allowed to identify with and support the administration in power. But it is clear to me, Mr. President, that the heads of regulatory agencies, to whom my amendment would extend the prohibition or political activity restriction, are not in political positions. These individuals have tremendous power. They exercise quasi-judicial powers. They are not supposed to be answerable to the administration in power. They are not responsible for the formulation and execution of administration policy. Their task is to carry out the policy pursuant to the various statutes enacted by the Congress. In administering these laws, they decide cases and issues that have a tremendous influence on the lives of each of our citizens. Certainly, when one considers the great social and economic impact of decisions made by the regulatory agencies, the general public has every reason to demand—and my amendment helps provide—political neutrality in the exercise of their duty.

While I would be the first to admit, Mr. President, there has been overall little abuse in this area, nevertheless one

can recall the adverse publicity and reaction that resulted during the last Congress when the former head of the Civil Service Commission, Chairman Macy, participated in party fund-raising activities. In my judgment, it was particularly unwise and unfortunate for the chairman of the Federal agency responsible for the administering of Federal laws designed to prevent pernicious political activity of public employees to actively eject himself into partisan activities. The Civil Service Commission is charged with the responsibility of administering Federal laws deemed necessary to maintain an impartial and efficient civil service. I would observe, Mr. President, that my bill would extend the political restrictions to the major regulatory agencies, including the Civil Service Commission. The bill further provides that where the Civil Service Commissioner is involved in a violation, the Justice Department will act as the enforcement agency.

Also, Mr. President, my bill would amend section 7323 of title V so as to cure a present defect. This section, originally enacted in 1876, requires the removal of an employee violating its provisions, but it does not give a particular agency enforcement responsibility. My bill would assign enforcement responsibility to the Civil Service Commission. Finally, my bill would amend the penalty provision of section 7323 of title V of the United States Code to provide a range of penalties, instead of the sole penalty of dismissal as provided in section 7325 of title V of the United States Code.

Mr. President, this bill is very consistent with past efforts of mine. Where there is abuse or great potential for abuse, and there is in this instance, I have attempted to make certain that politics are removed from the programs. For example, when the President early this year announced that he planned to eliminate politics from the Post Office Department, I immediately issued a statement applauding his action. I ask unanimous consent that this statement be inserted at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit 1.)

In addition, I led the effort beginning in 1965 to remove politics from the poverty program. As ranking Republican on the Senate Labor and Public Welfare Subcommittee on Employment, Manpower, and Poverty, I am convinced that these amendments have had a salutary effect on the program and are helping to assure that the funds are being used for the program's intended beneficiaries and not for political purposes.

Mr. President, because this bill makes good sense and because it deals with an area where abuse has occurred and where the potential for abuse is even greater, I urge that the Senate Post Office and Civil Service Committee give the bill its most careful consideration. The bill is most consistent with the administration's announcements and actions toward improving Government and restoring the

people's confidence and faith in our governing institutions. I am optimistic that the measure will receive the administration's endorsement.

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

The bill (S. 2720) to place additional restrictions on the political activities of members and commissioners of certain Federal agencies, introduced by Mr. MURPHY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Rules and Administration.

The statement, presented by Mr. MURPHY, is as follows:

EXHIBIT 1

WASHINGTON.—Senator George Murphy (R. Calif.), who in the 90th Congress led a successful effort to eliminate politics from the poverty program, today praised President Nixon's decision to take politics out of the Post Office Department.

"Ability, not party affiliation, must be the test of employment," Murphy said. "In the past, the party out of power has frequently urged the elimination of the 'spoils system' in the postal system. Already this patronage system has cost the taxpayers far too many dollars.

"Last year I supported a Republican amendment to the Legislative Reorganization Act which would have removed patronage from the Post Office. Although the amendment passed the Senate, the measure died when the House failed to take action prior to adjournment. By his decision, President Nixon demonstrated that performance, not promises, will be the hallmark of the Republican Administration."

Murphy said that hardly a day goes by in his office when he does not receive a complaint regarding the postal system. "There is general realization that the Post Office Department must be made to operate on a more businesslike and efficient basis. No business could survive which perpetuated a patronage system such as has existed in the Post Office Department since the days of Ben Franklin. A successful business must judge its employees on ability and performance, and so must the government," he said.

"This courageous political decision by President Nixon and Postmaster General Blount is in the best interests of the Nation, of postal efficiency, and of postal employees. I feel confident it will provide the bases for markedly superior postal service," Murphy concluded.

S. 2721—INTRODUCTION OF A BILL TO INSURE CONTINUATION OF GUARANTEED STUDENT LOANS

Mr. JAVITS. Mr. President, I introduce, for myself and Senators PROUTY, BELLMON, DOMINICK, MURPHY and SCHWEIKER, the Insured Student Loan Emergency Amendments of 1969. This is an administration bill.

As a result of soaring interest rates and the tight money market, an estimated one-third of the students seeking guaranteed loans in order to enter college this fall are being rejected. This measure seeks to forestall the crisis which these young people are facing as they make plans to return to college in a month or two. Because of the emergency situation, I intend to work for Senate action prior to the congressional recess. Hearings are already under way in the House.

This measure would permit the Secretary of Health, Education, and Welfare, after consultation with the Secretary of the Treasury, to prescribe an incentive allowance to be paid by the Government to eligible lenders whenever the statutory interest limitation of 7 percent—or current economic conditions—deter eligible lenders from making student loans. This Federal incentive payment may not exceed 3 percent per annum and rates may differ geographically. The amount of the incentive allowance is a percentage of the principal balance of all outstanding student loans disbursed by the lender on or after July 1, 1969. There is no additional cost to the student. The estimated Federal cost for fiscal year 1970 is between \$5 million and \$7 million. However, additional appropriations would not be required because of the availability of carryover funds from fiscal year 1969.

Last year alone more than 730,000 students obtained some \$670 million in guaranteed loans and, as tuition costs and college enrollment increase, many more young people are expected to apply for the fall semester. The cost of attending college is now the second largest expenditure that a family can undertake—greater than the cost of a car which formerly held second place. Unlike the cost of a home—the largest expenditure—which can be spread over a long period of time, it falls due in a period of only 4 or 5 years. Thus, it is quite often necessary for this money to be borrowed. And, considering that college graduates earn at least \$150,000 more during their lifetime than non-graduates, this loan is a wise investment in the future.

The law sets a 7-percent interest limit on guaranteed student loans. This rate is not competitive with other personal loans in the financial marketplace. Many lenders have informed the U.S. Office of Education that their activity at the 7 percent rate must either be halted entirely or restricted to children of favored customers.

The incentive grant approach which I propose has a number of advantages. As monetary conditions improve, the incentive payment may be adjusted accordingly, thus avoiding both the student and the Government being committed to artificially high interest rates. This plan will provide the immediate improvement required to get guaranteed loans flowing once more. It reflects current money market conditions. It is easier to revise downward than fixed interest rates. It avoids conflict with State usury laws and the fixed ceilings established by law in some State guarantee programs, as is the case in New York State. It is simple to administer. It is the least expensive solution to a nettling problem for, as money market conditions improve, the Federal Government is not committed to payment of inordinately high interest costs over a number of years. And, finally, costs are not increased to the student borrower, most of whom come from low- and moderate-income families.

I ask unanimous consent that a brief-

ing memorandum furnished me by the Department of Health, Education, and Welfare, be included as a part of my remarks.

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

The bill (S. 2721) to amend the Higher Education Act of 1965 to authorize Federal incentive payments to lenders with respect to insured student loans when necessary, in the light of economic conditions, in order to assure that students will have reasonable access to such loans for financing their education, introduced by Mr. JAVITS, for himself and other Senators, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The material furnished by Mr. JAVITS is as follows:

INSURED STUDENT LOAN EMERGENCY AMENDMENTS OF 1969

BRIEFING MEMORANDUM

This legislation permits an incentive allowance payable to eligible lenders whenever the Secretary of HEW determines that statutory interest limitations or other current economic conditions deter these lenders in making student loans. The amount of the incentive allowance is a percentage of the principal balances of all outstanding loans disbursed by the lender on or after July 1, 1969. The percentage (if any) may not exceed three percent per annum, it must be prescribed each six months by regulation, and the amount determined is payable after each such period.

When making the determination of the percentage, the Secretary may, at his discretion, set differing rates on an appropriate geographical basis or according to classification of the lender.

The Act is effective as of July 1, 1969.

Question. What kind of precedent does the "incentive allowance" proposal establish for other loan programs?

Answer. None, because this program in itself is not similar to any other program. In other words, this is a unique approach for a unique program to the problem of providing appropriate flexibility in the rate of return to lenders. One of the significant differences in the Guaranteed Student Program is that the Federal Government pays directly to the participating lender a portion of the interest on behalf of eligible student borrowers. In addition, the lender is "locked into" a long period of deferred repayment at a minimum fixed rate of interest. During this period, market conditions frequently change, and lenders develop liquidity problems which are not subject to the usual secondary market forms of relief. It should also be noted that under other federally sponsored programs there is a greater flexibility in the yield to the lender by virtue of additional charges in the form of discount (points) and application of finders fees. Some permit use of the "add-on" method in computing interest. Because of the availability of a higher yield, loans under these programs are thereby made more readily attractive in secondary market. Since these techniques are not permissible under the Guaranteed Student Loan Program, the availability of this proposed "incentive allowance" becomes all the more necessary if the program is to survive.

Question. Shouldn't the student pay a portion or all of the incentive payment to lenders?

Answer. It is anticipated that there may be reluctance on the part of Congress to in-

crease the costs to students. One advantage of the incentive cost allowance is that it keeps the costs to the borrower on a level keel.

In the States listed below this additional cost to the student would be prohibited by State statute governing the respective student loan programs. The statutes of these States limit the interest rate to seven percent. Each of these States has just recently amended its laws to permit the seven percent rate authorized by the Higher Education Amendments of 1968 (P.L. 90-575). These States are Georgia, Louisiana, Maryland, New York, and Vermont.

These legislatures are not in session at the present time and therefore lenders in those States would be prevented from sharing in an increased return. No doubt the result would be for lenders to continue to limit the number of student loans they would be willing to make.

Question. Why are we rewarding lenders for past efforts?

Answer. There are two ways in which lenders might be rewarded for past efforts under the incentive allowance proposal:

1. The proposed incentive allowance is to be effective July 1, 1969, for all loans disbursed on or after that date. It is quite possible that the legislation will not be enacted until sometime later. Unless the legislation applies to loans made on or after July 1, 1969, we are sure that the lenders in many cases will not continue to process applications until such time as they are assured of the higher rate of return. As the peak application period is during the months of July, August, September and October, any delays could have severe implications as to the availability of funds for loans to students in FY '70.

2. As the incentive allowance is to be paid on loans outstanding, we will continue, if economic conditions deem it necessary, to pay the allowance in the future on loans which were made on or after July 1, 1969. This is important so that a lender's student loan portfolio will provide a return commensurate with current economic conditions. In addition, this will help create a secondary market as investors will be assured of a return which is consistent with current market conditions.

If economic conditions improve, the amount of the payment will be reduced or even eliminated.

Question. How will the Secretary of HEW establish the percentage rate that determines the amount of the incentive allowance?

Answer. It is anticipated that the percentage rate will be determined by the Secretary of HEW in consultation with the Secretary of the Treasury, the Chairman of the Council of Economic Advisors, and the Chairman of the Federal Reserve Board. Current economic indices such as Treasury Bill Rate, the prime rate, Federal Reserve re-discount rate, etc., may be taken into account in setting an appropriate rate.

Question. Why is the Administration recommending the incentive payment plan in contrast to a free rate?

Answer. The incentive plan, which reflects monetary conditions may be more easily adjusted downward as the prime rate is reduced, and will be withdrawn when the prime rate falls below the statutory loan maximum of 7%. This is consistent with the Administration's efforts to halt inflation and improve conditions in the money market.

Question. Why should we pay this incentive allowance on loans made to borrowers with an adjusted family income over \$15,000?

Answer. The adjusted family income is calculated on applications for student loans only to determine who pays the interest on the loan. It was not intended that those borrowers with an adjusted family income over \$15,000 be discriminated against. Re-

gardless of who pays the interest, the lender's return is the same.

If the incentive allowance were denied to holders of loans made to students whose adjusted family income is over \$15,000, lenders would no doubt hesitate to make loans to these students at all since their return would be reduced. Thus the original intent of the legislation would be thwarted.

Last year, the intent of Congress on this subject was quite clear when they approved the administrative cost allowance¹ for all student loans regardless of the adjusted family income.

Paying an incentive allowance only on certain loans would also create administrative problems which lenders would consider burdensome.

Mr. MURPHY. Mr. President, I am pleased to join in cosponsoring this emergency legislation, the Insured Student's Loan Emergency Amendments of 1969.

The legislation would allow the Secretary of Health, Education, and Welfare to prescribe an incentive allowance above the present 7-percent simple interest rate authorized by the guaranteed student loan program. The incentive allowance, which may not exceed 3 percent, may be paid whenever the Secretary determines that the statutory interest limitation or economic conditions are deterring eligible lenders from making student loans. With the Federal Government paying the incentive cost allowance, there would be no additional cost to the student.

In a few days, the peak student loan application periods of August, September, and October will be upon us. Already my California offices have been deluged with desperate calls from students urging that something be done to see that the loans will be made so that they might pursue their higher education. I recently read that it had been estimated that 200,000 of the youngsters applying for the guaranteed loan program may be turned down. We clearly cannot let this happen, and I know I speak for the many students in California and their parents in congratulating the administration and Secretary Finch in sending down this emergency legislation.

As a member of the Subcommittee on Education, I certainly hope that early and expeditious action will be taken so that the student loans may be made.

Financing higher education is a real struggle for many students and their parents. The Federal Government has various programs of grants, direct loans, and guaranteed loans to help them. The latter program was enacted in 1965 with the purpose of providing assistance in financing college expenses for those students from moderate-income families who had been excluded from loan and other assistance under the various Federal programs. Last year, the guaranteed loan program, as well as the other student financial assistance programs, were

¹The Administrative Cost Allowance was authorized by P.L. 90-460 (August 3, 1968) in order to enable lenders to receive a yield of 7 percent in those States where a guarantee agency's authorizing legislation limited the rate charged to the borrower to 6 percent. This would be paid over the life of the loan, but only for loans made until not later than 120 days after the adjournment of the State's next legislative session.

extended as part of the Higher Education Amendments of 1968. I strongly supported the extension. During the hearings on the Higher Education Amendments of 1968, we also faced this problem and for this same reason.

Interest rates were ballooning with the result that the student loans were not competitive with other loans for which the rate of return was determined by the money market. As a result, the committee increased the then maximum statutory interest rate from 6 to 7 percent. With the higher interest rate, 730,000 students received loans totaling \$670 million in the past year. In California, in fiscal year 1969, 76,054 students secured loans totaling over \$69 million. Thus, this is a most important program in my State.

Inflation has continued, however, and interest rates have skyrocketed until the prime interest rate today of 8½ percent is the highest in the economic history of this Nation. All other installment loan interest rates are pegged upward from the prime rate. With interest rates like this, the student loans are once again not competitive.

Thus, Mr. President, the administration has sent to the Congress a unique proposal in response to an emergency situation. It has my strong support. The need for this bill illustrates yet another group—the students—who are harmed by inflation, and spotlights once again the necessity of taking actions to curb inflation.

S. 2722—INTRODUCTION OF A BILL AMENDING THE SOCIAL SECURITY ACT

Mr. NELSON. Mr. President, I introduce, for appropriate reference, a bill for major reform of our social security law.

It is almost 35 years since Congress accepted the concept of social insurance and enacted the first social security law. Twelve times since its passage—100 years late in coming—the social security law has been gradually upgraded, so that it has now become the very bulwark of our social programs.

Today over 92 percent of persons reaching the age of 65 are eligible for social security benefits. Nineteen of every 20 widows and young children are now eligible for survivors benefits. Close to 20 million people are enrolled under medicare.

But despite the program's broad coverage on paper, it still falls pitifully short of providing a decent living wage for the majority of elderly Americans.

It has often been said that the true measure of a nation's cultural greatness can be determined by how well it cares for its elderly citizens.

In the hurry-up, quickly changing life of today's hectic world, we frequently are guilty of too quickly shunting aside those people whose productiveness has made our own lives easier and more meaningful.

When one retires, the fact is usually overlooked that income does not remain

the same, but usually is reduced by about 50 percent or more. At the same time, costs rise and purchasing power dwindles.

Through the genius of medical technology, we have succeeded in creating longer life for our generation of grandparents, but I question whether we have really made life more enjoyable and comfortable.

It is a sad fact that the aged are the single largest group making up the poverty rolls in America.

Nearly 6 million Americans over the age of 65 live in poverty. This represents almost one-third of all Americans over the age of 65.

It is particularly shocking to learn that the number of people in this category is steadily increasing, while the number of people under age 65 who live below the poverty line is steadily decreasing.

Our modest "War on Poverty" is clearly not reaching these people.

The solution is not education. It is not manpower training.

The solution lies simply in the guarantee of a modest and reasonable yearly income.

Although social security was intended to supplement other retirement incomes, only about 17 percent of social security recipients have outside resources. For the more than 80 percent remaining, social security benefits are their sole means of support.

For these people, social security payments are not enough to provide even the barest necessities of life.

The bill I am introducing today would make these basic changes in the social security law:

An immediate increase in minimum monthly benefit payments to \$100 for single persons and \$150 for couples accompanied by a 25 percent across-the-board increase in benefits;

An automatic increase in benefits to accompany rises in the cost of living of 2 percent or more;

A raise in the amount persons may earn without having benefits withheld from \$140 a month to \$200 a month;

Reduction in the heavy burden of social security taxes placed upon employer and employees by inclusion of general tax revenues into social security payments;

Inclusion under medicare coverage, of the cost of prescription drugs, eye, dental and hearing care, and routine physical examinations.

BENEFIT INCREASES

The present minimum monthly benefit of \$55 is clearly inadequate. In 1967, when the Congress last amended the Social Security Act, and raised the minimum from \$44 to \$55, many of us in the Senate fought for a higher minimum. Finally, the Senate passed a bill with a \$70 minimum, but even this modest increase was lost in the conference session.

Thirteen of my colleagues and myself registered our protests by voting against this weak conference committee report because we wanted to force the bill back to conference to accept the better Senate bill. Our "Nay" votes signified that we

felt that our country was capable of doing more for its elderly and its poor; and we still do.

The 25 percent across the board monthly benefit increase I am proposing and the increase to a minimum monthly payment of \$100 for single persons and \$150 for couples would immediately remove an estimated 2 million elderly persons from poverty. Any benefit increase less than that would have little impact.

The administration has recommended a 7-percent increase to be enacted this year and others have proposed a 10-percent increase to be passed next year. But the effect of these minimal increases would be completely wiped out by the increases in the cost of living.

The Consumer Price Index has risen over 5 percent since the last benefit increase took effect in the beginning of 1968. By January 1970, when this legislation would take effect, the cost of living will have risen at least 9 percent.

Therefore, even with a 7-percent increase, the beneficiary who received a \$100 monthly payment in January 1968 will receive only \$98.16 in purchasing power in January 1970—or less than he was receiving prior to the benefit increase.

COST-OF-LIVING INCREASE

The social security program's biggest single defect is the lack of adequate benefits in the face of the rising cost of living. We have increased the benefits from time to time, but the increases merely keep pace with or even fall behind the current cost of living.

The need to tie social security increases to the rise in the cost of living has long been evident. In 1968 alone the Consumer Price Index rose by 4.7 percent. The CPI will rise an additional 4 percent over each of the next 4 years.

Congress cannot possibly make adequate adjustments in benefit increases to keep pace with these CPI increases. The 7.7-percent benefit increase enacted in January 1965 was accompanied by a 7.9-percent increase in the cost of living since the previous increase. Prices are rising even more rapidly today.

I believe that we should attack this continuing and nagging problem head on. This proposal provides that for each increase of 2 percent or higher in the Consumer Price Index, social security benefits would be increased by the same percentage. Such an adjustment, taking place not more than once a year, will greatly reduce the hardships of the elderly trying to budget their expenses on fixed incomes.

The Secretary of Health, Education, and Welfare would be required to report to the Congress whenever he determines that a cost-of-living increase is to be provided and to include in his report the effect of the increase on the actuarial status of the social security trust funds, together with his recommendations for meeting the cost of the increase.

RETIREMENT TEST

Today there are an estimated 1.8 million social security recipients who are

affected by the social security retirement test which places restrictions on the amount beneficiaries may earn in outside incomes. Under present rules, those under age 72 who wish to work may earn only \$1,680 a year before they begin to lose their social security benefits. Between \$1,680 and \$2,880, they lose \$1 for every \$2 earned. After \$2,880 they lose \$1 for every \$1 earned.

Elderly persons should be encouraged to work whenever they are willing and able. They should not be penalized because they are healthy and still able to be productive members of society.

The bill I am introducing today would increase the exempt earnings from \$1,680 to \$2,400 a year and beyond that would withhold only \$1 for every \$2 in benefits.

GENERAL TREASURY FUNDS

In order to finance necessary increases in social security benefits, Congress has throughout the years had to raise the tax rates of both employees and employers. In my judgment, that tax rate—now at 4.8 percent for both employers and employees—has risen as high as it can go.

While social security was originally established as an insurance program, it has been expanded from time to time to include certain welfare benefits to recipients who have not paid into the fund. Though these benefits are wholly justifiable, employers and employees who regularly pay into the fund should not be expected to pay for benefits to other social security recipients who have paid little or none of the cost of these benefits.

Under my proposal, the Treasury would contribute to the social security funds fixed percentages of the social security funds collected in a given year. For fiscal year 1970, general tax revenues would total 6 percent of the social security taxes collected and that figure would rise to 12 percent in fiscal 1971, 18 percent in fiscal 1972, 20 percent in fiscal

1973, and 25 percent in fiscal 1974, and each year thereafter.

MEDICARE COVERAGE

While the old age, survivors, and disability insurance provisions of social security have existed for many years, medicare is relatively new and is still being developed. There are several improvements which should immediately be added to the medicare law which I have included in this bill:

Expand medicare coverage to pay for eye care, including the cost of glasses, dental care, including dentures, and hearing aids, including the examination for the aid;

Upgrade medicare to include one free annual medical examination for elderly citizens;

Include the cost of prescription drugs under medicare;

Revise medicare payment formula so that the beneficiary pays one-third of the cost, and the Government pays two-thirds.

Drug costs make up a substantial portion of every older American's budget. Even though persons 65 or over constitute only 10 percent of the American population, they account for 20 percent of the \$3.5 billion spent on prescription drugs every year.

Under this bill, reimbursement for drugs under medicare would be based on the lowest priced generic or brand name drug consistent with Federal Food and Drug Administration standards.

A formulary committee would be established to compile a list of necessary drugs and would disseminate that list once a year to doctors and pharmacists. The alphabetical list would include the name of each drug or biological by established name, and a list of brand name equivalents with prices. The list would apply only to prescription, and not over the counter drugs.

The proposals of this bill are not the only reforms needed in social security.

They are simply the most basic, most urgent.

But cost considerations preclude enactment of all the needed reforms at one time. Reform is long overdue. The proposals set forth in this bill will correct some of the most glaring shortcomings. Adoption of the general tax revenue funding method will make possible a more equitable and realistic social security law.

Many in the Congress have spoken for so long of the distorted sense of priorities existing in our society. Social security reform is one national priority that cannot be further postponed.

I ask unanimous consent that the text of the bill and a section by section analysis of it be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 2722) to amend title II of the Social Security Act to provide a general increase of 25 percent in the amount of the benefits payable thereunder (with a minimum old-age benefit of \$100), to provide for cost-of-living increases in such benefits in the future, to increase the amounts individuals may earn without suffering deductions from such benefits, and to amend title XVIII of such act so as to include eye care, dental care, hearing aids, and routine physical examinations within the services covered by the insurance program established by part B of such title, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 215(a) of the Social Security Act is amended by striking out the table and inserting in lieu thereof the following:

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

I					II									
(Primary insurance benefit under 1939 act, as modified)	(Primary insurance amount under 1967 act)	(Average monthly wage)	(Primary insurance amount)	(Maximum family benefits)	(Primary insurance benefit under 1939 act, as modified)	(Primary insurance amount under 1967 act)	(Average monthly wage)	(Primary insurance amount)	(Maximum family benefits)					
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—	If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—					
At least—	But not more than—	At least—	But not more than—		At least—	But not more than—	At least—	But not more than—						
-----	\$27.46	\$79.90	-----	\$118	\$100.00	\$150.00	-----	\$33.89	\$34.50	\$94.40	\$170	\$174	\$118.00	\$177.00
\$27.47	28.00	81.10	\$119	122	101.40	152.10	-----	34.51	35.00	95.60	175	178	119.50	179.30
28.01	28.68	82.30	123	127	102.90	154.40	-----	35.01	35.80	96.80	179	183	121.00	181.50
28.69	29.25	83.60	128	132	104.50	156.80	-----	35.89	36.40	98.00	184	188	122.50	183.80
29.26	29.68	84.70	133	136	105.90	158.90	-----	36.41	37.08	99.30	189	193	124.20	186.30
29.69	30.36	85.90	137	141	107.40	161.10	-----	37.09	37.60	100.50	194	197	125.70	188.60
30.37	30.92	87.20	142	146	109.00	163.50	-----	37.61	38.20	101.60	198	202	127.00	190.50
30.93	31.36	88.40	147	150	110.50	165.80	-----	38.21	39.12	102.90	203	207	128.70	193.10
31.37	32.00	89.50	151	155	111.90	167.90	-----	39.13	39.68	104.10	208	211	130.20	195.30
32.01	32.60	90.80	156	160	113.50	170.30	-----	39.69	40.33	105.20	212	216	131.50	197.30
32.61	33.20	92.00	161	164	115.00	172.50	-----	40.34	41.12	106.50	217	221	133.20	199.80
33.21	33.88	93.20	165	169	116.50	174.80	-----	41.13	41.76	107.70	222	225	134.70	202.10
								41.77	42.44	108.90	226	230	136.20	204.30

tion 215(c) of such Act) instead of the amount in column IV equal to the primary insurance amount on which his disability insurance benefit is based.

Sec. 2. (a) (1) Section 227(a) of the Social Security Act is amended by striking out "\$40" and inserting in lieu thereof "\$50", and by striking out "\$20" and inserting in lieu thereof "\$25".

(2) Section 227(b) of such Act is amended by striking out in the second sentence "\$40" and inserting in lieu thereof "\$50".

(b) (1) Section 228(b) (1) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$50".

(2) Section 228(b) (2) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$50", and by striking out "\$20" and inserting in lieu thereof "\$25".

(3) Section 228(c) (2) of such Act is amended by striking out "\$20" and inserting in lieu thereof "\$25".

(4) Section 228(c) (3) (A) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$50".

(5) Section 228(c) (3) (B) of such Act is amended by striking out "\$20" and inserting in lieu thereof "\$25".

(c) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

Sec. 3. (a) Section 202(b) (2) of the Social Security Act is amended by striking out "whichever of the following is the smaller: (A) one-half of the primary insurance amount of her husband (or, in the case of a divorced wife, her former husband) for such month, or (B) \$105" and inserting in lieu thereof the following: "one-half of the primary insurance amount of her husband (or, in the case of a divorced wife, her former husband) for such month".

(b) Section 202(c) (3) of such Act is amended by striking out "whichever of the following is the smaller: (A) one-half of the primary insurance amount of his wife for such month, or (B) \$105" and inserting in lieu thereof the following: "one-half of the primary insurance amount of his wife for such month".

(c) Section 202(e) (4) of such Act is amended by striking out "whichever of the following is the smaller: (A) one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) \$105" and inserting in lieu thereof the following: "one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based".

(d) Section 202(f) (5) of such Act is amended by striking out "whichever of the following is the smaller: (A) one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) \$105" and inserting in lieu thereof the following: "one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based".

(e) The amendments made by the preceding subsections of this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1969.

Sec. 4. (a) (1) Paragraphs (1), (3), and (4) (B) of Subsection (f) of section 203 of the Social Security Act are each amended by striking out "\$140" wherever it appears therein and inserting in lieu thereof "\$200".

(2) Paragraph (3) of subsection (f) of section 203 of such Act is further amended by striking out "except that of the first \$1,200 of such excess (or all of such excess if it is less than \$1,200), an amount equal to one-half thereof shall not be included" and inserting in lieu thereof "except that of such

excess, an amount equal to one-half thereof shall not be included".

(b) Paragraph (1) (A) of subsection (h) of section 203 of such Act is amended by striking out "\$140" and inserting in lieu thereof "\$200".

(c) The amendments made by the preceding provisions of this section shall be effective with respect to taxable years beginning after December 31, 1969.

Sec. 5. (a) Section 1861(s) (3) of the Social Security Act is amended (1) by inserting "(A)" immediately after "(3)", and (2) by inserting before the semicolon at the end thereof the following: ", and (B) physicians' services, diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests involved in complete physical check-ups, except that there shall not be included more than one such check-up for any individual in a 12-month period".

(b) Section 1862(a) (1) of such Act is amended by inserting before the semicolon the following: "(except physical check-ups provided for in section 1861(s) (3) (B))".

(c) Section 1862(a) (7) of such Act is amended by inserting after "check-ups" the following: "(other than physical check-ups provided for by section 1861(s) (3) (B))".

(d) The amendments made by the preceding provisions of this section shall be effective with respect to services furnished for months after the month following the month in which this Act is enacted.

Sec. 6. (a) Section 1861(r) (2) of the Social Security Act is amended by striking out "but only with respect to (A) surgery related to the jaw or any structure contiguous to the jaw or (B) the reduction of any fracture of the jaw or any facial bone".

(b) Section 1861(s) (8) of such Act is amended (1) by inserting "(A)" immediately after "(8)", and (2) by striking out "(other than dental)", and (3) by adding thereunder the following new subparagraph:

"(B) dentures, eyeglasses, hearing aids, and other prosthetic devices relating to the oral cavity, jaw, eyes, or ears, including replacement thereof; and".

(c) (1) Section 1862(a) (7) of such Act (as amended by section 5(c) of this Act) is further amended by striking out all after the matter in parentheses (which was added by section 5(c) of this Act) and inserting in lieu of the matter stricken a semicolon.

(2) Section 1862(a) of such Act is further amended (A) by inserting "or" at the end of paragraph (11) thereof, (B) by striking out paragraph (12) thereof, and (C) by redesignating paragraph (13) thereof as paragraph (12).

(d) The amendments made by the preceding provisions of this section shall apply with respect to services furnished after the month which follows the month in which this Act is enacted.

Sec. 7. (a) The first sentence of section 1839(a) (2) of the Social Security Act is amended by striking out "one-half" and inserting in lieu thereof "one-third".

(b) Section 1844(a) (1) of such Act is amended by inserting "two times" after "equal to".

(c) The amendments made by the preceding subsections of this section shall be effective in the case of insurance premiums payable under the supplementary medical insurance program established by part B of title XVIII of the Social Security Act for months after June 1970.

Sec. 8. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"COST-OF-LIVING INCREASES IN BENEFITS

"Sec. 230. (a) During the month of January each year (commencing with the year 1971), the Secretary shall determine the extent (if any) by which the price index has increased over the price index for the month of January

1970. If he determines that the price index has risen by a percentage (of its level in the base period) equal to 2 percent or more, the amount of each benefit otherwise payable under this title shall be increased by a percentage equal to the percentage of the rise in such index (adjusted to the nearest one-tenth of 1 per centum), effective with respect to monthly insurance benefits under sections 202, 223, 227, and 228 for months in the 12-month period which commences with the following April, but only in the case of individuals who were entitled to such a monthly insurance benefit for such following April.

"(b) Any increase in the monthly insurance benefit of any individual under subsection (a) shall be applied only after all of the other provisions of this title which relate to eligibility for and the amount of such benefit have been applied; except that (1) the provisions of section 203 (b) through (1) and section 222(b) shall not be applied until after such increase is applied, and (2) in determining the amount of such individual's monthly benefit for purposes of applying section 203(a), any amounts payable by reason of this section shall not be regarded as part of such benefit.

"(c) If the amount of the increase in any monthly insurance benefit under subsection (a) is not a multiple of \$0.10, it shall be raised to the next higher multiple of \$0.10.

"(d) For purposes of this section, the term 'price index' means the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(e) Whenever, under the preceding provisions of this section, the Secretary determines during any January that a cost-of-living increase is to take effect the following April, he shall submit (at the earliest practicable date, and before such increase takes effect) a report to the Congress. Such report shall advise the Congress of the amount of such increase, the effect such increase will have on the actuarial status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and whether, in the opinion of the Secretary, additional moneys will be needed for either or both of such funds because of such increase. If the Secretary determines that additional moneys will be needed for either of such funds because of such increase, he shall submit, in such report, his recommendations as to the means through which such moneys should be obtained."

Sec. 9. (a) (1) The third sentence of section 201(a) of the Social Security Act is amended—

(A) by striking out (in the matter of preceding clause (1) thereof) "amounts equivalent to 100 per centum of —", and inserting in lieu thereof "amounts equivalent to —";

(B) by striking out (in clauses (1), (2), (3), and (4) thereof) the term "the taxes" the first place it appears in each of such clauses, and by inserting in lieu thereof "100 per centum of the taxes";

(C) by striking out the period at the end of clause (4) thereof and inserting in lieu of such period a semicolon followed by the word "and"; and

(D) by adding after clause (4) thereof the following new clause:

"(5) for the fiscal year ending June 30, 1970, an amount equal to 6 per centum of the aggregate of the amounts appropriated pursuant to paragraphs (3) and (4) for such year; for the fiscal year ending June 30, 1971, an amount equal to 12 per centum of the aggregate so appropriated for such year; for the fiscal year ending June 30, 1972, an amount equal to 18 per centum of the aggregate so appropriated for such year; for the fiscal year ending June 30, 1973, an amount equal to 20 per centum of the aggregate so

appropriated for such year; for the fiscal year ending June 30, 1974, and for each fiscal year thereafter, an amount equal to 25 per centum of the aggregate so appropriated for such year; except that the amount appropriated pursuant to this clause for any fiscal year shall be reduced by an amount equal to the amount specified with respect to such year in clause (3) of subsection (b) of this section."

(2) The fourth sentence of section 201(a) of such Act is amended by striking out "clauses (3) and (4)" the first place it appears therein, and by inserting in lieu thereof "clauses (3), (4), and (5)".

(b) (1) The third sentence of section 201(b) of such Act is amended—

(A) by striking out (in the matter preceding clause (1) thereof) "amounts equivalent to 100 per centum of —" and inserting in lieu thereof "amounts equivalent to —";

(B) by striking out the period at the end of clause (2) thereof and inserting in lieu of such period a semicolon followed by the word "and"; and

(C) by adding after clause (2) thereof the following new clause:

"(3) for the fiscal year ending June 30, 1970, an amount equal to 6 per centum of the aggregate of the amounts appropriated pursuant to clauses (1) and (2) for such year; for the fiscal year ending June 30, 1971, an amount equal to 12 per centum of the aggregate so appropriated for such year; for the fiscal year ending June 30, 1972, an amount equal to 18 per centum of the aggregate so appropriated for such year; for the fiscal year ending June 30, 1973, an amount equal to 20 per centum of the aggregate so appropriated for such year; for the fiscal year ending June 30, 1974, and for each fiscal year thereafter, an amount equal to 25 per centum of the aggregate so appropriated for such year."

(2) The fourth sentence of section 201(a) of such Act (as amended by subsection (a) (2) of this section) is further amended by striking out "clauses (1) and (2)" and inserting in lieu thereof "clauses (1), (2), and (3)".

SEC. 10. (a) (1) Section 1832(a) of the Social Security Act is amended (A) by striking out "and" at the end of paragraph (1), (B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and (C) by adding at the end thereof the following new paragraph:

"(3) entitlement to have payment made to him (pursuant to sections 1833(a) (1) and (3) and 1845(a) (2)) toward expenses incurred in the purchase of qualified drugs."

(2) Section 1833(a) of such Act is amended (A) by inserting "or qualified drugs" after "incurs expenses for services", (B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and (C) by adding at the end thereof the following new paragraph:

"(3) in the case of benefits covered under section 1832(a) (3), the allowable benefit (as defined in section 1845(a) (2)), or if lower, 80 percent of actual expenses incurred, for the purchase of qualified drugs."

(3) Part B of title XVIII of such Act is amended by adding at the end thereof the following new sections:

"ALLOWABLE BENEFITS FOR QUALIFIED DRUGS

"SEC. 1845. (a) For purposes of this part—

"(1) The term 'qualified drug' means a drug or biological for self-administration which (1) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee (established pursuant to section 1846(a)) and (ii) is dispensed by a pharmacist from a pharmacy licensed under the laws of the State in which the drug or biological is provided, or is otherwise dispensed in accordance with section 1861(s) (10).

"(2) The term 'allowable benefit', when used in connection with any quantity of a qualified drug means the payment amount established with regard to such qualified drug by the Formulary Committee and approved by the Secretary.

"(b) Notwithstanding the provisions of section 1842(b) (3) (B) (ii), amounts to which an individual is entitled by reason of the provisions of section 1832(a) (3) shall be paid directly to such individual in accordance with regulations of the Secretary prescribed pursuant to this subsection. No individual shall be paid any amount by reason of the provisions of section 1832(a) (3) prior to the presentation by him (or by another on his behalf) of documentary or other proof satisfactory to the Secretary establishing his entitlement thereto.

"(c) The benefits provided by reason of section 1832(a) (3) may be paid by the Secretary or the Secretary may utilize the services of carriers or such other agencies qualified for the administration of such benefits under contracts entered into between the Secretary and such carriers for such purpose. To the extent determined by the Secretary to be appropriate, the provisions relating to contracts entered into pursuant to section 1842 shall be applicable to contracts entered into pursuant to this subsection.

"FORMULARY COMMITTEE

"SEC. 1846. (a) There is hereby established a Formulary Committee to consist of the Surgeon General of the Public Health Service, the Assistant Secretary of Health, Education, and Welfare for Health and Scientific Affairs, the Commissioner of Food and Drugs, and five other persons who are members of the medical profession, to be selected by the Secretary. The chairman of such committee shall be designated by the Secretary and shall serve for such period of time as the Secretary deems appropriate.

"(b) (1) It shall be the duty of the Formulary Committee to—

"(A) determine which drugs and biologicals shall constitute qualified drugs for purposes of the benefits provided under section 1832(a);

"(B) determine, with the approval of the Secretary, the allowable benefit of the various quantities, strengths, or dosage forms of any drug or biological determined by the Committee to constitute a qualified drug; and

"(C) publish and disseminate at least once each calendar year among physicians, pharmacists, and other interested persons, in accordance with directives of the Secretary, (1) an alphabetical list naming each drug or biological by its established name and such other information as the Secretary deems necessary, and (ii) an indexed representative listing of such trade or other names by which such drug or biological is commonly known, together with the allowable benefit for various quantities, strengths, or dosage forms thereof, together with the names of the supplier of such drugs upon which the allowable benefit is based.

"(2) (A) Drugs and biologicals shall be determined to be qualified drugs if they can legally be obtained by the user only pursuant to a prescription of a lawful prescriber; except that the Formulary Committee may include certain drugs and biologicals not requiring such a prescription if it determines such drugs or biologicals to be of a lifesaving nature.

"(B) In the interest of orderly, economical, and equitable administration of the benefits provided under section 1832(a) (3), the Formulary Committee may, by regulation, provide that a drug or biological otherwise regarded as being a qualified drug shall not be so regarded when prescribed in unusual quantities.

"(3) In determining the allowable benefit for any quantity, dosage form, and strength of any qualified drug, the Formulary Com-

mittee shall seek to approximate the anticipated charges to beneficiaries and establish a payment amount that will include the acquisition cost to the ultimate dispenser of the qualified drug dispensed, plus—

"(A) in the case of a community pharmacy, (i) for a prescription-legend drug, a reasonable fee component to cover the costs of overhead and professional services attendant to the dispensing of a qualified drug and an amount representing a fair profit, and (ii) for other drugs determined to be of a life-saving nature in accordance with section 1846(b) (2) (A), a billing allowance and an amount representing a fair profit; and

"(B) in the case of hospitals and extended care facilities, or when applicable, physicians (under section 1861(s) (10)), an allowance equal to the cost to the dispenser for providing the qualified drug.

In any case in which a qualified drug is available from more than one source, the acquisition cost of such qualified drug, for purposes of this section, shall be deemed to be the lowest cost of such drug, however named, which meets the quality and other standards for such drug required under the Federal Food, Drug, and Cosmetic Act, as amended. Whenever the lowest cost (to the ultimate dispensers thereof) of a particular drug or biological differs significantly in the various regions of the United States, or among the ultimate dispensers thereof, the Formulary Committee may establish, for the various regions of the United States, separate schedules of allowable benefits with respect to such drug or biological so as to reflect the lowest cost at which such drug or biological is generally available to the ultimate dispensers or among such dispensers thereof in each such region.

(4) (A) Section 1861(s) of the Social Security Act is amended by (i) striking out "and" at the end of paragraph (8), (ii) by striking out the period at the end of paragraph (9) and in lieu of such period insert "; and", and (iii) by adding immediately after paragraph (9) the following new paragraph:

"(10) qualified drugs for self-administration (as defined in section 1845(a) (1)) dispensed by a physician (1) in an emergency (but not routinely), or (ii) when adequate community pharmaceutical services are not otherwise available, as determined in accordance with regulations prescribed by the Secretary."

(B) Section 1861(s) is further amended by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(5) Section 1861(t) of the Social Security Act is amended (A) by striking out "such drugs and biologicals, respectively, as are included (or approved for inclusion) in the United States Pharmacopoeia, the National Formulary, or the United States Homeopathic Pharmacopoeia, or in New Drugs or Accepted Dental Remedies (except for any drugs and biologicals unfavorably evaluated therein)" and insert in lieu thereof the following: "qualified drugs, as designated under section 1845(a) (1)", (B) by inserting "or extended care facility" after "hospital", and (C) by striking out "hospitals" and inserting in lieu thereof "institutions."

(b) The amendments to the Social Security Act made by this section shall become effective on January 1, 1971.

The material presented by Mr. NELSON is as follows:

SECTION-BY-SECTION ANALYSIS OF SOCIAL SECURITY BILL

Section 1, provides a general benefit increase of 25% with a minimum primary monthly insurance amount of \$100 and \$150 for couples.

Section 2, increases payments payable to certain uninsured persons under the Prouty

amendment to \$50 a month for single persons and \$75 for couples.

Section 3, repeals the \$105 a month limitation on a wife's benefits.

Section 4, amends the retirement test to provide (a) a \$2400 annual exempt amount, and (b) a \$200 monthly exempt amount, and (c) a \$1 reduction in benefits for each \$2 in earnings above \$2400.

Section 5, modifies prohibition on payments for routine physical examinations to permit one comprehensive physical examination each year for each enrollee.

Section 6, repeals provisions preventing payments for eye care (including glasses) dental care (including dentures) and hearing aids (including examinations for hearing aids).

Section 7, provides that beneficiary shall pay 1/3 of the cost of Medicare provision and government shall pay 2/3.

Section 8(a), provides that when the CPI rises by at least 2 per cent over the index for January 1970 benefits for the third month following the month in which the 2 per cent rise occurred, and for subsequent months, shall be increased by an amount equal to the percentage rise in the CPI. Only 1 increase may take effect in a 12 month period.

(b) The increase is applicable to all persons on the benefit rolls in the month in which the increased benefits are first payable.

(c) Requires the Secretary of HEW to report to the Congress whenever a cost-of-living increase is to be made, its effect on the actuarial status of the trust funds, and recommendations for meeting the cost of the increase.

Section 9, provides general tax revenues to be used in social security benefit payments.

General revenues will be contributed as a percentage of all social security taxes collected each year, on the following bases: (a) 6% for fiscal year 1970, (b) 12% for fiscal year 1971, (c) 18% for fiscal year 1972, (d) 20% for fiscal year 1973, (e) 25% for fiscal year 1974 and each year thereafter.

Section 10, extends Medicare provisions to include payment for prescription drugs. Establishes a Formulary Committee to determine for which drugs and biologicals reimbursement is to be made.

Reimbursement is to be based on lowest priced generic drug available, consistent with high standards.

Formulary Committee shall disseminate, once a year, to doctors and pharmacists, an alphabetical list of each drug or biological by established names, and include listing of brand name equivalents with prices.

Applicable only to prescription drugs.

ADDITIONAL COSPONSORS OF BILLS

S. 1781

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from West Virginia (Mr. RANDOLPH), I ask unanimous consent that, at the next printing, the name of the Senator from Wyoming (Mr. MCGEE) be added as a cosponsor of S. 1781, to amend title II of the Social Security Act to eliminate the reduction in disability insurance benefits which is presently required in the case of an individual receiving workmen's compensation benefits.

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

S. 2518

Mr. HARTKE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from California (Mr. CRANSTON) be added as a

cosponsor of S. 2518, to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive insurance benefits thereunder.

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

S. 2674

Mr. BYRD of West Virginia. Mr. President, in behalf of the Senator from Hawaii (Mr. INOUE), I ask unanimous consent that, at the next printing, the names of the Senator from North Carolina (Mr. ERVIN), the Senator from New York (Mr. GOODELL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Rhode Island (Mr. PELL), and the Senator from Alaska (Mr. STEVENS) be added as cosponsors of S. 2674, 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.

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

S. 2689

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Hawaii (Mr. INOUE) I ask unanimous consent that, at the next printing, the names of the Senator from Nevada (Mr. BIBLE), the Senator from Oregon (Mr. HATFIELD), the Senator from Washington (Mr. JACKSON), the Senator from New York (Mr. JAVITS), and the Senator from Alaska (Mr. STEVENS), be added as cosponsors of 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.

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

S. 2691

Mr. PROXMIRE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Indiana (Mr. HARTKE) be added as a cosponsor of 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.

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

SENATE RESOLUTION 226—RESOLUTION TO EXTEND THE AUTHORITY OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE TO INVESTIGATE PROBLEMS OF EDUCATION OF AMERICAN INDIANS

Mr. MONDALE, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 226) to extend the authority of the Committee on Labor and Public Welfare to investigate problems of education of American Indians, which was considered and agreed to.

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

SENATE RESOLUTION 227—RESOLUTION TO AUTHORIZE THE EXPENDITURE OF FUNDS BY THE COMMITTEE ON LABOR AND PUBLIC WELFARE—REPORT OF A COMMITTEE

Mr. MONDALE, from the Committee on Labor and Public Welfare, reported an original resolution (S. Res. 227); which was referred to the Committee on Rules and Administration, as follows:

S. Res. 227

Resolved, That the Committee on Labor and Public Welfare hereby is authorized to expend from the contingent fund of the Senate, during the Ninetieth Congress, \$1,500, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946, Senate Resolution 141, agreed to July 17, 1967, and Senate Resolution 276, agreed to May 9, 1968.

SEC. 2. Section 4 of Senate Resolution 80, agreed to February 17, 1969 is hereby amended by striking out "\$72,000" where it appears therein and inserting in lieu thereof "\$93,000".

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

AMENDMENT NO. 108

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, which were ordered to lie on the table and to be printed.

(The remarks of Mr. PROXMIRE when he submitted the amendments appear later in the RECORD under the appropriate heading.)

ADDITIONAL COSPONSOR OF AMENDMENT NO. 107

Mr. PROXMIRE. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Montana (Mr. METCALF) be added as a cosponsor of amendment No. 107 to S. 2546, the military procurement bill.

The amendment calls for annual disclosure of high ranking former civilian and military Pentagon officials who go to work for the major defense contractors.

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

NOTICE OF HEARINGS ON S. 2453

Mr. WILLIAMS of New Jersey. Mr. President, as chairman of the Labor

Subcommittee of the Committee on Labor and Public Welfare, I announce hearings on S. 2453, a bill to further promote equal employment opportunities for American workers. The hearings will be held at 10 a.m., on August 11 and 12, 1969, in room 4232, New Senate Office Building.

Any person who wishes to testify or submit a statement for inclusion in the hearing record, should communicate as soon as possible with the Labor Subcommittee, room G-237, New Senate Office Building.

NOTICE OF RESCHEDULING OF HEARINGS ON VETERANS EDUCATION, TRAINING, AND MANPOWER BILLS BEFORE THE VETERANS' AFFAIRS SUBCOMMITTEE

Mr. CRANSTON. Mr. President, on July 23, 1969, I announced that the Veterans' Affairs Subcommittee, of which I am chairman, of the Labor and Public Welfare Committee would be holding hearings on July 30 and 31 on four bills pertaining to veterans education, training, and manpower. Unfortunately, I find that these hearings must unavoidably be postponed.

I am, therefore, announcing at this time, for the information of Senators, that the Veterans' Affairs Subcommittee will hold hearings on S. 1088, S. 2506, and a proposed amendment to it, S. 2668, and S. 2700 on August 8 and 12 at 9:30 a.m.

RADAR—THE ACHILLES HEEL IN THE SAFEGUARD SYSTEM

Mr. SYMINGTON. Mr. President, recently, my office received a brochure from the Committee To Maintain a Prudent Defense Policy, an organization with headquarters here in Washington, entitled "Safeguard: Does the Supposed 'Softness' of the Radars Render Safeguard Vulnerable?" This pamphlet is indeed an extraordinary document.

Yesterday, on the floor, I stated that Mr. Clifford J. Hynning was the author. I now find that is not accurate. The report was prepared by an unidentified "individual committee or staff member," and I hasten to make this correction.

I ask unanimous consent that this pamphlet in its entirety be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit 1.)

Mr. SYMINGTON. Mr. President, now let me present to the Senate why I believe the information contained in this pamphlet with respect to the radars is wrong.

The author opens his remarks by stating:

Many opponents of Safeguard hold the view that the system is inordinately vulnerable because its radar is less than one-tenth as hard as the missile silos it is designed to protect.

As one of the "opponents" I share this view, but my objections are based on four additional criticisms which pertain to the radar of the Safeguard. These are as follows:

First. There is only one radar to protect an "entire site" of more than 100 missiles.

Second. The MSR radar is exceedingly expensive—between \$150 and \$200 million each—many times as much as that of each of the Minutemen it defends.

Third. The total number of interceptor missiles protecting the site is "exceedingly small."

Fourth. Only a fraction of even this small number of interceptor missiles protecting each Minuteman site has enough range to protect the radar.

The author claims that since the Sprint missiles defend the radar, the fact that it is soft does not matter. This is only true if the defense was "infinitely reliable" and if there were an "unlimited number" of interceptor missiles deployed for defending the radar.

It is the essence of the deterrent role of Minuteman that even if some silos are destroyed the rest are available to retaliate. By basing the entire defense on a single radar we make sure that if this one radar is hit the entire defense will collapse. All the enemy has to do is to dedicate a few of his missiles to exhaust that fraction of interceptors which defend the radar—then the entire Safeguard system is dead; and all Senators who have studied the classified information know how small is the number of interceptors.

Moreover, in order to destroy the radars, the Soviets would not have to use the SS-9's, those missiles which the proponents say are of sufficient power and accuracy to endanger Minuteman. We know they could either exhaust, or penetrate, the protection around the radars by using their smaller and less accurate SS-11 missiles, of which the Soviets now have some 800.

Here then the question of the "softness" of the radar comes in, because on this basis the destruction of the radar would not necessarily even subtract from any of those missiles which some estimate the Soviets are building in order to threaten Minuteman.

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

Mr. SYMINGTON. Mr. President, I ask unanimous consent to proceed for 3 minutes.

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

Mr. SYMINGTON. In fact, and based on this extraordinary pamphlet, it would appear that the writer has not really examined the Safeguard system, because he says:

The radars are hardened to the efficient level required to give an extremely high probability that an incoming warhead will be intercepted and are located so that a single warhead could not destroy more than one of them.

Does not he know there is only one radar per missile site?

A radar supporting the defense of Minuteman would not have to be as hard as the Minuteman silos if first there were many such radars—say one radar per only a few Minuteman silos, and second, if these radars were less expensive than the missiles they defend.

In that case the radars need only be sufficiently hard so that if one radar were

destroyed the neighboring one would not suffer; and as a consequence the price of admission for a Soviet attacker would be greatly raised if the cost per silo defended is low enough.

Experts in this field hope that such a system can be developed, and developed quickly, by deploying many more, and less complicated, radars.

Actually the Safeguard radar meets very few of the requirements which one would hope to have in effort to achieve "a proper defense" of hardened silos.

The remarks made in this brochure would appear to reflect a Maginot Line philosophy, about which I have already expressed my deep apprehension. It is proposed to employ exactly one radar as the eyes of the entire system; and then defend that one radar to the hilt.

If this defense is too thin, however, or has even the slightest flaw to the point where one enemy missile "leaks" through, the entire defense system then collapses; and in this connection, we know just how thin the Sprint coverage is—would this information be made public—and how few things in this world are perfect.

I agree with the sentiment that, in the long run, increased hardening of silos will not assure their survival against the increasing accuracy and number of attacking warheads. Sooner or later, therefore, our fixed land-based missiles will become obsolete unless either:

First. We defend them with a system of multiple small radars and interceptors designed as proper for the job, or

Second. Replace them by a land-mobile system along with reliance on our moving Polaris submarine fleet, or

Third. Reach some "meaningful agreement" so as to halt the destructive race of military technology toward increased accuracy and multiple nuclear warheads.

In summary, Mr. President, we will never prevent obsolescence of the Minuteman force by protecting it with a defense which can be defeated before it is even built.

EXHIBIT 1

PAPER NO. 2—SAFEGUARD: DOES THE SUPPOSED "SOFTNESS" OF THE RADARS RENDER SAFEGUARD VULNERABLE?

(By the Committee To Maintain a Prudent Defense Policy; with the compliments of Dean Acheson)

Does the supposed "softness" of the radars render Safeguard vulnerable?

No. Many opponents of Safeguard hold the view that the system is inordinately vulnerable because its radar is less than one-tenth as hard¹ as the missile silos it is designed to protect. This view, while having a certain surface plausibility, reflects a fundamental misunderstanding.

That there is a difference in the hardness of the silos and radars is undeniable. That this difference is critical to the defense of the radar, however, is not true, and overlooks the central fact that the radar is defended primarily by interceptor missiles.

To say that a target is soft or only moderately hard is not the same as saying that a target can be easily destroyed.

(1) The radars in the Safeguard system are, in fact, hardened to a considerable degree.

(2) The radars are also actively defended by Sprint missiles.

¹ "Hardness" is the term used to indicate relative blast resistance and is generally measured in terms of overpressure (PSI).

Whether they are sufficiently hardened so that active defense of them will give us high enough confidence that they will survive an enemy attack is the critical question. They are in fact hard enough, and making them harder in the face of the improvements in missile accuracy expected in the 1970's would incur considerable costs without corresponding benefits in the form of a higher probability of survival under attack. With such missile accuracies, the offense can destroy with a high probability, either radars or silos if there is no active defense to stop it.

The chosen hardening is the modest level necessary to enable the defense to intercept an incoming warhead at relatively close range in order to get more than one shot at an incoming warhead. If the first Sprint fired at an incoming warhead should fail, there is sufficient time to fire another and even a third. Were the radars softer than they are, such a tactic—which has the effect of dramatically increasing the probability that interception will succeed—would not be possible. If, on the other hand, the radars were hardened beyond their planned level, no such improvement in the likelihood of interception would result. The critical point is that the radars rely for their defense not solely on hardening (which is a losing proposition in this period of rapidly improving accuracies) but on active intercept by Sprint and Spartan missiles.

While hardening alone is no longer adequate for the protection of our land-based missiles, it does play an important role in conjunction with the active defense provided by the Safeguard system. The missile silos are hardened so that a single enemy missile cannot destroy more than one Minuteman. The radars are hardened to the efficient level required to give an extremely high probability that an incoming warhead will be intercepted, and are located so that a single warhead could not destroy more than one of them.

THE COMMITTEE TO MAINTAIN A PRUDENT DEFENSE POLICY

Chairman, Dean Acheson; Vice-Chairman,² Albert Wohlstetter; Treasurer, Clifford J. Hynning.

Original members, Prof. Armen Alchian, Gordon Arneson, Max Ascoli, Ross N. Berkes, Amb. Charles Bohlen, Dr. Donald G. Brennan, Dr. Peter Clark, Dr. Joseph Cropsey, Dr. Paul Davis, Hon. Arthur Dean, Dr. Michael J. Deutsch, Dr. Freeman J. Dyson, Hon. Frederick Eaton, Hon. Henry H. Fowler, Prof. Harry Gelber, Prof. William Griffith, Dean Edmund A. Gullion, Christian A. Herter, Jr., Dr. Charles M. Herzfeld, Prof. Jack Hirschleifer, Prof. Morton Kaplan, Lawrence R. Kegan, Amb. Foy Kohler, Irvin Kristol, and Dr. Harold Lampert.

Ernest Lefever, Dr. Willard F. Libby, Dr. David A. Little, Hon. Robert A. Lovett, Prof. Gordon MacDonald, Prof. C. Burton Marshall, Prof. William G. McMillan, Amb. Livingston Merchant, Dr. Lawrence H. O'Neill, Franz Oppenheimer, Prof. Paul Ramsey, Prof. Richard N. Rosecrance, Prof. Robert Scalapino, Prof. Paul Seabury, Dr. Frederick Seitz, Prof. Harold Smith, Phillip Sporn, Robert Sprague, Sr., Dr. Kenneth Watson, Dr. John A. Wheeler, Frederick Bernays Wiener, Prof. Eugene P. Wigner, Prof. Aaron Wildavsky, and Prof. Ciro Zoppo.

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

Mr. SYMINGTON. I yield to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. I want to ask the Senator, who is a member of the Armed Services Committee, what is the explanation of why there was almost no

evidence taken, as far as I can find, with regard to the blackout effect of a radar by an atomic explosion in the vicinity—in other words, not having to hit the radar establishment itself? Why was there no evidence as to the blackout? I have heard before that this is a very important matter. I think I read in the press that in some of the tests over Kwajalein the communication system was out for quite a long time following an atomic explosion. I was wondering why there was no evidence taken on that point by the Armed Services Committee.

Mr. SYMINGTON. I know the Senator wants me to be frank. Without any implied criticism of anybody, I honestly do not know the answer to the question.

Mr. FULBRIGHT. It is inconceivable to me that a committee which is proposing a system which could run into \$10 or \$20 billion or more did not take any substantial evidence on the question of what would be the effect of an explosion in the vicinity of a radar. Our radars, as I understand, depend upon electromagnetic impulses for their operation. There is no wire. It is in the nature of radio.

Mr. SYMINGTON. Speaking in terms of electricity, it is a flux, not a current—a wave would be a better characterization.

Mr. FULBRIGHT. If blackout is a substantial problem, I cannot imagine why no testimony was taken on it.

Mr. SYMINGTON. My apprehension about this system has to do primarily with the working of the five major components; their working together after they are put together; and even more, the two chief objections I have to developing it now instead of developing it further are, first, nobody has put up any logical argument of any kind that this radar which was designed for the Sentinel system, is the right radar for the Safeguard system. Second, nobody has answered the fact that a relatively small addition to the production of Soviet missiles would nullify almost in entirety any defense protection the United States would obtain from the Safeguard, even if the system worked perfectly.

Mr. FULBRIGHT. Tomorrow afternoon the Committee on Foreign Relations will hold a hearing which is intended to go into this matter. I am not at all certain that it will be as thorough as it should be, but it will seek some information about the effect of a blackout or of radioactivity upon communications, and will also include a briefing on the ease with which an ABM system can be knocked out by multiple weapons.

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

Mr. GORE. Mr. President, I ask unanimous consent that the Senator from Missouri may proceed for an additional 3 minutes.

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

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

Mr. SYMINGTON. I am glad to yield to the able Senator from Tennessee.

Mr. GORE. Mr. President, tomorrow morning at 9:30 the Subcommittee on

Disarmament will examine some classified reports that have recently become available. I do not propose to suggest a secret session of the Senate to discuss this material, but I do take this opportunity to invite any Senator either to sit in on the examination of the reports tomorrow morning or to come later to the committee room, where he will be permitted to take from the vault the reports and the colloquy and examine them to his own satisfaction.

Mr. President, will the Senator yield once more?

Mr. SYMINGTON. I am glad to yield.

Mr. GORE. In addition to the facts cited by the distinguished junior Senator from Arkansas that electronic and radio communication was knocked out for a period of hours in an area of some 800 miles in diameter as a result of tests in Eniwetok, one other matter to which Senators might wish to give some consideration is that test animals placed on ships at varying distances from the center of the explosion suffered some dire consequences. Rabbits on a ship 200 miles away were blinded. When we consider defending or undertaking to defend America by exploding nuclear bombs over our heads, we are considering matters having dire consequences.

On this question of possible first strike capability or first strike attempt, I wonder if the able senior Senator from Missouri has contemplated the effects of westerly wind currents and the possible danger to all other nations in the Northern Hemisphere from an all-out attack upon the United States, from fallout.

Mr. SYMINGTON. Mr. President, the distinguished senior Senator from Tennessee is a member of the Joint Committee on Atomic Energy, and therefore an expert on this subject. To be frank, it is not a subject that I feel competent to discuss. I presented today facts with respect to this extraordinary statement issued by one of the various groups organized in favor of the Safeguard, because I believe I do understand the radar aspects of the situation, and because it was explained to us what would happen if the Soviets increased slightly their production of missiles. On this particular subject of the effects of atomic blast the Senator—and I hope he will develop it to his satisfaction and that of the Senate—is a far better expert than I.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, in connection with the last exchange, the Senator from Tennessee may recall that a panel of scientists before his subcommittee agreed that the Northern Hemisphere would be uninhabitable by man if there were any full exchange of nuclear weapons.

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 the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 2. An act to amend the Federal Credit Union Act so as to provide for an independ-

² Paul H. Nitze withdrew from active service as vice-chairman of the Committee, effective June 26, when he was appointed consultant to the Department of Defense on SALT.

ent Federal agency for the supervision of federally chartered credit unions, and for other purposes;

H.R. 6947. An act to amend the Act of October 13, 1964, to regulate the location of chanceries and other business offices of foreign governments in the District of Columbia;

H.R. 9551. An act to amend the act of July 11, 1947, to authorize members of the District of Columbia Fire Department, the U.S. Park Police force, and the White House Police force to participate in the Metropolitan Police Department Band, and for other purposes;

H.R. 9553. An act to amend the District of Columbia Minimum Wage Act to authorize the computation of overtime compensation for hospital employees on the basis of a fourteen-day work period;

H.R. 12671. An act to amend the act of May 29, 1928, to facilitate and encourage the employment of minors in the District of Columbia between the ages of 14 and 16 during the summer and other school vacation periods, and for other purposes;

H.J. Res. 236. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the week of August 1 through August 7 as "National Clown Week"; and

H.J. Res. 614. A joint resolution authorizing the President to proclaim the week of September 28, 1969, through October 4, 1969, as "National Adult-Youth Communications Week."

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

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

H.R. 2. An act to amend the Federal Credit Union Act so as to provide for an independent Federal agency for the supervision of federally chartered credit unions, and for other purposes; to the Committee on Banking and Currency.

H.R. 6947. An act to amend the act of October 13, 1964, to regulate the location of chanceries and other business offices of foreign governments in the District of Columbia;

H.R. 9551. An act to amend the act of July 11, 1947, to authorize members of the District of Columbia Fire Department, the U.S. Park Police force, and the White House Police force to participate in the Metropolitan Police Department Band, and for other purposes;

H.R. 9553. An act to amend the District of Columbia Minimum Wage Act to authorize the computation of overtime compensation for hospital employees on the basis of a 14-day work period; and

H.R. 12671. An act to amend the act of May 29, 1928, to facilitate and encourage the employment of minors in the District of Columbia between the ages of 14 and 16 during the summer and other school vacation periods, and for other purposes; to the Committee on the District of Columbia.

H.J. Res. 236. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the week of August 1 through August 7 as "National Clown Week"; and

H.J. Res. 614. A joint resolution authorizing the President to proclaim the week of September 28, 1969, through October 4, 1969, as "National Adult-Youth Communications Week"; to the Committee on the Judiciary.

SENATOR KENNEDY

Mr. PELL. Mr. President, I rise at this time to express publicly my belief that

the senior Senator from Massachusetts should not resign. And my advice to the citizens of that great Commonwealth would be to do their best to urge Senator KENNEDY not to consider resigning.

In speaking as a friend of his and as a Member of this body, I would add that the sooner he returns, the better off I think we are. I believe he is needed and wanted right here.

NIXON FUMBLES IN BANGKOK

Mr. PELL. Mr. President, I am disturbed at the tenor of our President's remarks made in Bangkok as he accepted the key to the city.

I ask unanimous consent that his remarks be inserted in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 29, 1969]

EXCERPTS FROM NIXON'S TALKS

(NOTE.—Following are statements made by President Nixon shortly after his arrival in Bangkok today. The first is an excerpt from extemporaneous remarks made by the President as he accepted a key to the city. The second is the text of a statement prepared by the traveling White House on the flight to Thailand and distributed here in the President's name.)

As we drove in through the streets from the airport and saw the thousands of people gathered there, including many of the schoolchildren, we were reminded again of the association between the American people and the Thai people, association in war and association in peace.

We were reminded too of that when we came by the SEATO treaty building, and realized that the SEATO organization has its offices here. That leads me to say that everyone knows that Thailand and the United States are signatories of that treaty. We are bound together by that treaty.

A treaty can have many meanings. It can be just a scrap of paper with no meaning at all. But as far as Thailand and the United States are concerned, a treaty means far more because we share common ideals.

What we want for Asia and the world is the right of freedom which Thailand enjoys for all peoples here.

The treaty that we have with Thailand means that it is not just another treaty, not just another piece of paper, but that it is one that has a significance far beyond that—a significance which I have indicated time and again in public statements, and I indicate today in my first public statement as I visit Bangkok and this country.

We will honor our obligations under that treaty. We will honor them not simply because we have to, because of paper, but because we believe in those words, and particularly believe in them in the association that we have with a proud and a strong people—the people of Thailand.

We have been together in the past, we are together at the present and the United States will stand proudly with Thailand against those who might threaten it from abroad or from within.

Mr. PELL. I am concerned for two reasons. First, I do not believe that any treaty should ever be referred to as "just another treaty" or "just another piece of paper." Any treaty to which the United States adheres should have greater meaning than that.

Second, and more important from the

viewpoint of our national interest, is President Nixon's statement that the United States "will stand proudly with Thailand against those who might threaten it from abroad or from within."

The most careful reading of the SEATO treaty gives no support to the views that, beyond consultation we have any obligation whatsoever to defend Thailand from enemies within. The most meticulous, careful, precise and, yes, Ruskian interpretation of the treaty would not give support to this thesis. Accordingly, what the statement of our President has done I believe, is, either to have enunciated a new policy for the United States in pledging protection of the Government of Thailand from domestic insurgency or to have publicly stated support for a private commitment that has already been made to this effect.

I deeply hope neither of these eventualities is true.

Even more important, so that those around the world may not misinterpret what our policies are—and, misinterpretation is more often the cause of crisis and war than is correct interpretation—I hope the President will straighten out the record in this regard.

He can do this either by saying he overspoke. Or he can say we indeed have such a newly visible policy vis-a-vis Thailand, in which case I would urge my colleagues to do all that we can to dissuade our Chief Executive from such a policy and seek to change it. It is certainly a policy inconsistent with the Senate commitment resolution passed a few weeks ago and with the words of President Nixon in Guam last week.

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

Mr. PELL. I yield.

Mr. GORE. Perhaps it would be well for the RECORD of the Senate's proceedings today to show that the U.S. Senate has not approved the secret agreement between the United States and Thailand.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PELL. I ask unanimous consent that I may have 3 additional minutes to yield to the Senator from Tennessee.

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

Mr. GORE. This secret agreement was entered into between Thailand and the United States by the previous administration. It was not approved by the Senate or by Congress during the previous administration. This secret agreement was reaffirmed by Secretary Rogers earlier this year on his trip to Thailand. Such reaffirmation has not been approved by the elected representatives of the people. The President, past or present, is without the power or authority to make a binding agreement upon the United States without the approval of the representatives of the people, the U.S. Senate.

The insurgency in Thailand is not a new political phenomenon. It has existed for more than a decade. I do not wish the insurgency well, but I am not sure that it is proper for the United States to intervene in a domestic insurgency, in civil strife within a small country. This is, in-

deed, primarily what we did in Vietnam. What President Nixon has done in Thailand is to invite another Vietnamese situation for the United States, and I want the RECORD to show that he is without power to commit the United States to such a course of action.

Mr. PELL. I thank the Senator from Tennessee for his interpretation and remarks, with which I am in agreement.

Mr. COOPER subsequently said: Mr. President, I have read the full text of President Nixon's statement and I do not interpret it as describing the treaties which we are a party as scraps or pieces of paper.

It seems to me that in the full context of his statement he intended to make it clear that his administration does not intend to act or fail to act with regard to the terms of treaties to which we are parties, in such a way as to cause them to be valueless.

Concerning the SEATO treaty I would assume that his remarks were made with full cognizance of its provisions. The SEATO treaty does not commit the United States to war. It provides, in substance, that if the security of a party is threatened by armed attack that each party would take appropriate measures in accordance with its "constitutional processes." As has been resolved by the Senate in the national commitments resolution, Senate Resolution 85, "constitutional processes" intends joint action by the Executive and Congress.

Again, the full text of the President's statement is in harmony with his statements made at Guam—emphasizing the responsibilities of the nations of Asia to defend and support themselves. I quote from his statement:

Our determination to honor our commitments is fully consistent with our conviction that the nations of Asia can and must increasingly shoulder the responsibility for achieving peace and progress in the area. The challenge to our wisdom is to support the Asian countries' efforts to defend and develop themselves without attempting to take from them the responsibilities which should be theirs. For if domination by the aggressor can destroy the freedom of a nation, too much dependence on a protector can eventually erode its dignity.

What we seek for Asia is a community of free nations able to go their own way and seek their own destiny with whatever cooperation we can provide—a community of independent Asian countries each maintaining its own traditions and yet each developing through mutual cooperation. In such an arrangement we stand ready to play a responsible role in accordance with our commitments and basic interests.

The United Press International ticker reports today the following:

Winding up the business part of his Thailand mission today, Nixon told leaders of this Communist-threatened southeast Asia nation that the 47,000 American airmen and support troops in Thailand would gradually be withdrawn as the Vietnam war deescalates.

All of this further supports his Guam statement concerning our relations—military and economic—to the Asian countries.

Mr. President, I ask unanimous consent that excerpts from President Nixon's

talk and the full text of his statement as printed in the New York Times today be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM NIXON'S TALK AND TEXT OF STATEMENT

(NOTE.—Following are statements made by President Nixon shortly after his arrival in Bangkok today. The first is an excerpt from extemporaneous remarks made by the President as he accepted a key to the city. The second is the text of a statement prepared by the traveling White House on the flight to Thailand and distributed here in the President's name.)

BANGKOK, THAILAND, July 28.—As we drove in through the streets from the airport and saw the thousands of people gathered there, including many of the schoolchildren, we were reminded again of the association between the American people and the Thai people, association in war and association in peace.

We were reminded too of that when we came by the SEATO treaty building, and realized that the SEATO organization has its offices here. That leads me to say that everyone knows that Thailand and the United States are signatories of that treaty. We are bound together by that treaty.

A treaty can have many meanings. It can be just a scrap of paper with no meaning at all. But as far as Thailand and the United States are concerned, a treaty means far more because we share common ideals.

What we want for Asia and the world is the right of freedom which Thailand enjoys for all peoples here.

The treaty that we have with Thailand means that it is not just another treaty, not just another piece of paper, but that it is one that has a significance far beyond that—a significance which I have indicated time and again in public statements, and I indicate today in my first public statement as I visit Bangkok and this country.

We will honor our obligations under that treaty. We will honor them not simply because we have to, because of paper, but because we believe in those words, and particularly believe in them in the association that we have with a proud and a strong people—the people of Thailand.

We have been together in the past, we are together at the present and the United States will stand proudly with Thailand against those who might threaten it from abroad or from within.

STATEMENT BY THE PRESIDENT

In returning once again to Thailand, I am deeply conscious of the fact that Thailand has a special interest in the strength of America's determination to honor its commitments in Asia and the Pacific.

We will honor those commitments—not only because we consider them solemn obligations, but equally importantly because we fully recognize that we and the nations of Southeast Asia share a vital stake in the future peace and prosperity of this region.

Both geography and common interest link the United States with the nations of Southeast Asia.

We recognize the Pacific Ocean not as a barrier, but as a bridge. We recognize also that whether peace can be maintained in Asia and the Pacific will determine whether peace can be maintained in the world, and we recognize here in Asia the beginnings of patterns of dynamic development that can be of enormous significance.

Our determination to honor our commitments is fully consistent with our conviction

that the nations of Asia can and must increasingly shoulder the responsibility for achieving peace and progress in the area. The challenge to our wisdom is to support the Asian countries' efforts to defend and develop themselves without attempting to take from them the responsibilities which should be theirs. For if domination by the aggressor can destroy the freedom of a nation, too much dependence on a protector can eventually erode its dignity.

What we seek for Asia is a community of free nations able to go their own way and seek their own destiny with whatever cooperation we can provide—a community of independent Asian countries each maintaining its own traditions and yet each developing through mutual cooperation. In such an arrangement we stand ready to play a responsible role in accordance with our commitments and basic interests.

Seven centuries ago, the great Thai King Rama Kamheng, father of the Thai alphabet, had his belief inscribed in the new written language.

"In the water there are fish, in the fields there is rice. Whoever wants to trade in elephants so trades. Whoever wants to trade in horses so trades. Whoever wants to trade in silver and gold so trades."

These words expressed the philosophy that a nation, like man, should be free to seek its own destiny. In Korea and again in Vietnam, Thailand has been in the forefront of those nations actively engaged in protecting this principle.

The Thai contribution to the struggle to preserve the independence of South Vietnam has been of great significance—as befits a nation that places so high a value on its own long history of independence.

As a nation which has shared so generously in the burdens of war, Thailand has a special interest in the strategy for achieving a durable peace—that is one which guarantees to the people of South Vietnam the right to determine their own future without outside coercion. In developing this policy, the Government of Thailand has been fully consulted and will continue to be so in the future.

I believe that the greatest problem before us is not the war in Vietnam, but the bringing about of a dynamic set of international relationships which guarantee peace and progress. This cannot be done by the United States alone. It must be a cooperative effort. We must contribute to relationships by which the peoples of the area can master their challenges and shape their future.

Thailand is one of the foremost examples of the promise that the future holds in Asia—in terms of its economic development, its commitment to advancing the welfare of its people and its larger view of new patterns of regional cooperation that can benefit all the nations and peoples of Asia. We are proud to consider Thailand our friend.

In this spirit I see the vision of King Rama Kamheng coming true not only for Thailand but for all of Asia.

EXTENSION OF TIME FOR TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, all time for the transaction of routine morning business has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for 5 additional minutes.

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

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

NEGOTIATE FROM STRENGTH
AMENDMENT TO LIMIT C-5A SPENDING
AMENDMENT NO. 108

Mr. PROXMIRE. Mr. President, I submit an amendment to the military procurement bill pending in the Senate which would cut off all funds for the second run of the giant C-5A cargo plane. I call it the negotiate from strength amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. PROXMIRE. Mr. President, my amendment would allow the first run of 58 planes to go forward. But the amendment would cut out \$533 million from the bill, the funds for additional planes. The amendment also calls for a study by the General Accounting Office.

This step is vital if the taxpayers are to be saved from the cruel consequences of the golden handshake provision in the Lockheed contract.

If we authorize run B, then the repricing formula letting Lockheed make up its losses would go into effect. Lockheed would then suffer little or no financial loss as a result of the huge \$2 billion cost overrun on this plane.

We should stop this unconscionable giveaway. By denying funds for run B the Congress can give the Pentagon negotiators the backbone and steel they have lacked in the past when they agreed to the golden handshakes, the sweetheart clauses, and the get-well provisions on dozens of major weapons system contracts.

The just released Pentagon study on the C-5A vindicates those of us who have criticized the program but fails to propose the necessary action to give the Pentagon enough muscle to reverse their misguided contract provisions. On the one hand they admit the repricing formula on the C-5A is outrageous. On the other hand they fail to take that action; namely, stopping run B of the plane, which could prevent the detrimental results of the formula. This is true because a go-ahead on run B triggers the repricing formula. By cutting off the funds for run B, my amendment would put the Government in the driver's seat in future negotiations for the additional planes.

It is the only way the public interest can be served. The Government then could negotiate from strength.

Here is a contract in which another company, Boeing, was the original choice of the Air Force selection board. But Lockheed bought in by bidding \$300 million less than the selection board's choice.

Now Lockheed is building the plane in a Government-owned plant, using Government-owned machinery, and receiving Government progress payments which essentially are interest-free loans

of up to 90 percent of their working capital. It is a form of military WPA.

My amendment will put this right. As only five test models of the plane have been produced, and as delivery dates have already been delayed by 6 months, no harm can come to the interests of the United States in cutting off the funds for run B and giving the Government some real weapons to negotiate with.

The Pentagon now admits what they previously denied. They admit that the repricing formula in the contract was against the interests of the United States. They also grudgingly admit an overrun of \$1.7 billion, or \$300 million more than the \$1.4 billion they have been claiming in the past. Our hearings showed that for a comparable plane with comparable spare parts, the actual costs increased by \$2 billion between 1965 and 1968.

There is even some hope that finally the Air Force will stop protecting and making excuses for its contractors and crack down on both their own and the contractor's wasteful practices.

Under the amendment the GAO is called upon to determine and report in 90 days whether the C-5A is an economic replacement for the C-141 and other aircraft in view of the great increase in procurement and operating costs of the plane. In addition, the GAO is called upon to determine the extent of the Government liability, possible losses and termination costs, costs of repairs and modification due to the failure of the C-5 wing to meet structural strength requirements, and other crucial matters under the contract if run B is authorized.

The specific questions the GAO is called upon to examine are as follows:

First. Whether the C-5 is an economic replacement for the C-141 and other airlift capability in light of the great cost growth of both procurement and operating costs.

Second. Whether the fourth squadron of C-5's would add significantly to the deployment capability of U.S. forces.

Third. Whether purchase of the fourth squadron of C-5's would make the Government liable for all contractor losses and termination costs if the full six squadrons of run A and run B are not procured.

Fourth. Whether purchase of the fourth squadron of C-5's would make the Government liable for the cost of repairs and modifications necessary to correct the defect revealed in the recent failure of the C-5 wing to meet structural strength requirements.

Fifth. The current cost estimates to complete run A, the first 23 units of run B, and run B including spares and operating expenses over the next 10 years.

Sixth. The effects of applying the repricing formula on the cost to the Government of the first 23 units of run B and the complete run B.

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

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. Mr. President, I asked the Senator to yield to make the

point that this contract was not negotiated by the Nixon administration. We inherited it.

Mr. PROXMIRE. The Senator is absolutely correct. I think that is a legitimate and proper point to make.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended for 5 additional minutes, and that the able Senator from Wisconsin be recognized for 2 out of the 5 minutes.

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

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

Mr. PROXMIRE. I yield.

Mr. STENNIS. Mr. President, I have listened to most of the Senator's statement. The Senator has done a great deal of worthwhile work on this subject.

It is very difficult to get at all aspects of any contract. This is a new type of contract, and it deserves and must have the greatest scrutiny and examination.

Apparently the Air Force has done a good job in getting into the involved aspects of this C-5A matter, some of which frankly were not recognized in the beginning, as the Senator from Wisconsin knows.

I think that the contract major is the question involved in the pending bill so far as the C-5A is concerned.

I point out that the C-5A has proven to be an extraordinarily good plane, particularly at this stage in its development. They have had some setbacks, but certainly none that begin to indicate that it is a faulty plane.

On the whole, it appears to be a superior plane. It is a complicated freight train of the skies, if I may use that expression.

Mr. PROXMIRE. Mr. President, as I understand it, there may well be some question concerning at least two aspects of the C-5A. One is with regard to a structural weakness in a wing, and the other is with respect to the capacity to land within a certain area with a designated payload. However, again, this is just in the exploratory stage.

A question has been raised as to whether it reaches the initial specifications in this regard.

Mr. STENNIS. That is correct. However, this is by no means a conclusion because we have not gotten to the conclusion stage as yet. It is in the testing period of its life at this time.

For the benefit of the Senate, the committee will have all of the facts relating to the plane, the contract, and the questions of policy involved in this type of contract for future use. Frankly, I do not lean toward a contract of this type.

The PRESIDING OFFICER. The 2 minutes of the Senator from Wisconsin have expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Wisconsin may have an additional 2 minutes out of the remaining 3 minutes.

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

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

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. Mr. President, the Senator raises a very interesting point that I would like to clear up at this time.

The Senator mentioned a short while ago that the airplane had a structural problem. This occurred at 128 percent of stress. I point out that the Air Force calls for 150 percent. I believe that 128 percent is about as high as we have ever gotten out of any plane. The FAA calls for 200 percent. However, in the Air Force, the Army, and the Navy, they realize that 150 percent is far more than they will ever be asked to sustain. In fact, 100 percent is asking for more than a pilot can sustain.

So far as any structural defect is concerned, it is not of major importance, but I am told by the Air Force that they will continue to look into it.

I had not heard about the landing question. The day I flew the airplane it landed in 1,500 feet, which is an extremely short distance for such a mammoth plane to stop in and is in keeping with Air Force and company specifications.

I agree with what the chairman of the Armed Services Committee said, that it is a good plane. I also agree with what the Senator from Wisconsin said, that it is a very queer contract.

Mr. PROXMIRE. Mr. President, I point out that the order is for 58 of these planes. I can see no damage whatsoever since only five test models of the plane have been produced and it will take perhaps 1 year to finish the five that have been produced before we would go ahead with the authorization for the remainder of the planes.

REFERRAL TO THE COMMITTEE ON PUBLIC WORKS OF S. 2635—HARTWELL DAM PROJECT, SOUTH CAROLINA AND GEORGIA

Mr. BYRD of West Virginia. Mr. President, at the request of my senior colleague, Senator RANDOLPH, I ask unanimous consent that S. 2635, a bill to provide for adjustments in the lands or interests therein acquired for the Hartwell Dam project, South Carolina and Georgia, by the reconveyance of certain lands or interests therein to the former owners therein, which was referred to the Committee on Armed Services, be referred to the Committee on Public Works; and I ask unanimous consent that a statement by Senator RANDOLPH be printed in the RECORD.

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

STATEMENT OF SENATOR RANDOLPH

As the members of this body know, the Committee on Public Works is responsible for recommending legislative authorizations to the Senate for the comprehensive water resources development programs carried out under the jurisdiction of the various Federal Water resources agencies, including the Corps of Engineers of the United States Army.

The Hartwell Dam and Reservoir is a project under jurisdiction of the Corps of Engineers and was previously approved by

the Committee on Public Works and construction subsequently authorized by the Congress. The project was completed in 1963 and is in operation for multiple water resource purposes.

During the 89th Congress, a measure similar to S. 2635 was referred to the Committee on Public Works for consideration.

PROF. HENRY ROZOVSKY, CHAIRMAN, DEPARTMENT OF ECONOMICS, HARVARD UNIVERSITY

Mr. BROOKE. Mr. President, on previous occasions some Senators have seen fit to place in the RECORD an article by the eminent cartoonist Al Capp regarding the disturbances at Harvard University earlier this year.

It is not my purpose here to take issue with the thrust of that article. However, I should like to help correct a misapprehension which has arisen as a result of that article regarding the role of Prof. Henry Rozovsky, chairman of the department of economics at Harvard. Mr. Capp raised questions regarding Professor Rozovsky's role in the campus disturbances and his continuing position at Harvard. An article written by Alan Barth, clarifying the professor's role, was published in the Boston Globe on Thursday, June 26. 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:

PROF. ROZOVSKY'S ROLE AT HARVARD (By Alan Barth)

Deicted by Al Capp as the villain in Harvard University's recent student uprising, Prof. Henry Rozovsky turns out to have been one of its authentic heroes—and most of all, it would appear, from Al Capp's own point of view. In an article which appeared in the Globe Wednesday morning Mr. Capp made some harsh and completely mistaken statements concerning the Harvard professor. Two indignant letters appearing elsewhere on this page today set the record straight.

In a lengthy telephone interview, Rozovsky talked in detail about his part in the Harvard confrontation and about his views regarding the Black Studies Program which was an important aspect of that confrontation.

An economist by inclination and training—far from having any intention of quitting the University, he is going to become chairman of the Economics Department at Harvard on July 1—he was asked a year ago to serve on a committee created to survey the possibilities for an Afro-American Studies program at Harvard. After a year of intensive investigation, this committee came forward with a considered and comprehensive proposal to make Afro-American studies an integrated part of the Harvard curriculum.

Rozovsky has a strong feeling that Negro contributions to music, literature, the social sciences and other aspects of contemporary culture have been accorded altogether inadequate attention. He believes, however, that they cannot advantageously be treated as a separate discipline. Like area studies which have engaged the interest of a variety of the conventional disciplines, black studies, in his view, should draw to them historians, economists, sociologists and others—white no less than black—who want to focus on problems relating to black people in the United States.

Thus the committee on which he played a leading role, proposed that black studies should be not a distinct department at Harvard but a "combined major" working through small group colloquia in which students who had developed at least minimum competence in one of the standard fields could apply their knowledge to, say, the economic problems relating to ghetto real estate.

"We have a lot to learn," Rozovsky said. The relatively uncharted ocean of black studies gives it an appeal to students; at the same time, it creates a personnel problem which Rozovsky characterized as "hair-raising." He wants the field of study to be in every respect up to Harvard's standards and even better, if possible, than the conventional fields. But it is extremely hard to find really competent instructors. As a practical matter, the head of the program has to be a black man; but the most eminent black scholars are already engaged elsewhere and, interestingly enough, most of the contemporary Africanists are white.

Black studies programs in some institutions have been devised hastily, and sometimes cynically, as a sop to Negro aspirations. Often they embrace courses which have no relevance to the mainstreams of American life and which promise no future to those who may choose to pursue them. Too frequently they embrace courses, such as "black math" which defy definition even by their sponsors. While amorphous programs of this sort avoid what black militants look upon as the vice of providing "a ticket to Whitey's world," the trouble with them is that they provide a ticket to nowhere.

"I want you to know," Bayard Rustin said recently in indignation, "it is very cheap to turn to young Negroes who are in internal agony about the difference between their aspirations and their poor equipment for achieving and give them the hope of black studies that they can easily pass. It is unfair." Rozovsky was determined that no such unfairness should be perpetrated on black students at Harvard.

In the aftermath of the occupation of University Hall in the Harvard Yard and the forcible expulsion of the occupiers by the police, black militants presented demands for much more than the Rozovsky Committee recommended. And the Faculty of Arts and Sciences voted in favor of major concessions to these demands. Specifically, it gave its approval to putting Afro-American studies under an independent department, abandoning the concept of a "combined major," and, most serious of all, giving to students representatives chosen by a black student political organization on the campus equal voting power with faculty members in passing upon faculty appointments and tenure and on curriculum decisions.

Rozovsky regarded this rejection of his committee's recommendations as a vote of "no confidence" and, accordingly, resigned from the committee in protest—apparently just what Al Capp would have wanted him to do.

In Rozovsky's view, the essence of the problem of enhancing Negro opportunities at the great universities lies in recruitment. He has not the slightest doubt that plenty of thoroughly qualified Negro students are available around the country. But they have to be sought out, in his judgment, and "selected on a basis of merit." The idea of taking black students at random from urban ghettos as an act of expiation for past injustices to their race, spells, as he sees it, "absolute disaster."

He is particularly interested in the encouragement of qualified black students to stay on at Harvard for graduate work because such work, as he puts it in the jargon of economists, "has an enormous multiplier." He is convinced that at this level, too, "there

is no shortage of qualified black talent for the major universities."

These are the views of a man who believes at once in equality and in excellence, who seeks opportunity for every student to reach the limit of his potentialities without seeking any relaxation of scholarly standards. If this is conservatism, it is aimed at the conservation of ancient academic values.

THE HIGH COST OF CUTTING BACK ON BASIC RESEARCH

Mr. DODD. Mr. President, this is an economy-minded Congress, and rightly so. We have become increasingly aware of the fact that our revenues are limited and that there is a limit to how high we can push the rate of taxation. Meanwhile, there appears to be virtually no limit to the increasing roster of problems clamoring for Federal attention.

We are going to have to do more than we have been doing in the fields of poverty, housing, urban blight, water pollution, and air pollution, to list only some of the growing problems that confront us.

But where are the funds for these expanded programs to come from? Clearly, we are going to have to be far more frugal than we have been in the past; we are going to have to submit each item in the Federal budget to the most painstaking examination, with a view to keeping our expenditures in each area to the minimum realistic level.

The trouble is, that, when we start cutting, we frequently find that there is far less fat in our various programs than we had imagined. The process of cutting, therefore, sometimes becomes a very painful one. But the pressure to cut back on Federal expenditures is so great, that in several areas the administration and Congress seemed disposed to make cuts that are not prudent and for which our society may have to pay a heavy future penalty.

One such area is that of basic research. The budget now before Congress cuts back sharply on the appropriation to the National Science Foundation for the support of such research.

I have received from a Connecticut resident, Mr. Neal E. Miller, an eloquent letter dealing with this subject. Mr. Miller is a scientist of some note who has been awarded the President's National Medal of Science. In his letter he makes this point:

Now that we have used up our Western frontier, and are exhausting our unusual bounty of national resources, such as the Mesabi iron ore range, we can maintain our position as a powerful "have" nation only by exploiting the momentum of scientific and technological superiority that we have built on these resources. Once we let our leadership in science and technology slip, we are on the road downhill like England, and it will be practically impossible to pull ourselves back up.

Because of the importance I attach to Mr. Miller's letter, I ask unanimous consent that the entire letter be printed in the RECORD.

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

GUILFORD, CONN.,
July 8, 1969.

Senator THOMAS J. DODD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DODD: As one who has been awarded the President's National Medal of Science, I urge you to correct the folly of the House of Representatives and the Nixon administration. In order to save an utterly insignificant proportion of the Federal budget (compared, for example, with an overrun of several billion on a single plane of weapons system) they are cutting down on the appropriation to the National Science Foundation for the support of basic research. This is going to undermine the scientific leadership on which our national strength depends.

Basic research is the growing edge of science, like the thin growing cambium layer of the bark of a great tree, where shaving off a small girdle can cause great damage. The essentially standstill budget for the NSF and the NIH, which in time of inflation means that basic science is getting decreasing amounts of our increasing gross national productivity, has already in my own personal experience been observed to inflict much more harm than most people realize.

[Now that we have used up our Western frontier, and are exhausting our unusual bounty of national resources, such as the Mesabi iron ore range, we can maintain our position as a powerful "have" nation only by exploiting the momentum of scientific and technological superiority that we have built on these resources. Once we let our leadership in science and technology slip, we are on the road downhill like England, and it will be practically impossible to pull ourselves back up.] Our present superiority is built to a far greater extent than we like to admit on unusual conditions which produced a massive immigration to us of the best scientific brains from Europe and other countries. When you cut back on basic research, you discourage the brightest minds of our own younger generation from going into science and narrow their opportunities for learning by apprenticeship in such research. You slow down the discovery of new knowledge which is becoming increasingly essential for advances in the increasingly sophisticated technology that is becoming ever more important in the modern world. And when you have a shrinking purchasing power, it is the newest and most important developments that are likely to be the hardest hit, since each University and even each individual scientist is likely to have certain commitments to fixed expenses for on-going activity which must be maintained at least for a while, so that it is the chance to go ahead with the most important lines of new development that is likely to be hardest hit. I personally know of two leading scientists who, because of reduced ceilings that were imposed on their Universities by the NSF when its budget was cut, have had to use all of their funds for the salaries of personnel to whom they were committed, so that they had nothing left over to buy new equipment and not nearly enough to spend on supplies—an extremely inefficient situation which greatly reduced their scientific productivity. I personally have had to spend an inordinately inefficient amount of time beating the bushes for funds to make up for the relatively small cuts that have prevented me from having the freedom to follow up important new leads. And I have been unusually fortunate.

Furthermore, there is a great lack of balance in the actions. The Nixon administration is recommending an 8.5 million reduction in the NIH but 85 million more to put extra men on the moon to do tasks that are less vital than health and could be done much more efficiently by instruments.

I cannot overemphasize the folly of trying to save money by cutting back on basic research. It is like burning your seed corn on a cold winter day; at the moment it may give you a trivial increase in heat. There are no immediate ill effects, but the results of the next winter are disastrous. By the time we realize that we are losing our scientific leadership, it will be too late. Technological superiority, which is becoming increasingly dependent on basic research, will, in the future, make the difference between our being a "have" and a "have-not" nation. I urge you to have the foresight to prevent us from taking the fatal turn toward the road that leads downhill.

Sincerely,

NEAL E. MILLER.

THE ABM

Mr. HATFIELD. Mr. President, at a time when arguments are heavily weighted in favor of or in opposition to the proposed deployment of an anti-ballistic-missile system, it is difficult for the public to find objective reporting designed to educate rather than persuade. The recent July 24 editorial which appeared in the Oregon Statesman was evidence of the educational function the press can serve during times when evaluation demands recognition of both sides of an issue. It is with praise of the Statesman's journalism and its public-minded approach to national, as well as local, issues that I ask unanimous consent that the "ABM Offers New Victory for Fear" be inserted in the RECORD.

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

ABM OFFERS NEW VICTORY FOR FEAR

The debate on the anti-ballistic missile sounds like a sequel to "Dr. Strangelove." In that satirical movie of a decade ago, American leaders wildly speculate about the numbers of people which will be killed in a nuclear holocaust and the possibility of sustaining human life underground for 100 years as the nuclear bombs begin to burst.

The concepts of counter-missiles erasing nuclear warheads in the skies above America and the speculation as to how many millions of lives would be lost sound like the musings of mad scientists. But such speculation is not a nightmare. It is real. It is now. Take this paragraph from a recent Business Week Magazine:

Soon, however, the MIRV and the ABM could make it feasible for one of the superpowers to launch the first blow without the risk of being devastated in return. Though some retaliatory warheads might slip through, the nation which struck first might calculate that it would survive while its victim would be shattered.

In the ABM debate we are forced to attempt to think about the unthinkable and imagine the unimaginable.

The information about the ABM system is confusing and contradictory. Expert opinions are available both for and against. Sen. Ted Kennedy commissioned a study which rejected the ABM as unsound. Arthur Goldberg heads a committee concerned about its deployment.

Former Sec. of State Dean Acheson heads another committee vigorously favoring the ABM. Dr. Henry Kissinger, the President's chief foreign policy adviser, endorses it.

The United States Senate is split almost exactly down the middle on the issue and Oregon's two senators are on opposite sides of the fence.

Such friends of the military as Sen. Stuart Symington, former secretary of the Air Force, oppose the ABM.

If the Vietnam War has proved anything, it is that America cannot afford guns and enough butter. Dare we risk diverting more multi-billions from the pressing domestic problems here at home? If we solve the ABM riddle, won't the Soviet find new means of circumventing it and leave us faced with spending multi-multi-billions to counter the new threat?

On the other hand, do we dare remain without a defense against Red Chinese missiles as that nation develops the potential of dropping nuclear weapons on our cities? Chinese leaders often have expressed the willingness to sacrifice hundreds of millions of their people.

Dare we wrench the policy-making decision from the hands of the President in this matter? He and his advisers are in possession of the top-secret information which is not available even to the 100 U.S. Senators.

Cost estimates for such defenses run a tremendous gamut. Whom are we to believe? The original figure for a limited Safeguard ABM missile program was \$4 billion. In recent weeks, it is estimated at anywhere from \$7 billion to \$13 billion.

The ABM system would comprise the most complex computerized structure ever devised, and there would be no way of testing its effectiveness until fights of enemy nuclear missiles were descending on this country.

At this distance, without benefit of precise technical information and accurate enemy intelligence, we cannot make a definitive statement about the ABM.

We can say this, however, with complete assurance. If it is found necessary to invoke the anti-ballistic missile system, it will be another victory for fear.

Ultimately we must lead by example, not shield ourselves against a hostile world. We cannot build walls high enough or create enough ABMs to keep out the enemy when the real enemy is fear.

It is the enemy within, the fear, the insecurity, which is the ultimate foe. We are doomed to unceasing rounds of defense built upon defense, each more costly and more ghastly than its predecessor, until we are able to create a world in which we can live in peace.

ADDRESS BY CAPT. J. EMMETT SEBRELL BEFORE COMMODORE CLUB, LAKE WYLIE, S.C.

Mr. HOLLINGS. Mr. President, on July 4, 1969, a superb address was given by Capt. J. Emmett Sebrell, U.S. Navy, retired, before the Commodore Club in Lake Wylie, S.C. Captain Sebrell has had a distinguished military career participating in the South Pacific invasions from Guadalcanal to Bougainville, and he is a veteran of the Korean war. The thoughts presented in his speech are well reasoned and forceful, and I commend it to the attention of the Senate.

I ask unanimous consent that the speech be printed in the RECORD.

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

ADDRESS BY CAPT. J. EMMETT SEBRELL

Commodore Moore; Vice-Commodore Reed, distinguished guests, ladies and gentlemen—it is indeed a pleasure for me to be here today with you and participate in this wonderful occasion. As I look around your fine facility and take note of all the fine looking sea-going craft, I can't help but recall the words of John Paul Jones when he said, "I wish to have no connection with any ship that does not sail fast, for I intend to go in

harm's way". Were he here today I know he would feel safe in sailing with you good people.

Freedom is our heritage. And every citizen owes a great debt to the many Americans who worked, and fought, and died to preserve it.

We might recall the authors of our Declaration of Independence who gathered nearly two centuries ago. These courageous men had faith in the principles of freedom. They were patriots; and they were revolutionaries. In his Inaugural Address, President Kennedy warned that, "we dare not forget—that we are the heirs of that first revolution." And he also reminded us that, "the same revolutionary beliefs for which our forefathers fought, are still at issue around the globe."

And indeed we should call to mind the struggle which set our nation free. We should often remind ourselves of those gallant rebels who demonstrated that a few staunch men can accomplish. For the same beliefs which sustained the Revolutionary Army at Valley Forge, are being tested once more throughout the world, and even in our own hemisphere. Those ragged soldiers, huddled around their fires in that snow-covered encampment, proved, as future Americans would prove again, in muddy trenches, in remote foxholes, in steaming jungles, and on stormy seas, that there is no convenient time, no comfortable place, to stand up for freedom.

Today freedom has been challenged anew. Once again, free men must be willing to stand up for their freedom—or risk its loss.

The Free World is faced with the grim challenge of godless communism, a challenge that extends to every area of human endeavor. As a nation, and as individuals, we find our heritage of liberty and justice threatened by those who have sworn to topple free civilization. The communists seek to degrade the dignity and the integrity, of the individual. As free men throughout the world face this relentless communist challenge, there can be no doubt that freedom is in jeopardy. Nor can there be any doubt as to the important stake of the United States in the crises, the disorders, which rack our troubled world. That is why we as a nation must strive to maintain our strength; why we must increase our national strength in every form, moral, political, economic, and military.

The military's primary responsibility is to preserve our freedom; and that is why the United States has developed the most powerful military force in the world. Our mighty Air Force, our modern Army, our fighting Marines, and our versatile, powerful Navy, stand ready to safeguard the rights of the individual to liberty and justice, wherever and whenever they are threatened.

As a military man, it is my job to understand the uses of military power; to evaluate the dangers of a military threat. But as a citizen, I must express my belief that the greatest danger that confronts our heritage of liberty—is not military. Rather, it is the possibility that we may fail to recognize the grave obligations that our freedom imposes upon us; that we may fail to grasp the real meaning of freedom. For while the rights and privileges of freedom must be respected and safeguarded, we must remember that freedom involves responsibilities as well as rights, obligations as well as privileges.

Perhaps the blessings of freedom, and the passage of time, have concealed the two sides of freedom. Perhaps we have placed too much emphasis on privileges—on rights. Every day we hear of someone defending his right of free speech—his right to trial by jury—his right to equal opportunities. But how often do we hear someone insist on his right to carry out his responsibilities to their neighbors, to their community, to their country. Yet without a balance between rights and responsibilities, without a balance between

privileges and obligations, freedom is a meaningless goal. Freedom in the abstract, freedom of and by itself, never made a society. Nor has freedom, all by itself, ever saved one. Rather—freedom is an opportunity.

As free men, living in a free society, we Americans have the opportunity to work out our individual destinies. We are able to live our lives in human dignity. Freedom furnishes the framework in which we can most effectively carry out our responsibilities. And that is why the vital issue in a free society is how we use our freedom. The vital question is whether or not we, we the people of the United States, will seize the opportunities that our freedom provides.

We live in a complex world, a world beset by increasingly complex problems. Very often, the vital role of the individual is obscured in a maze of pressing and intricate tasks. Yet, the individual is still the central figure. Our problems, world problems, national problems, domestic problems, are created by individuals. And these same problems will have to be solved by individuals.

The future of our nation, of all free society, depends upon the efforts of individual citizen; upon the efforts of individual men and women, acting with a strong, courageous, and personal sense of responsibility. A strong, responsible community; a strong, responsible nation; is the direct product of strong and responsible citizens. The prime movers of history have not been blind force—but rather, stout-hearted men.

We have heard a great deal in the past decade of the common man. But the real achievements, the lasting achievements, spring from the uncommon man. Achievements spring from the man who sees his responsibilities; who accepts them, and who is willing to put forth the extra effort to discharge his responsibilities.

As responsible members of society, our first effort must be to understand the problems which we face. As citizens, we have to keep informed; we have to stay alert to the vital and pressing issues of local, national, and international significance. For a democracy begins with informed people. In a democracy, the government represents the will of the people. Yet even though we ought to understand our problems; to talk about them; to discuss them; all the talk, all the speeches in the world, can never be a substitute for action. Talk is only a prelude to action—to hard work.

People often hear so much about a problem they're apt to believe something is being done about it; if not by themselves, at least by someone else. But life doesn't work that way. Everyone here wants our country to be strong. We want our nation to be virile and dynamic. But if we want these things, you and I, as individuals, must do something about them. We have to act.

We must place greater emphasis on plain, old-fashioned, hard work. We must recognize the distinction between the excellent and the mediocre. We must be willing to discipline ourselves to achieve excellence, and to accept nothing less.

We expect our country to be an example of honesty, of justice, and of integrity. We expect the United States to furnish a moral image to other nations. But again if we expect our nation to set the standard, you and I, as individuals, must meet our own commitments. We must be honest and fair in our dealings with our friends, with our neighbors, with our business associates. As individuals, we must stand up and be counted wherever and whenever our principles are at stake. We must insure that our own image is not tarnished by lowering our standards, by evasion, or by moral cowardice.

We expect our country to lead the Free World with vigor and decisiveness. But if the United States is to lead, you and I, as individuals, must likewise accept the responsibilities of leadership whenever we have the opportunity. We worry a great deal about

the uncommitted nations of the world, but perhaps our greatest concern should be the uncommitted Americans; Americans who fail to accept their responsibilities, who fail to use their freedom.

What we have today, what we are today, is primarily the result of what has been done in the past; the result of the hard-won achievements of our ancestors. What we will have tomorrow, what we will be tomorrow, depends on what we do today; the results of the decisions we make, the actions we take, as individuals, as citizens, and as a nation.

The United States was founded on faith in the individual, and that faith will be fulfilled in the accomplishments of the individual. I share that faith. I am confident we will use the opportunities our freedom provides.

DEFENSE OF ABM ADVERTISEMENT PUBLISHED BY MALCOLM E. SMITH, JR.

Mr. GOLDWATER. Mr. President, recently on the floor of the Senate, in his usual forceful and forthright manner, the senior Senator from Ohio (Mr. YOUNG) addressed some remarks against an ad which appeared in the Evening Star on Tuesday, May 27. This advertisement was bought and paid for by Malcolm E. Smith, Jr., of New York City. The chief assertions made by Senator YOUNG were to the effect that the ad contains lies.

Mr. President, I have read this advertisement very carefully and, while the Senator from Ohio may disagree with statements like "the Soviets are going for a first-strike capability and there is no question about it," made by Secretary of Defense Laird, the fact that the statement was made cannot be categorized as a lie. I am privileged to sit with the senior Senator from Ohio on the Armed Services Committee, and, after thoroughly reading this ad, can find nothing in it that I would categorize as a falsehood. I might not have said that Russia "is vastly ahead of the United States in numbers of missiles," but "vastly" is a term of explanation and, whether it is right or wrong, the Russians are ahead of us in missiles, and in the size of missiles. There might be some misconstruction of whether or not Russia has exploded a 100-megaton bomb, but there are those who say she has, and there are those who say it was 60 megatons. Regardless of what it was, it was big.

I defend the right of any Senator to say anything he wants on the floor of the Senate, or anywhere else, but I think we should be very careful in mustering our words to make sure that disagreement with a statement, whether it be printed or spoken, conveys the fact that we disagree, but that we do not disagree because statements made were lies.

Mr. Smith is a patriotic American who feels very deeply about the ABM; so deeply that he spent his own money to insert this ad. We who favor the ABM have not used the floor of the Senate to criticize full-page ads opposing it, the financing for which has never been discussed, nor do I think any one on our side every will, so I do hope that in the course of debate we can be very cautious about the explanation of our feelings.

COOPERATIVE PROGRAM IN TEACHER EDUCATION

Mr. MONTOYA. Mr. President, a unique educational program is being conducted at present at New Mexico State University.

The cooperative program in teacher education at New Mexico State University is the first of its kind in the United States. The program, approved in 1965, was put into effect in August 1965 with 20 students from New Mexico and Texas. The program, currently directed by Dr. Donald Ferguson, was proposed by Dr. Donald Roush and was implemented by Dr. Jack O. L. Saunders. The advantages of the cooperative program are threefold: First, it provides people with high academic potential who would ordinarily be unable to attend an institution of higher education an opportunity to do so by enabling them to earn their own way through college; second, it gives these students 2 years of experience in the school systems as teacher aides and instructors; third, the students are able to help present teachers be more effective by alleviating the heavy loads of large classrooms and time-consuming tasks.

The aim of the program is to produce experienced, devoted teachers. This is achieved through a 4-year program. The students participate in four work phases, one each year, and attend school as regular students the remainder of the time, including summer school.

In the first work phase, all students work in an elementary school. Their responsibilities consist of such tasks as grading papers, typing tests, and study guides, making bulletin boards, collecting milk money, and tutoring children.

In the second work phase, the students work in junior high schools as teacher aides. Tutoring has proved to be of special benefit to all concerned and at this level small group instruction takes place. The third year co-op is considered somewhat analogous to regular student teaching. Students work at the level of their choice where they teach a 6- to 8-week block in addition to the regular duties performed.

The final work phase is the most rewarding. Classified as "co-teachers," co-ops engage in a diverse program consisting mainly of teacher duties under the supervision of a cooperating teacher. The co-teacher is more on his own in the classroom.

One weekly seminar is required for all co-op students during each of the work phases to enable them to discuss experiences as well as to receive instruction from a variety of university professors in the content of professional education.

The pay scale for work phase is graduated starting at \$2 an hour at the freshman level on up to \$2.65 in the senior year. These earnings are supplemented by scholarships and student loans depending upon individual needs. Eighty percent of the program is financed by the work-study program of the Higher Education Act. The remaining 20 percent is provided by the State of New Mexico.

The study phases are one semester and two 6-week summer sessions annually.

The student pursues his general education requirements and a depth preparation in his teaching fields during the study phases.

The requirements for receipt of a B.S. degree are similar to those of regular students. A special professional education curriculum taken during work phase replaces the typical professional courses taken by regular students.

Mrs. Mary Lou DiMarzio, senior group, informs me that the program is continually seeking to improve itself. A council composed of elected representatives from each group of co-ops meets periodically to discuss problems and new ideas.

It is hoped that the program will serve as a guide for future programs with similar goals: the preparation of experienced beginners in the field of education.

Mr. President, I commend Dr. Roush, Dr. Ferguson, Dr. Saunders, and others who are responsible for this most outstanding program and I ask unanimous consent that the names of the co-op students be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

SENIOR GROUP

Terry Allman, Lovington, New Mexico.
M. Estella Avalos, Hatch, New Mexico.
Mary Lou DiMarzio, Truth or Consequences, New Mexico.
Jack Durkin, Hatch, New Mexico.
Kathleen Grijalva, El Paso, Texas.
M. Kathleen Hening, Albuquerque, New Mexico.
Grace Juarez, El Paso, Texas.
Danny Martinez, Hatch, New Mexico.
Susan Pickett, Las Cruces, New Mexico.
Luis Rodriguez, Anthony, New Mexico.
M. Lesette Smith, Tucumcari, New Mexico.

JUNIOR GROUP

Kenneth Aigner, Farmington, New Mexico.
Lucille Apodaca, Garfield, New Mexico.
Romolo Arellano, Arroyo Hondo, New Mexico.
Joe Avalos, Hatch, New Mexico.
Dolores Borrego, Santa Fe, New Mexico.
Ray Brito, Albuquerque, New Mexico.
Frances Cardoza, El Paso, Texas.
Kathy Cobb, Deming, New Mexico.
Irma Esparza, El Paso, Texas.
Rosemary Estrada, Las Cruces, New Mexico.
Celeste Faison, Las Vegas, New Mexico.
Cynthia Gomez, Las Cruces, New Mexico.
Virginia Gomez, Artesia, New Mexico.
Agapito Griego, Rancho de Taos, New Mexico.
Linda R. Hackler, Hatch, New Mexico.
Judy Hanover, Alamogordo, New Mexico.
Linda Johnson, Roswell, New Mexico.
Antonio Lara, Bernal, New Mexico.
Irene Martinez, Hatch, New Mexico.
Janet H. Morgan, Artesia, New Mexico.
Jane Ellen Neal, Clovis, New Mexico.
Carolyn Russell, Artesia, New Mexico.
Kathleen Weckel, Roswell, New Mexico.
Steve Wilkerson, Hobbs, New Mexico.

SOPHOMORE GROUP

Vonda Allman, Roswell, New Mexico.
Sylvia V. Alvarez, Santa Fe, New Mexico.
Antonette Archuleta, Valdez, New Mexico.
A. Gloria Atencio, Aztec, New Mexico.
Boydette Barnett, Roswell, New Mexico.
Anita Canul, Van Nuys, California.
Linda Doyal, Roswell, New Mexico.
Bonnie Hosie, Visalia, California.
Geraldine M. Jackson, West Nyack, New York.
Beverly Knight, Albuquerque, New Mexico.

Catherine Martinez, Espanola, New Mexico.
 Emilia Medina, Lordsburg, New Mexico.
 Nancy Mixon, Hobbs, New Mexico.
 Emma Murillo, Anthony, New Mexico.
 Manuel Palacios, Anthony, New Mexico.
 Gloria Rios, El Paso, Texas.
 M. Guadalupe Rios, Mesilla, New Mexico.
 Mary Ann Robinson, Artesia, New Mexico.
 Raul Salcido, Deming, New Mexico.
 Sharon Smith, Artesia, New Mexico.
 Barbara B. Spencer, Roswell, New Mexico.
 Rose Marie T. Struck, Truth or Consequences, New Mexico.
 Estella M. Torrez, Las Cruces, New Mexico.
 C. Pat Trujillo, Santa Fe, New Mexico.
 Kathleen Williams, Las Cruces, New Mexico.

FRESHMEN GROUP

Candace Bannerman, Grants, New Mexico.
 Carolyn Byas, Santa Fe, New Mexico.
 Linda H. Coaker, Albuquerque, New Mexico.
 Carol Cox, Las Cruces, New Mexico.
 Gloria Cruz, Albuquerque, New Mexico.
 George Dodson, Hagerman, New Mexico.
 Mary Dorey, Carlsbad, New Mexico.
 Janice Dorris, Roswell, New Mexico.
 Gwenetta Dunn, Roswell, New Mexico.
 Nancy Garvey, Roswell, New Mexico.
 Carmen Hernandez, Carlsbad, New Mexico.
 Linda Hight, Alamogordo, New Mexico.
 Renee Huber, Clovis, New Mexico.
 Kathryn Jackson, Las Cruces, New Mexico.
 Mary Jackson, Deming, New Mexico.
 Dianne Johnson, Truth or Consequences, New Mexico.

Frutoso Lopez, Ranchos de Taos, New Mexico.

Carolyn Maddox, Clovis, New Mexico.
 Susan Mehigan, Albuquerque, New Mexico.
 Maria Orozco, Jal, New Mexico.
 Teresa Romero, Tucumcari, New Mexico.
 Yolanda Romero, Ranchos de Taos, New Mexico.

Terry Lyn Rosandich, Albuquerque, New Mexico.

Nancy Sanchez, Roswell, New Mexico.
 Lynette Schultz, Deming, New Mexico.
 Cynthia Shaw, Roswell, New Mexico.
 Guadalupe Silva, Las Cruces, New Mexico.
 Carol Singleton, Las Cruces, New Mexico.
 Alice Thompson, Hatch, New Mexico.
 Martha Valdez, Lordsburg, New Mexico.
 Manuel Yanez, Mesilla, New Mexico.

INCOMING FRESHMEN GROUP

Mary Allen, Bayard, New Mexico.
 Teresa Ann Augustinos, Clovis, New Mexico.

Charles L. Boyle, Espanola, New Mexico.
 Debra Burnett, Clovis, New Mexico.
 Maria Chavira, Lordsburg, New Mexico.
 J. Dale Clark, Las Cruces, New Mexico.
 Frances K. Doyal, Roswell, New Mexico.
 Sandra Draper, Albuquerque, New Mexico.
 Kathryn Eby, Clayton, New Mexico.
 Diana Espinoza, Belen, New Mexico.
 Marcie Eyer, Clovis, New Mexico.
 John E. Farrell, Bricktown, New Jersey.
 Magdalena Gandara, Lordsburg, New Mexico.

Bernice Garay, Hatch, New Mexico.
 Yolanda Gomez, Artesia, New Mexico.
 Lenora Gonzales, Carlsbad, New Mexico.
 Patsy Harris, Farmington, New Mexico.
 Henry Hudson, Deming, New Mexico.
 Anita Kay Logan, Las Cruces, New Mexico.
 Yolanda Martinez, Deming, New Mexico.
 Susan Matkovich, Grants, New Mexico.
 Linda Sue McBrayer, Roswell, New Mexico.
 Alice McDonald, Clovis, New Mexico.
 Wilma McHalfey, Lordsburg, New Mexico.
 Joy D. Mehigan, Albuquerque, New Mexico.
 Kathy Molina, Grants, New Mexico.
 Dorothy Oliver, Hatch, New Mexico.
 Franklin J. Pacheco, Santa Fe, New Mexico.
 Blenda Carol Patton, Cuba, New Mexico.
 Joyce Perry, Aztec, New Mexico.
 Jonathan Phillips, Silver City, New Mexico.

Margarita Ramirez, Anthony, New Mexico.
 Steve Rinehart, Albuquerque, New Mexico.
 Debbie G. Sales, Las Cruces, New Mexico.

Steven C. Singleton, Las Cruces, New Mexico.

Nancy Sullins, Las Cruces, New Mexico.
 Pamela S. Townsend, Roswell, New Mexico.
 Laura Ann Wallace, Bayard, New Mexico.
 Lynnell G. Widner, Melrose, New Mexico.
 Bonnie Yocom, Ft. Sumner, New Mexico.

STUDENT UNREST

Mr. PEARSON. Mr. President, the Senator from Ohio, Mr. SAXBE, has prepared a most perceptive article on student unrest for the current issue of the Cleveland State Law Review. He has investigated the causes of the unrest and laid down some very helpful recommendations for remedies.

Senator SAXBE served three terms as Ohio attorney general and is highly qualified to deal with the issues surrounding student unrest. This article is well-founded in legal knowledge and enlightening in terms of its perceptions of today's students and the issues which concern them. The article serves to stimulate positive consideration of the student viewpoint on these issues, which is certainly a step toward better adult-student communication.

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:

STUDENT UNREST

(By Senator WILLIAM B. SAXBE*)

Many people have recently expressed alarm about the student unrest in our universities and on our college campuses. I am delighted to have this opportunity to submit an article to The Cleveland State Law Review, for it provides a forum for me to express my views on the subject.

By student unrest I do not mean anarchy. As Justice Thurgood Marshall said in a commencement address at Dillard College in New Orleans, "Anarchy is anarchy and it makes no difference who practices it. It is bad, it is punishable, and it should be punished."

In trying to understand the unrest in our land today, we must not confuse activism with violence; nor dissent with conspiracy. Therefore, I refer to unrest of the spirit and soul—not violence. The Gallup Poll reported on May 24 that a majority of students agree with the basic goals of the militants, but not their tactics. Students are genuinely concerned with the way things are on campus and the community and they want these things changed. Students are no longer concerned with a standard of living, but with a way of life—one that is just and moral.

Anyone who is past that time of life which is said to divide the young from the old, the trustworthy from the untrustworthy—the age of 30—may find it difficult to relate to many of the grievances which appear to activate many in our student population.

The temptation is strong to denounce vigorously the hair, the clothes, the morals, the living habits and never listen to what they say. Perhaps an equal danger but one only a few have succumbed to is to become a camp follower of the young, eagerly chiming in assent to anything they say or do.

It seems to me, however, that it is manifestly important that we not fall into either position. We must recognize that many serious and troubled young people are dissatisfied today with our society and our culture. That dissatisfaction has its roots not only in the way these young people perceive that society and culture but in a number of wrongs objectively part of that society and culture.

Footnotes at end of article.

We can learn from this new generation, just as they can and must learn from us. "The present generation of young people in our universities is the best informed, the most intelligent, and the most idealistic this country has ever known. . . . The ability, social consciousness and conscience, political sensitivity, and honest realism of today's students are a prime cause of student disturbances."¹

Learning requires communication, but the impasse between the generations more often than not involves a failure to communicate. Although both groups may harbor the same ideas, they express them in a slightly different manner. President Nixon said in his inaugural address, "We cannot learn from one another until we stop shouting at one another—until we speak quietly enough so that our words can be heard as well as our voices." Simon and Garfunkel, folksingers and spokesmen for the young, expressed similar thoughts in the "Sounds of Silence,"² one of the most popular songs of the younger generation in 1968.

For a mutual interchange to be even moderately successful, however, requires that we drop some of the slogans and habits of thought that block the way. Let us lower our voices and look at the problem as we see it today.

A major premise in the condemnation of violence on campus is that "our colleges and universities cannot perform their vital functions in an atmosphere that exalts the struggle for power over the search for truth, the rule of passion over the rule of reason, physical confrontation over rational discourse."³ Professor Nisbet has stated that this is true because "The university is the institution that is, by its delicate balance of function, authority and liberty and its normal absence of power, the least able of all institutions to withstand the fury of revolutionary violence."⁴

College administrators must make very clear that they will not shrink from the normal disciplinary sanction of suspension and expulsion to preserve and protect the institutions of learning which they serve. Furthermore, "advance plans should be made to determine, insofar as possible, the circumstances under which the university will use (1) campus disciplinary procedures (2) campus police, (3) court injunctions (4) other court sanctions and (5) the civil police."⁵ A successful university administrator is not different than a successful bartender who must be able and willing to throw out a ruffian in order to stay in business and keep his place of business from being destroyed.

Repression, however, by itself is not enough. Suppression of legitimate grievances may precipitate reaction outside of the peaceful avenues of change as it already has in some instances. Because a majority of students are in sympathy with the goal of the militants, but not their tactics, we must as responsible citizens and I must as a responsible legislator attempt to define these goals. We then can redirect the idealism of youth to constructive action rather than destructive despair.

THE CAUSES

The source of student discontent has been analyzed by many and the conclusions range from immediate definitive explanations to others which are less immediate and more esoteric.

"Students are unwilling to accept the gaps between professed ideals and actual performance. . . . Today's intelligent, idealistic students see a nation which has achieved the physical ability to provide food, shelter, and education for all, but has not yet devised social institutions that do so."⁶

The loneliness, emptiness, and frustration that students feel in their everyday lives have led to the rise of the antihero. For example, many of you are undoubtedly aware that Dustin Hoffman has become something

of a hero of the younger generation by virtue of his confrontation with life's hypocrisy in the movie, "The Graduate."

Today's youth does not reject authority as such, but the hypocrisy which it finds inextricably intertwined with it. It finds this hypocrisy in a war which it cannot understand, a draft which it finds unfair, and a set of national priorities which are poorly structured.

We are in the midst of a worldwide revolution. In trying to better understand it, I think it is helpful to examine what has been said by men like Professor George Wald, the Nobel laureate from Harvard. Professor Wald believes that much of the restlessness manifesting itself on our campuses and in our cities can be traced to the realization by this generation that it is by no means assured of its future.

Today's young people grew up in the post World War II period, an era where we have always had a Pentagon, an increasingly large army, a draft, and now the war in Vietnam. They are further confronted with the threat of a nuclear holocaust, chemical and biological warfare, and the population explosion. The youth today see the future in terms of nuclear destruction or famine resulting from the population explosion. Is it any wonder that Professor Wald calls today's generation "a generation in search of a future?"

It seems to me that the purpose of a democratic form of government is to institutionalize change through a peaceful political process. Yet, how do we explain to youth that violence is not an effective means of change when it has been used effectively to institute change, both at home and abroad. This group has witnessed in short order the assassination of President Kennedy, Medgar Evers, Martin Luther King, and Senator Robert Kennedy. The United States has enunciated ideals of peace and economic development, but has reacted violently abroad by sending troops to the Dominican Republic because we did not like what was going on there and dispatching over half a million troops to Vietnam to solve that problem.

Therefore, this present generation of students has come of age in one of the most turbulent eras of change we have known. Past generations have borne the marks of their formative years—the generation that came of age during the Depression probably made its mark in Postwar America's desire for stability and assurance against unsettling change. Characterizations could be made of many such generations. It should not be surprising that our students reflect much of their formative years and these years as I have shown have increasingly been characterized by violence.

I would like to set out another factor which appears to me to have stimulated and fed campus unrest. It has almost become a cliché, but there is much truth in the observation that relations between the student body and teachers and between each of these groups and administrators have grown increasingly strained. Where once there was a sense of community, a coming together of scholars, this was replaced by an olympian administration cut off from student contact, busily raising funds and promoting the development of increasingly close ties with business and the military; this was also replaced by an ever growing number of teachers so pressed for time in which to conduct research, often for government, and to prepare material for publication, on which advancement in teaching ranks is so dependent, that their personal contact with students decreased to a minimum. College administrators, by isolating themselves from the student body and fostering a system in which the teachers became more isolated, failed to provide what the students had a

right to expect.³ Let us not forget, teaching is the primary purpose of a university.

As Secretary of Health, Education and Welfare, Robert Finch, recently said, "I think we need to have a long hard look at what is behind this student unrest. It is not simply the Vietnam War. In my opinion, it is a failure of the governance of education, the governing bodies, the institutional apparatus to respond. Probably they have been more rigid than almost any other institution in our whole society . . . in the face of very fast changing conditions."⁴

There is another factor adding to the unrest, one that I believe cannot be overlooked in trying to understand our youth and its troubles. That factor is boredom. The role of boredom in today's unsettled world was discussed in a recent essay by Professor Robert A. Nisbet of the University of California. He noted that between boredom and brute violence there is as close an affinity historically as there is between boredom and insanity, boredom and cruelty, and boredom and nihilism.

"Youth is beyond question idealistic. But in our present society, youth is also bored. And it is from boredom that so much of the intellectual character of radical political action today is derived . . ."

"It is boredom born of natural authority dissolved, of too long exposure to the void; boredom inherited from parents uneasy in their middle-class affluence and who mistake failure of parental nerve for liberality of rearing; boredom acquired from university instructors grown intellectually impotent and contemptuous of a calling that explains the mindless purposeless depredations today by the young on that most precious and distinctive Western institution: the University."⁵

THE LAW

The law of the land is reasonably clear. It protects speech. Not only verbal speech but a wide range of "symbolic" speech is to remain free from government restraint. And we have long since resolved the argument in *Gilow v. United States*, 268 U.S. 652 (1925), between Justice Sanford, who thought apparently that only discussion which was a "mere academic and harmless discussion" was entitled to claim the protection of the First Amendment, *supra*, 665, and Justice Holmes, who readily conceded that "[e]very idea is an incitement." *Supra*, 673. As Justice Brennan put it in *New York Times v. Sullivan*, 376 U.S. 254, 270 (1964), we have "a profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide open."

Strangely enough, however, it was not until the present Term of the United States Supreme Court that it was unequivocally established that we were as committed to the principle when it was exercised by our student population as when we expressed our ideas and our grievances.

In *Tinker v. Des Moines Independent Community School District*, 393 U.S. 503 (1969), the Court held protected the wearing by high school students of black arm bands to signify distress at our Vietnam policy. "It can hardly be argued that either students or teachers shed their constitutional rights to freedom of speech or expression at the school-house gate." *Supra*, 506. Because the operation of the educational institution demands a great deal of order, conduct of students, in or out of class and stemming from the time, place, or type of behavior, which "materially disrupts classwork or involves substantial disorder or invasion of the rights of others," *supra*, 513, is subject to restriction by the authorities. Violence on campus is not immunized. See, *Barker v. Hardway*, 283 F. Supp. 228 (S.D.W.Va. 1968), *aff'd per curiam* 399 F. 2d 638 (C.A. 4, 1968), *cert. den* 37 Law Week 3335 (1969).

The line thus drawn seems to me reason-

able enough. It will afford the student, college and high school, room in which to develop and make known his views, on both those academic matters which directly affect him and those wider public issues which may directly affect him or which may interest him as any other good citizen would be interested. We tend to restrict our thinking on this subject by our references to "children" or "kids" and this restriction operates to comfort us by its image of immaturity. But when the age at which most male students graduate from high school is the age at which they have to register for the draft and when male college students are confronted with the question of the draft during their entire college careers, it cannot be said that their interest not only in the mechanics of the Selective Service System but in the broader policy issues of war and peace is a "mere" academic one.

But even were the overriding issue of Vietnam and its satellite issues to fade tomorrow, we must recognize, I think, that the youthful student of today is bound to have a greater interest in, knowledge of, and desire to change the world about himself. Our children do mature earlier. The pervasive effect of television makes clear to them what a great, big complicated world there is out there. And their sense of morality and idealism, not yet blunted by too much contact with the "realities" we take for granted, is rightfully appalled at the gap between the ideals we profess and the lives we lead.

If it was once the province of the newspapers, in Mencken's phrase, "to comfort the afflicted and to afflict the comfortable," a province largely abandoned, we may, if we are willing to listen, find our youth assuming that role. That prospect, it seems to me, is more than sufficient to justify and rationalize the granting of greater freedom of expression to young people than most adults have been willing to consider. In the exercise of that freedom much will be said that is nonsense, or unfair, or trite, or simply wrong, but in those respects comparison with adult discourse would certainly reveal no great difference. But I remain confident that the remainder of the discourse would reveal fresh thought, insight, and perspective, for which we should be most grateful.

Unfortunately, there has appeared in the ranks of our student protestors some whose primary commitment seems to be to violence and senseless disruption. Whereas the great majority of student dissidents have been and are concerned with the quality of education offered at their institutions and with changing through the available political processes and local, state, and national policies with which they disagree, there is a significant minority about which it can only be said that the suspicion exists they prefer chaos for the sake of chaos. These people advocate freedom of speech for everyone expressing their particular views; those in disagreement will be hounded off the platform or out of the classroom. These people not only condone but advocate the use of violence. They constitute a danger to the academic community and a danger to the public at large.

There is very little that the Federal Government can or ought to do about this danger. The answer lies in adequate law enforcement at the local level; but perhaps more important than that, it lies in the ability of the dissidents among the students and the faculty at each of these institutions making clear that tolerance of violence has ended, that the "crazies," as they have been colloquially dubbed, are endangering not only the reforms that are sought but that they are perceived to be a menace by the peaceful dissidents. Until the campus revolution drives the violent minority out, heavy-handed federal reaction will only add fuel to the flame.

Some fuel is already there, but it may be the minimum which the Federal Govern-

Footnotes at end of article.

ment should undertake to apply. I refer to § 504 of the Higher Education Amendments Act of 1968, P.L. 90-575, which is a fund cut-off provision authorizing school authorities to terminate financial assistance to any student engaging in conduct which works a "substantial disruption" of the orderly administration of the institution. It seems to me that the Government interest in not funding students addicted to violent conduct is adequately protected by vesting in the authorities administering the institutional affairs of colleges and universities the power to terminate funds.¹¹

An inclination to be more harsh is revealed by § 411 of P.L. 90-557, the HEW appropriations act for fiscal 1969, and thus a temporary provision, which directs the termination of all federal funds to anyone convicted of any crime which "involves the use of or the assistance to others in the use of force, trespass or the seizure of property" of an educational institution. This provision removed any discretion from local administrators but on the other hand it did base termination on a criminal conviction.

In this Congress, however, the inclination to be tougher is stronger and, I am afraid, irresistible to the majority. A very prominent bill which has already been the subject of hearings is H.R. 10074, which would require the suspension of federal aid to colleges and universities which experience disorders and which fail to take unlisted appropriate corrective measures within a reasonable time to put down disturbances. A whole series of bills modeled on this one would apparently take away the discretion of college administrators with regard to the type of response appropriate to quell unlawful disturbances.

I can appreciate, of course, the frustration which many feel at the continued illegal disorders on many campuses. I too feel that some administrators have displayed less than valor in dealing with some disorders. But it seems that this early hesitation, understandable in view of the prevailing feeling on most campuses that the police should not be called in, is giving way to more firm and thoughtful handling, which should increase in effectiveness as experience accumulates. But it is simply not true that each crisis can or should be handled by summoning the police and the national guard at the first moment. As the experience in California indicates, this may only prolong and exacerbate the situation.

Thus, it seems clear that a federal measure which would compel college administrators to pull out all the stops in every crisis or pre-crisis period, or face the prospect of losing all federal financial assistance, is an overly harsh and ultimately ineffective response, akin to using a cannon where a rapier is more appropriate.

Still more disturbing is a bill like S. 1929, which would make it a federal criminal offense to disrupt the operation of federally assisted colleges and universities. The bill is disturbing in two respects. First, any act which it would make criminal is already covered by a host of state laws. We simply have no evidence that these laws are not being enforced, that they are inadequate, or that we need to clutter up the already burdened federal courts with hundreds of new offenses ranging from throwing a rock at the dean to arson. I wonder what value making these matters a federal case could possibly have over the present situation.

Second, the power of the Federal Government to reach these offenses is premised on the fact that of some federal financial assistance, whether directly to the college in the form of grants, loans, or contracts, or indirectly in the form of students paying tuition out of federal grants or loans. Very few institutions of higher education would not be reached this way. The premise is a tenuous one, however, and the precedent it would set for federal interference in and control over the day-to-day operations of

these institutions is unnerving. If federal jurisdiction is so easily asserted, then we may be closer to the unitary form of government throughout the nation than many of us had thought.

These two proposals are only the forerunners of others that can be seen down the road we are traveling if the disturbances continue. And that prospect can only please the so-called militant minority which wishes to provoke the ultimate "confrontation" of government and dissidents.

A criminal jurisdiction the United States Government might well exercise, however, in a productive and helpful way, lies in the enforcement of sections of the 1968 Civil Rights Act, 18 U.S.C. §§ 2101, 2102. These sections prohibit the utilization of the facilities of interstate commerce in order to foment or to incite or to abet in fomenting or inciting a riot or to commit any act of violence in furthering a riot. If indeed there are people in this country who are planning and encouraging violence on our campuses, if indeed there are ringleaders of chaos, then it seems to me that the Federal Government ought to prosecute.

These sections are not directed at peaceful advocacy or peaceful protest. They do not reach marching and picketing protected by the First Amendment. They cannot restrain legitimate assembly and speech in the pursuit of change. What they can penalize is the advocates of destruction for destruction's sake, the misguided followers of Mao and Fanon, the eager insurgents who want to polarize our society.

There have been all sorts of allegations about planning and fomenting on a nationwide basis, if there is sufficient evidence, the Attorney General should cause the convening of a grand jury to consider indictments. Whichever way such a case turned out it might well clear the air and take from the shoulders of those pressing for needed change the suspicion that they are implicated in illegality and the burden of guarding their flanks from the disrupters.

THE FUTURE

I believe that student unrest is symptomatic of the current malaise confronting our country. It has been referred to as "the revolt of the diminished man." Archibald MacLelish believes that the younger generation has conceived a "new humanism."

"It is an angry generation, yes, but its resentment is not the disgust of the generation for which Beckett speaks. Its resentment is not a resentment of our human life but a resentment on behalf of human life; not an indignation that we exist on Earth but that we permit ourselves to exist in a selfishness and wretchedness and squalor which we have the means to abolish. Resentment of this kind is founded, can only be founded on belief in man, and belief in man—a return to a belief in man—is the reality on which a new age can be built."¹²

I came to Washington with a mandate from the citizens of Ohio to seek alternatives to our present dilemmas. We are currently faced with the revolt of the student and the revolt of the taxpayer. The two are related. Since the end of World War II, we have spent approximately one trillion dollars on armaments and armed forces. Today our Federal expenditures for defense and defense related costs are greater than all Federal, state and local outlays for social security, health, education, housing, and agriculture, and yet the military budget continues to grow, spurred by a seemingly self-propelled mechanism which operates with little or no attention to merit or national needs.¹³

We are presently in the midst of a missile gap scare—the third such scare since 1960. All three have been groundless. Nevertheless, we are on the brink of a new round in the arms race—more costly and more dangerous than any which preceded it. What,

then, have we purchased with our money? How will the next generation of college students react when they are raised in an era of "first strike capability," Anti-Ballistic Missile Systems (ABM) and Multiple Independently Targetable Reentry Vehicles (MIRV)? To maintain our current foreign policy is, to me, a ticket on the Titanic!

Therefore, I have continually spoken out against the ABM and proposed a moratorium on MIRV testing, expressing my doubts about military effectiveness, enormous cost, and adverse effect on possible disarmament talks. I believe we should immediately proceed with strategic armament talks with the Soviet Union.

We cannot be the policemen for the entire world. Gunboat diplomacy ended with the creation of nuclear weapons. An arms race in a nuclear age is unthinkable. A halt to the nuclear arms race does not require unilateral disarmaments. We can maintain our nuclear deterrent provided by our Intercontinental Ballistic Missiles (ICBM), bombers, and Polaris submarines while we negotiate in good faith with the Soviet Union. This is what I mean when I say that we must confront the assumption of risk and turn it from a risk of war to a gamble for peace. This decision need not be irrevocable. It is a calculated risk—one that can be reversed if conditions or events change.

Because the present generation of students has come of age in one of the most turbulent eras in world history—an era marked by foreign and domestic violence, I believe that the elimination of a foreign policy characterized by violence may reduce the level of domestic discord.

Furthermore, I will continue to listen to the grievances of students. Many have refreshingly constructive ideas. Others have nothing to say. You can only learn what they have to say by listening to them. Maybe then, they will realize that our democratic form of government does institutionalize a process of change in a peaceful political manner.

FOOTNOTES

*William B. Saxbe, Ohio Republican, was elected to his first term in Nov. 5, 1968, after long service at the state level. Before moving to Washington, Saxbe served four terms in the Ohio House of Representatives and three terms as Attorney General.

Saxbe was majority leader of the Ohio House at age 34 and was speaker at 37. He also served as Attorney General longer than any man in Ohio history.

Saxbe was born June 24, 1916, in Mechanicsburg, Ohio, and still make his home there. He is a graduate of Ohio State University and the Ohio State University Law School and had been a lawyer since 1948.

The Senator and his wife, Dolly, have three children—sons William Jr. and Charles, and daughter, Juli, and one grandchild.

Saxbe is an Army veteran of World War II and Korea. His Senate committee assignments are Aeronautical and Space Sciences, and Labor and Public Welfare. He also serves on the Special Senate Committee on Aging.

"... within the sounds of silence . . . And in the naked light I saw 10,000 people maybe more—people talking without speaking; people hearing without listening; people writing songs that voices never share; No one dare disturb the sound of silence . . . Hear my words and I might teach you. Take my arms and I might reach you. But my words like silent rain drops fell, but echoed in the well of silence."

²Report of the Fact Finding Commission appointed to Investigate the Disturbances at Columbia University (Cox Commission), p. 4 (New York, Vintage ed, 1968).

³Interim statement on campus disorder issued by the National Commission on Causes and Prevention of Violence.

⁴Professor Robert A. Nisbet, "When Authority Falls, Raw Power Moves In," reprint-

ed Congressional Record, June 5, 1969, pages 14847-14848.

⁶ Interim statement on campus disorder, Supra 3.

⁷ Interim statement on campus disorder, Supra 3.

⁸ Speech of Professor George Wald, Kresge Auditorium, Mass. Institute of Technology, March 4, 1969, reprinted Congressional Record, March 26, 1969, pages 7688-7689.

⁹ The Higher Education Act of 1965, Committee Report No. 650 89th Congress, 1st Session, p. 56 states: "The committee has noted that there has been a tendency in recent years for college teachers to devote less time to classroom instruction and to personal counseling of students than previously, factors which have become more evident as institutions of higher education have become larger and more impersonal. While recognizing the importance of research—which this committee has encouraged in other legislation—we nevertheless are hopeful that this act will serve to encourage the expert and the teacher to devote more time to the classroom and the student. We look to an equitable balance between research and teaching and between the outside lecture platform or publishing house and the classroom."

¹⁰ Interview of Secretary of Health, Education and Welfare, Robert Finch, Wash. Post, pA4, May 11, 1969.

¹¹ Professor Nisbet, supra 4.

¹² "Existing laws already withdraw financial aid from students who engage in disruptive acts. Additional laws along the same lines would not accomplish any useful purpose. Such efforts are likely to spread, not reduce the difficulty. More than seven million young Americans are enrolled in the Nation's colleges and universities; the vast majority neither participate in nor sympathize with campus violence. If aid is withdrawn from even a few students in a manner that the * * * views as unjust, the result may be to radicalize a much larger number by convincing them that existing governmental institutions are as inhumane as the revolutionaries claim. If the law unjustly forces the university to cut off financial aid or expel a student the university as well may come under widespread campus condemnation." Interim statement on campus disorder, supra 3.

¹³ Archibald MacLeish, "The Revolt of the Diminished Man," Saturday Review, June 7, 1969.

¹⁴ Report of the Congressional Conference on the Military Budget and National Priorities, p. 3 and 4.

SENATOR RANDOLPH SUPPORTS SURTAX EXTENSION COUPLED WITH TAX REFORM

Mr. RANDOLPH. Mr. President, on Friday the distinguished majority leader, Mr. MANSFIELD, spoke on the proposed extension of the surtax and tax reform and outlined the compromise position determined by the Democratic Policy Committee and the majority members of the Senate Finance Committee. The statement of the senior Senator from Montana, together with the statement of the able minority leader, Mr. DIRKSEN, has received my careful study.

I commend the majority leader and the capable Chairman of the Committee on Finance, Mr. LONG, for placing before the administration and Congress a reasonable and responsible compromise. I am encouraged by the response of the minority leader, indicating that the proposal "is open for negotiation" and that it has not been rejected as reported in speculative news stories.

It is my genuine hope that the administration will accept this schedule and procedure on Senate consideration of the surtax and tax reform. The proposal to temporarily extend the surtax through November, by which time there will be an opportunity to vote on a tax-reform package, is, in my thinking, a commitment to press for the extension of the surtax and for enactment of tax reform. I am convinced that the surtax is necessary. It is my belief that we cannot take the chance of rejecting the extension urged by the administration. Nevertheless, I do not believe that it is essential—as argued by supporters of the surtax—that it be enacted immediately. I agree with the New York Times editorial of Saturday, July 26:

So long as current income withholding tax rates remain in force, there is danger neither of budgetary deficit nor of a return to an inflationary monetary policy.

I reject the argument that our failure to enact the permanent surtax extension leaves open to question the determination of our Government to combat inflation. Such arguments appear to place the entire burden of an anti-inflation program on the surtax. Senators well know that the problem is more complex than the simple proposition of a surtax.

Mr. President, the policy committee statement is a firm indication that the Members of this body are committed to a comprehensive tax-reform package. The coupling of surtax and tax reform should be equitable and just for the people who bear heavy tax burdens. Tax reform is just as urgent as the surtax. And certainly in the interest of long-term benefits it is more urgent. In the final analysis, it may well be that the tax-reform package will be needed to carry through a surtax extension. This remains to be decided. But on one issue there is no doubt. The citizens of this Nation want tax reform. It is our responsibility to assure that this issue is brought into focus and that reforms are carried forward. The arrangement advocated by the policy committee provides this needed assurance.

Tax reform will not be left to come as it may. It will not be left to chance. I am convinced, despite considerable disagreement among the experts, that the temporary extension of the surtax, and final action coupled with tax reform will be supported by the overwhelming majority of our citizens.

The Democratic policy committee proposal is reasonable and responsive. It should be accepted by the administration. This will do more in the long run to stem the fears of what might happen to our economy and to avert the possibility of a defeat.

SENATOR EDWARD KENNEDY

Mr. RIBICOFF. Mr. President, Senator EDWARD KENNEDY is an outstanding Senator and an effective majority whip. I am sure that all of us recognize his ability and dedication to his duties as a U.S. Senator. Senator KENNEDY has many more years of constructive service to give to the people of this country and of Massachusetts, and I know that he will continue to have their support.

Much has been written these past days about the recent tragedy involving Senator KENNEDY. Of all the reports and insights provided, however, I believe that a column written by David S. Broader and published in this morning's Washington Post is among the best. It reminds us of our role in the lives of those around us. I ask unanimous consent that it be printed in the RECORD with the hope that it will be read by all thoughtful and concerned Americans.

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

POLITICIANS, PUNDITS PLAYED GOD WITH EDWARD KENNEDY'S LIFE

(By David S. Broader)

The power of genuine tragedy, as defined by Aristotle and understood by every generation since, lies in its demonstration that all men, even the powerful and the mighty, can be judged and found wanting just because we are all mortal and all have flaws.

It is tragedy's demonstration of our common susceptibility to Fate which Aristotle said must move any man to pity and terror. And it is this which unites the audience and the actors in any of the great dramas of literature or life.

Yet, in all that has been written this past week about the latest adversity in the life of Sen. Edward M. Kennedy, little has been said about the significance of the tragedy for those of us who have been caught up in its unfolding.

Honesty requires that the effort be made. For whatever fault may be attributed to Kennedy in the events surrounding the accidental death of his passenger, the reaction in the political-journalistic world of Washington shows unmistakably how far those of us who inhabit that world have succumbed to the sin of pride—the very sin for which the heroes of so many Greek tragedies were rebuked by the gods.

Our shock at what has happened is based, not just on our sympathy for the victim and her family and for Kennedy, but on our hurt that the future we had arranged for him—in our own minds—is now altered.

In this sense, the incident at the Poucha Pond bridge brings a rebuke to all of us—the politicians in both parties who were calculating how his 1972 presidential campaign could be made to serve their interests, the journalists who were anticipating the excitement and rewards of another Kennedy-Nixon contest—to all of us who in the arrogance of our pride had arranged his life in advance for him.

This reporter has no intimate acquaintance with Edward Kennedy, but I have seen him in a variety of circumstances since our first meeting at a coal mine outside Beckley, W. Va., in 1960. He impresses me as a man of some talent, of great industry and dedication and, most of all, of continued capacity for growth.

I would assert now, as I did before last week's accident, only one strong conviction about Ted Kennedy: Whatever his capacity for service to his country, Kennedy ten years from now—at 47—will have more to offer in the way of leadership than he does in 1969.

Yet there were many in politics and journalism who had determined in their superior wisdom that he must run for President in 1972. Kennedy has lived with this knowledge and the pressure it entails. Whatever his own wishes, he has known that, with every passing day, the choice was being taken out of his hands and being forced on him by politicians and pundits who—at minimal risk to their own careers—were recklessly brave in dictating what his course should be.

Ultimately, every man must set his own course and accept the consequences. In my lifetime, I have seen two very different men—

Adlai Stevenson and Barry Goldwater—persuaded to run for President, against their own best judgment. Neither case ended happily.

Yet, before Kennedy's accident, there were men in Washington with enough self-confidence (or whatever) to assert that of all the men in public office, only this one 37-year-old Senator had the capacity to "unite the Democratic Party." Even now, some have the temerity to argue that Kennedy's reputation must be rescued—not for its own sake, but so that he can run in 1972.

Some of these men are politicians and journalists who came to power and prominence with John Kennedy. Just 18 months ago, some of them were exerting a similar kind of pressure on Robert Kennedy to run. But these counselors do not control the fates of the men they seek to manipulate. That must be clear now even to them.

All their planning and charting were for naught when the lives of the three famous Kennedy brothers crossed those of three obscure fellow-citizens, Lee Harvey Oswald, Sirhan Bishara Sirhan and Mary Jo Kopechne.

Two of the brothers are dead; the third's future is in doubt. Two of those Fate placed in their paths are dead; the third is under sentence of death.

Does it not behoove us all to stop playing God with other men's lives?

A VERY GOODLY BAY

Mr. TYDINGS. Mr. President, the Chesapeake Bay is the great natural treasure of Maryland. Its blue waters make up the most fertile marine pastures in this hemisphere. Its history is an integral part of our State's past. Its recreational potential is a prime reason why Maryland is known as the land of pleasant living.

As one who lives on the Chesapeake, I can only agree with Capt. John Smith's 1607 description of the bay as "a very goodly bay."

Like every body of water in America today, however, the bay is threatened by pollution. From industry and towns, from ships and nuclear powerplants, pollutants contaminate the bay, impairing its beauty and threatening its marine productivity. The latter is particularly disturbing for the bay provides most of the Nation's supply of bluecrabs and oysters.

Until recently this country did not recognize the importance of the bay and our other estuaries. By and large, they were ignored by many public officials and studied in depth by only a few scientists. Maryland provided an exception to this rule but even here the effort was not equal to the need. Our lack of knowledge reflected a lack of concern over our estuaries. This led to neglect which in turn has endangered these valuable bodies of water.

In order to fill this gap in our knowledge, I wrote the National Estuarine Pollution Study into the Clean Water Restoration Act of 1966. This study was carefully drafted so as to provide us with a comprehensive analysis of our estuaries as well as recommendations to protect them.

I also helped pass in 1965 legislation authorizing the Corps of Engineers to build a hydraulic scale model of the Chesapeake Bay. This would enable marine scientists to study the estuary and learn more about its currents, salinity

levels, and tides. The model will be built on the Eastern Shore of Maryland and will provide us with the means to increase our knowledge of this great estuary.

In the June issue of *Oceans*, John O. Ludwigson presents an excellent article on the Chesapeake Bay. He writes of the great productivity of the bay and warns of the increasing threat from pollution. I regret that it is not possible to reproduce the lovely pictures which accompany Mr. Ludwigson's article, but I recommend his words to all concerned with the preservation and proper development of our marine resources. 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:

CHESAPEAKE BAY (By John O. Ludwigson)

Among countless tales of the seven seas, very rarely do you hear of the eighth sea, a landlocked micro-ocean that splits the state of Maryland and, with a little help from the U.S. Army Corps of Engineers, makes an island of most of Delaware.

Yet the Chesapeake Bay is, in many respects, a minor sea. It can claim its own unique internal circulation patterns, cultural variations that make the east and west shores virtually different countries, a thriving waterborne commerce and an increasingly flourishing tourist industry. Pirates once plied its waters, and the last shot in the recurring local wars has not yet been fired.

It is a peaceful sea, sheltered from the full force of the storms that howl over the other seven, but tricky enough sailing for anyone's stomach when the wind whistles up its 290-kilometer (180-mile) reach.

Perhaps most important for its future, Chesapeake Bay is a shallow sea, hardly more than 9 meters (30 feet) deep except in its central channel where only 37 meters (120 feet) of water cover its deepest spot. You can visualize this by imagining that the width of this sheet of paper corresponds to the width of the Bay. The average depth would then be one-third the thickness of the page.

This shallowness has been both the blessing and the principal weakness of the Bay—blessing, because it is a major factor in the Bay's remarkable biological productivity—weakness, because it makes the Bay especially vulnerable to pollution. Chesapeake Bay, today, is literally fighting for its life.

HISTORY OF THE BAY

It was a different story when Captain John Smith, freshly arrived from England, viewed it in 1607:

"There is but one entrance by Sea into this Country, and that is at the mouth of a very goodly Bay, 18 or 20 myles broad . . . within is a country that may have the prerogative over the most pleasant places knowne, for the large and pleasant navigable Rivers, heaven & earth never agreed better to frame a place for man's habitation."

He sailed up and down the "Chisapeack" Bay (dining, undoubtedly, on oysters), apparently delighted with all that he found. Captain Smith's diary contains the account of one fishing experiment on the Potomac River where the party found "that abundance of fish, lying so thick with their heads above the water as for want of nets . . . we attempted to catch them with a frying pan . . . neither better fish, nor more variety of small fish had any of us ever seen in any place . . ."

There were Indians, too. Assateagues, Nanticookes, Susquehannocks, and Choptanks, all

of Algonquian stock, and also found the Bay a pleasant place to live. Most of its geographic features today are named for them. Chesapeake, for example, may be a derivation of Tschiswapeki—"highly salty body of water"—or K'che-seplack—"country on a great river."

On his way along the eastern shore of the Bay, Captain Smith encountered a series of islands first charted by Bartholomew Gilbert in 1587 and named the Russell Isles for that expedition's surgeon. On one of the largest, Captain Smith's diary says, "there was a myle or two of fresh water ponds [though the islands are almost at sea level]; fish and fowl, and the kindness of the soil makes it a nice place to live." He named the island Smith Island, for himself.

From the first settlement at Jamestown, Virginia, the colonists slowly moved up both shores of the Bay. One of the earliest settlements, in 1634, was a colony at St. Mary's City sponsored by Cecil Calvert, the second Lord Baltimore and first proprietor of Maryland. The town, near the mouth of the Potomac River, now has a population of about 200. The state capital was moved to Annapolis in 1694.

In the meantime, however, a band of dissidents—their complaint is lost to history—had left the colony and headed across Chesapeake Bay to form their own colony. They landed on Smith Island in 1657, liked it and stayed, dropping out of the mainstream of American history for 300 years.

For a time, in fact, Smith Island was a "kingdom." Though nominally a part of the United States, two of its leading citizens, Richard and Solomon Evans, ran the Island and were known as King Richard and King Solomon.

THE BAY TODAY

This brand of sturdy, isolation-fostered independence is still characteristic of the Bay's eastern shore watermen. Until 1958, when the eleven-kilometer (seven-mile) Chesapeake Bay Bridge opened, linking the eastern shore with Annapolis and the rest of the nation, they had almost no dealings with the outside world. Oysters, fish and good farming land supported them quite comfortably in an affluent Appalachian-like culture.

Smith Islanders and, especially, their neighbors on Tangier Island, a few miles to the south in Virginia, still speak an English that is very much akin to seventeenth century usage, though modern communications are introducing twentieth century American.

Like other such water-oriented communities along the Bay's shores, the Islanders depend on their "micro-ocean's" resources for a living. Yet, they and other watermen have been extremely reluctant in the past to accept sound management of conservation practices.

"God put the oysters there and when He doesn't want us to have 'em anymore, He'll take them away," was the prevailing philosophy. It would have been quite adequate if it were not for the outside world. Steady and largely uncontrolled dredging of the oyster bars ("rocks" in Virginia), for example, has resulted in a steady decline in the crop. Oystermen produced more than 53 metric tons (58 tons) of the delectable bivalves in 1880; the 1967 crop was only about 11 metric tons (12 tons).

Where the oysters went is suggested in a passage from an oyster culture booklet published by the Virginia Institute of Marine Sciences:

"In 1865 the citizens of New York City, which then had a population of less than 900,000, consumed 7,000,000 bushels of oysters. If this rate of consumption had persisted until today, about 61,000,000 bushels of oysters would be required by that city each year, many times the present oyster production of the entire United States."

Oysters are not, of course, the only product

extracted from the Bay, but they are the biggest moneymaker. Some other products, in order of their landed value in Maryland are blue crabs, clams (mostly soft shell), striped bass (known locally as rockfish or just "rock") and white perch.

The crabs are sold both as standard hard shells and soft shells. Soft shell crabs are a Tangier and Smith Islands speciality, though they are produced all along the shore. The crabber collects hard crabs from the Bay and sorts them into floating crab pens according to his estimate of how soon they are likely to shed. The day the crabs shed their shells they are scooped up and sold.

Crab conservation has proved to be unexpectedly difficult. It seems that, as a result of the unusually low crab harvest in 1968 (after years of bumper crops), an examination was made of the relationship between the number of spawning crabs and the subsequent population levels. The relationship turned out to be almost inverse! Large numbers of spawners never produced many off-spring, while small spawning populations always tended to produce great numbers of crabs. Within those general conditions, the annual crab populations fluctuated wildly, a phenomenon not yet explained satisfactorily.

Besides producing most of the nation's supply of blue crabs and oysters, Chesapeake Bay residents are also avid consumers. A favorite local institution is the crab feast. About five large, healthy crabs per person are steamed in a huge pot for 20 minutes over a pungent mixture of vinegar, pepper, salt, mustard and Tabasco sauce. Crab-eating fans and a generous supply of beer are arranged around long tables covered with multiple layers of newspaper. When the crabs have turned bright red, they are piled on trays and set in the middle of the tables. Then it's every man for himself!

Oyster production has been a different story. While the blue crab population seems to be almost independent of Man's actions, the oysters would soon be wiped out without help. The oyster bars were, in fact, rapidly being cleaned off when both Maryland and Virginia began to act to preserve this valuable resource. Maryland, especially, has plowed state money into rehabilitation of the bars that are the watermen's main source of income.

While many modern oyster collection and farming practices are still almost nonexistent—oyster dredgers must use sailboats, and private growing areas are difficult to obtain—production is rising. Since 1961, Maryland has spent about one and one-third million dollars a year on improvement and management of its natural oyster bars.

Even more significant, legislation enacted in 1967 and 1968 now provides a basis for putting the public oyster fishery on a self-sustaining, nonsubsidized basis. The sale of seed oysters, marine-related taxes, license fees and fines support a Fisheries Research and Development Fund, created in 1967 and administered by the state's Department of Chesapeake Bay Affairs.

Most important, and an indication of the way the state is moving, in 1967 the Department was authorized to sell to private oyster growers, at a fair market price, up to 50 percent of all seed oysters produced annually in excess of 35,240,000 liters (one million bushels). In 1967, that amounted to 4,903,750 liters (139,153 bushels).

That is not a lot of seed oysters, but it does represent a revolution on the Bay. For years, the watermen have defended their exclusive rights to the Bay's bounty. Lease of oyster bottoms, even presently nonproductive areas, to private planters would soon concentrate the industry in a few hands, they argued, and the hands would not be those of the traditional oyster harvesters.

However, as Joseph Manning, director of the Department, observed last fall, "A remarkable change in attitude of the oyster-

men has accompanied the State's successful efforts toward repletion of the oyster resource.

"It has been demonstrated," he added, "that an increase of more than 150 percent in production has had no significant effect on the unit price received by the public oystermen for their catch." A few private planters have existed for some time, Mr. Manning revealed, producing a bit under 10 percent of the annual oyster crop.

Virginia has taken the opposite policy, leasing nonpublic Bay and river bottom land freely. Though the private lands are naturally less favorable and less extensive than the 85,000 hectares (210,000 acres) reserved by the state, they have consistently outproduced the public areas in both quantity and value. Virginia, too, has permitted powerboats to dredge oysters, while Maryland has, until recently, stuck to sail.

Differences between the states' laws have not always been purely governmental matters. Oystermen, seeking to protect their rights, have occasionally employed bullets as persuaders. Poachers, like the pirates who plied the Bay before them, have shown little respect for rights, boundaries or the law.

Things have quieted down somewhat recently, but there was a time when the Maryland Department of Tidewater Fisheries' inspectors thought it prudent to mount one-pound guns on the decks of their ships.

They had in mind, no doubt, such incidents as the "Battle of the Choptank River," fought in 1888. In this encounter, the two steamers of the Inspector Force found themselves greatly outnumbered by illegal dredging schooners they surprised in the Choptank, which flows by Cambridge in the central eastern shore.

The battle seemed lost for sure when ten of the dredgers lashed their boats together and ambushed the steamer Governor McLane, floating silently to within rifle range. Defeat turned into victory, however, when the McLane's captain ordered his ship to ram the oncoming schooners, sinking two and taking two others captive.

Just after World War II, oyster poachers from the Virginia shore became a problem in the Potomac River, which is entirely Maryland waters. By this time, poaching technology had escalated and the illegal oystermen had equipped themselves with modern, fast powerboats, some with three large engines. The police countered by buying a war surplus PT boat which they armed with a .30 caliber (7.62 mm) machine gun. On one occasion this battleship of the Potomac rammed a fleeing poacher, slicing the boat in half. More often, the machine gun was used to shoot out the offenders' engines, thus sparing both men and boats.

In the last few years, technology has escalated again. Now it's citizens' band radios that make the waterborne culprits nearly invincible. With lookouts posted up and down a waterway, they turn into "peaceful sport fishermen" long before the Marine Police, as the force is now called, can reach them. This has forced the police to adopt guerrilla tactics.

One young policeman described an operation against some clam dredgers who were tearing up an oyster bar: "There wasn't any use trying to sneak up on 'em by water. We could hear them on the radio—they had friends on the dock even to tell them when we cast off!

"What we did, we tied up the boat down the river and got into my friend's car we'd left there. We took off our hats and slouched down so as not to attract any notice and drove up to a farm on a point opposite where they were dredging. Then we sneaked up on them, running from bush to bush and crawling along the ground to keep out of sight. We stayed there about an hour, copying down their numbers [registration numbers on the boats] and making a record of their activities.

"Then we drove back to the boat, cast off and went over to their dock and tied up and waited. About dark, here they came loaded down with clams. We were just lounging there, looking unconcerned, until they tied up so they wouldn't dump the clams overboard. Boy, were they surprised when we walked over and told them they were under arrest!"

Even crabs have not been safe. The Marine Police found it necessary late last year to issue a warning to would-be "crab snatchers" that they faced fines of \$100 when arrested. (A crab-snatcher is one who empties other people's crab pots without, of course, their permission.) The police attributed a minor boom in that particular crime to the high prices paid for crabs in a year of lean harvest.

POLLUTION PROBLEMS

Chesapeake Bay, however, faces a greater danger than crab-snatching or oyster-poaching. In a variety of ways, some so subtle they are hardly noticeable at first, it is being slowly poisoned.

In some cases, such as Baltimore harbor, the upper Potomac River and a number of other, smaller tributaries, the process is not so slow. When Paul McKee, Maryland's Water Resources Director, asserted that the Bay is not yet polluted before a State Senate committee he ran head-on into an irate Senator and yachtsman.

"When I go out into the Bay in my boat and go in swimming," observed the lawmaker, "I'm a different color when I come up than when I went in. If the Bay is so good, why are we spending so much on research into its pollution problem?"

The answer, of course, is that there are stages and degrees of pollution and all the Bay is not yet as bad as he described. Nonetheless, Eugene Jensen, regional director for the Federal Water Pollution Control Administration, estimates that total annual fishery losses from pollution in the Bay and its tributaries amount to \$3 million—and that is dockside value of the fish and shellfish. The total loss to the area's communities might be ten times as much, he guesses.

"Chesapeake Bay has a definite carrying capacity of people and activities, communities and industries," observes Dr. William Hargis, director of the Virginia Institute of Marine Science (VIMS). "If we're willing to have the Bay become an open sewer, there's no question that we can pack a lot more people and industry around it.

"But it's also pretty obvious that if we expect Chesapeake Bay to afford those uses and esthetic values that people seem attracted to, then the carrying capacity is going to be less."

VIMS is one of the three major academically oriented oceanographic institutions associated with the Bay. The others are the University of Maryland's Chesapeake Biological Laboratory at Solomons in the central western shore and Johns Hopkins University's Chesapeake Bay Institute which works out of Annapolis where its unique catamaran research ship ties up. VIMS is located at Gloucester Point, Virginia, at the mouth of the Bay. Together, the institutions comprise the Chesapeake Research Council, perhaps the largest grouping of estuarine scientists in the world.

In addition to providing a forum for exchange of scientific ideas and findings, the Council has undertaken a program of cooperative research on the Bay. Each of the three institutions regularly visits its portion of a pattern of oceanographic station sites that cover the entire Bay. When the data from all the points are assembled, they give a good picture of just what is going on in the Bay at any given moment.

Besides the Research Council institutions, the Federal Water Pollution Control Administration (FWPCA) and the Bureau of Commercial Fisheries—both a part of the U.S. Department of the Interior—maintain labo-

ratories at Annapolis and Oxford, Maryland, respectively.

FWPCA scientists also regularly occupy a similar series of oceanographic stations in the Bay, though there are necessarily fewer than in the Council's study. The pollution experts are looking for such things as the oxygen content of the water, bacterial counts and algal blooms that signal the onset of serious pollution problems. (One algal bloom in the Potomac last year actually reached the consistency of very thick green pea soup.)

One of the most interesting results of this intensive study of the "eighth sea" has been the discovery of a unique, two-layer internal circulation pattern. At the surface, everything seems normal. Water from the Susquehanna and Potomac Rivers flows into the Bay and on out to the Atlantic Ocean, just as expected. About three meters (ten feet) down, however, the flow comes to a halt. Farther down, the water is relatively salty and moving north very slowly, into the Bay.

The Bay's physical oceanography has been most intensively studied at the Chesapeake Bay Institute, headed by Dr. Donald Pritchard. Institute scientists have found that Baltimore harbor, a growing major national seaport, and most of the minor tributary creeks surrounding the Bay also have unique circulation patterns of their own.

At Baltimore, the harbor receives almost no freshwater inflow, yet there is complete flushing of its waters roughly every ten days. The reason is that a three-layered circulation exists, driven by salinity differences at various levels in the Bay and harbor. Bay water flows into the harbor at both surface and bottom while the third, intermediate layer, flows from harbor to Bay. The layers flow steadily at a rate of about 482,000 liters (630 cubic yards) a second throughout the year.

In the shallower tributaries, still another pattern prevails. Again due to salinity variations, which change seasonally, there is a two-layer flow. This reverses twice a year, however. In winter and early spring, the less saline Bay waters flows in over the saltier tributary waters which flow out along the bottom. During the rest of the year, salinity in the Bay increases, and the flow is in at the bottom and out at the top.

All this would hardly interest anyone but crabs and scientists if it were not for the growing problems of handling the sewage outflow from towns along the shore. In the Bay and Baltimore harbor there is the additional problem of disposing of silt and sediment dredged up in ship channel maintenance projects.

Obviously, it makes a great deal of difference where the sewage effluent is introduced into the Bay. Theoretically, it is quite possible for sewage poured in near the mouth of the Bay to wind up washing through Baltimore harbor, which already has enough pollution of its own to cope with.

Worse, there are the oysters. An oyster gets its food by filtering large quantities of water. Thus, it not only will pick up any pollutants in the water, it will concentrate them. Fortunately, oysters will clean themselves in from two to six weeks if transferred to clean water, but this adds expense. Several oyster areas in both Maryland and Virginia have already been closed because of pollution.

A major new worry for the conservationists is the nuclear electric power plant now being built for the Baltimore Gas and Electric Company on the Calvert Cliffs along the central western shore.

The Calvert Cliffs are one of the world's finest hunting grounds for Miocene fossils. The 30-meter-high (hundred-foot) cliffs stretch for about 48 kilometers (30 miles) along the shore, where they are continuously eroded by waves, exposing fossils by the thousands. At least one complete whale skeleton has been dug from the face.

At the power plant site, scientists followed

the bulldozers leveling the cliffs in a project sponsored by the Maryland Academy of Science. Dr. Lincoln Dryden, director of the program, noted that it is the first thorough study of the rich fossil bed since the turn of the century.

What is worrying people, though, is not the fossils but the unknown and largely unpredictable effects of the plant's warm cooling water effluent. In full operation, the nuclear plant will pump a reported 11.4 billion liters (three billion gallons) of Bay water a day through its cooling system.

In trying to fathom the effects of this on the Bay and all it contains, the estuarine scientists are planning on the use of a hydraulic model of Chesapeake Bay. In 1965, the United States Congress authorized the U.S. Army Corps of Engineers to build such a model. Preliminary studies are being carried on now, and Maryland has donated a site near the eastern end of the Bay Bridge. The need to cut the Federal budget, however, has kept Congress from appropriating the funds for construction.

The model, presumably, would be constructed in the same manner as a similar facility, simulating the James River, run by VIMS and the Corps at Vicksburg, Mississippi. This large concrete model of the river includes every jetty, tributary, obstruction and meander. Metal "roughness strips" embedded in the bottom make it possible to "tune" the model to simulate exactly the river's flow conditions.

The Chesapeake model would cover almost four hectares (nine acres), surrounded by an additional nearly three hectares (seven acres) of shops, instrument labs and pumping facilities. It will contain about 1,840,000 liters (65,000 cubic feet) of water. A complete 12-hour and 25-minute tidal cycle will be simulated in about seven and a half minutes.

Is it worth it? United States Representative Rogers Morton (R., Md.) thinks so. "Let us just capitalize the fishery only on a 50-year basis at a conservative estimate of \$100 million a year. Under this simple formula, we have an astronomical economic stake of \$5 billion. The cost of the model and center is less than one-fourth of one percent."

There is more at stake than that, however. Maryland bills Chesapeake Bay as "the land of pleasant living." And so it is. There are 8,166 registered sailboats in that state alone, as well as 54,368 powerboats. Annapolis is the finest sailing harbor between New England and the Bahamas, as well as the home of the United States Naval Academy. Private homes now stand shoulder-to-shoulder along the shores where there were only farms a few years ago.

Public access to the water, in fact, is another of the current problems. You might say the Bay is in danger of being loved to death!

To protect the Bay, even from its friends, a group of concerned conservationists set up the Chesapeake Bay Foundation in 1966. From its Annapolis office, executive director Jess W. Malcolm quietly goes about his task of educating the public and urging the governments involved to action.

"People look at an industrial plant, as in Baltimore harbor, and they are offended. They're not inspired by it," he observes.

"Once the Bay is eroded so people no longer look on it as a thing of beauty, they'll no longer care about it."

They care now, though, and the fight is on to preserve the Bay.

OPPOSITION TO POPULAR VOTE FOR PRESIDENT

Mr. GOLDWATER. Mr. President, it is no secret that I come from Arizona, and it is also no secret that I want to see the more lightly populated States protected. Arizona falls into that category. We who live in these States, which are far, far more numerous than the

more heavily populated ones, have no desire to see our Presidential elections controlled by nine or 10 of the larger States.

Even if we felt that all elections in large cities were always honestly conducted, we would still be opposed to the idea of a popular election vote for our President. This concept is wrong, wrong, wrong, and the Senate would be making probably the major mistake in the history of our Government if we ever voted to offer this to the American people in the form of an amendment. Changes are needed in the electoral college system. I have testified before the committee on the changes that I feel should be accepted, but I also testified, in as strong language as I could muster, against the popular vote concept.

The Indianapolis Star has published two very intelligent editorials on this subject. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

DO YOU WANT YOUR STATE DISENFRANCHISED?

WHY DISENFRANCHISE SO MANY STATES?

If the proposal to replace the electoral college with direct presidential elections succeeds, Arizona will be one of a number of states whose voters could in effect be disenfranchised.

There are, according to the 1969 national census, more people in New York State than in 19 other states combined. Theoretically, this means that the New York electorate could, under the so-called "popular" presidential election system, outvote the electorate of the following states:

Arizona, Alaska, Nevada, Wyoming, Vermont, Delaware, New Hampshire, North Dakota, Hawaii, Idaho, Montana, South Dakota, Rhode Island, Utah, New Mexico, Maine, Nebraska, Colorado and Oregon.

(Under the electoral college system, the worst that can happen is that New York's electoral vote can offset the electoral vote of 10 states.)

An election victory in New York and California could count more than an election victory in 26 other states combined.

Obviously, such a system could be disastrous in a nation which prides itself on its unique regional and geographical differences. Yet, the proposal for such a system has already been approved by the House Judiciary Committee.

In our earlier series of editorials, we explained the need for electoral reform. The present electoral college system is outmoded and in part downright unfair. But the proposed remedy, the one which is currently fashionable, would be far worse.

It would invite tampering with the ballot boxes in the large cities and states, thereby encouraging boss politics and political corruption. . . .

It would encourage the proliferation of splinter parties. . . .

It would obviate the need for a genuine national consensus, in place of a momentary and perhaps temporary majority mandate. . . .

It would undermine our federalist system, which helps restrain unchecked federal ambition by requiring that political actions be conducted through the machinery of the states. Thus it would replace our representative form of government with a so-called "popular" form. . . .

And as noted, it could in effect disenfranchise a sizable number of states whose voters have just as great a stake in the presidency as do voters in the larger cities and states.

It is interesting that Indiana Sen. Birch Bayh is leading the drive for popular election of the President, when only two years ago he made a fiery, convincing speech opposing just such a proposal. It is also interesting that Sen. Ted Kennedy would be so strongly in favor of popular presidential elections, when his brother, the late President John F. Kennedy, delivered one of the most lucid arguments ever made against that so-called "reform."

It is true that there can be no progress without change. But it is also true that change, indiscriminate change, does not automatically lead to progress.

The changes proposed by the popular presidential election are a good example of the sort of change that could lead to calamity.

TO AVOID BOSS CONTROL

In the Senate lies the best hope for initiating a step toward sensible revision of the Electoral College, since it has in its Judiciary Committee a bill which would allow electoral votes on a district-by-district basis.

The House Judiciary Committee has reported out a bill which would abolish the Electoral College and substitute direct popular election of the president and vice-president. This would be the wrong way to go for a number of compelling reasons.

One is that direct popular election would make a fundamental change in the structure of the government. In 1956 Senator John F. Kennedy (D-Mass.), later President, pointed to this in defending the Electoral College against similar proposals. Direct popular election, he said, "while purporting to be more democratic, would increase the power of and encourage splinter parties, and I believe it would break down the federal system under which most states entered the Union, which provides a system of checks and balances to insure that no one area or one group shall obtain too much power."

The point Mr. Kennedy made about splinter parties is another of the reasons direct popular election would be wrong. We have seen in the recent example of the French election how proliferation of splinter parties can confuse the issues of an election, dilute the strength of major parties and cast doubt on the mandate of the vote. Under the Electoral College system splinter parties are inconsequential. In direct popular election they can be spoilers.

A handful of states could control the election of the president and vice-president by direct popular vote, and this is a point which many Americans seem to miss. This may have been what was in John Kennedy's mind when he referred to "a system of checks and balances to insure that no one area or one group shall obtain too much power."

Under the present Electoral College system with the practice of casting each state's electoral vote in a bloc, a handful of the most populous states are regarded as pivotal. It is almost impossible to be elected without winning most of them. But they are only *pivotal*—winning all of them by whatever margin is not enough. It is still necessary to win in a substantial number of the rest of the states.

In a nationwide direct popular election a handful of states could elect the president and vice-president, regardless of what happened in the rest of the country.

This was pointed out in a recent article by Dr. George Comfort, professor of political science at Butler University. He noted that in the 1968 election 54.6 per cent of all the votes were cast in nine states embracing 12 of the largest cities. These states were California, Illinois, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio and Pennsylvania.

The vote in these states was largely determined by the vote in the 12 big cities. In Illinois, for example, more than half of the total state vote usually is cast in Cook County alone.

The significance of this is that political machines in 12 cities in 9 heavily populated states can pile up pluralities so big that the votes in the rest of the country would not matter in a nation-wide popular election.

Under the Electoral College system this does not happen because the influence of the big city vote stops at the state line. The candidates who seriously hope to be elected must pay attention to virtually all of the states. In a direct popular election they could concentrate their attention on the few most populous ones with the biggest cities. The rest would not matter.

"Today, we have a system which—in all but one instance throughout our history—has given us presidents elected by plurality of the popular vote," said John Kennedy in his 1956 Senate statement. "Nevertheless, it is proposed to exchange this system—under which we have, on the whole, obtained able presidents capable of meeting the increased demands upon our executive—for an unknown, untried, but obviously precarious system which was abandoned in this country long ago, which previous Congresses have rejected, and which has been thoroughly discredited in Europe."

That statement is just as pertinent and just as true in 1969.

The Electoral College system which we have is a sound and successful system. It could be improved by doing away with state bloc voting, which the district-by-district bill would accomplish. This is what should be done.

DISENFRANCHISED

One aspect of the popular vote amendment proposed by Sen. Birch Bayh of this state is the question of what such an approach would mean to the voters of Indiana.

The answer is that, depending on the variables of any given election, the voting strength of this state could be swallowed up by the population power of the largest states in the union. Equally to the point, votes cast honestly by citizens of this state could be nullified by dishonest votes in New York or Chicago or Kansas City.

This is an ironic development in view of the fact that one argument urged in behalf of the popular vote approach is that it would "equalize" election results, and that mathematical arguments have been brought forward to suggest Indiana and other states would gain proportionally if the popular vote went through. But these arguments, although interesting as arithmetic, ignore the hard realities of politics.

These realities include the fact that some nine large states, of which Indiana is not one, encompass some 51.9 per cent of the nation's population and could theoretically control the election. Moreover, within these states themselves a great part of the population is included in cities with a million or more inhabitants—cities which Indiana does not possess.

Under these circumstances, it seems apparent that electoral efforts would have to be focused heavily on these cities and these states, where the most voters counted by the head can be reached the most directly. It is therefore likely that the big cities and the big-city states would in point of fact wield as much influence or more than under the present system, even if their impact on the election is supposed to be reduced in theory.

The problem becomes more serious when we reflect that these cities are also the areas in which fraudulent votes are most chronic, and that the popular vote approach would create maximum incentives for such fraud. Without far stricter vote policing than has occurred so far or is presently contemplated, the quantum of fraud in these areas is almost certain to increase with the popular vote. This will accentuate the power of the big-city states still further.

Under this proposal, in short, we believe

the citizens of Indiana, whatever the theoretical benefits being extended to them, stand in danger of being doubly disenfranchised. First, by the emphasis the popular vote system would place on the big-city states. And second, by the heightened incentive the system would give to fraudulent voting and the heightened impact of such voting on the final outcome.

MILITARY WASTE

Mr. MONDALE, Mr. President, over the past few weeks we have been focusing on the administration's ABM proposal as we consider the military procurement authorization for fiscal 1970. Although the issues involved in this debate are of the utmost importance, we must not forget that a number of other programs authorized by the bill deserve the most penetrating scrutiny if we are to come up with a lean, effective defense budget. Clearly, Congress has the duty to eliminate military waste wherever it can be detected.

In this regard I wish to draw the Senate's attention to an editorial recently published in the *Waukesha, Wis., Freeman*. The editorial touches on the contribution being made by the distinguished Senator from Wisconsin (Mr. PROXMIRE) and quotes at some length from his July newsletter to his constituents. As the editorial points out, reducing military spending not essential to the defense of the United States can sharply reduce inflationary pressures. In a sense, this sort of reduction may be said to contribute in substantial measure to the Nation's defense by strengthening our economic power. We cannot expect to maintain our position of power and influence among the nations of the free world if we continue to be wracked internally by soaring prices and faced with strong discontent on the part of a growing segment of our society.

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:

PUBLIC HAS BIG STAKE IN MILITARY WASTE

The knack U.S. Senator Bill Proxmire has for reducing complex issues to their simplest denominator is illustrated in his July letter to Wisconsin constituents. In discussing what he alleges to be a \$10 billion waste in this year's military budget, Proxmire claims every American family has a \$200 stake in what he and some of his Senate colleagues are attempting to do. In short, they have organized to make a meaningful attack to reduce military procurement.

"For years," he states, "there has been talk of reducing military waste and occasionally an amendment on the floor of the senate would succeed in actually shaving it a little. But this year for the first time we are organizing to really do something about it."

He recalls that last year the Joint Economic Committee held an increasing number of hearings on the military budget and "we uncovered case after case of waste. This year we intensified our hearings. We have the best documented case against military waste we have ever had."

Proxmire then goes into an item after item recitation to substantiate the committee's claims, including the colossal weapons system failure (XB-70) of which two craft were built at a cost of \$1.5 billion. One crashed and the other was placed in the Air Force

museum—a costly exhibit which we wouldn't believe the military is proud to display.

An even more serious indictment is the Wisconsin senator's allegation the committee has "repeated testimony by high Pentagon officials that defense contractors and the Pentagon deliberately lied to congress about the cost of weapons systems so that congress would authorize them."

This is the kind of arrogance which unchallenged power breeds. For far too many years members of congress have sheepishly and silently sat by while the Defense Department was given everything it asked for amid plaudits from those who simply assumed the money requests were honest and necessary.

Proxmire pledges he and the group supporting him as chairman, have a plan of action during forthcoming debates calculated to reduce the 80 billion defense budget and "greatly ease inflationary pressures that are pushing up both prices and interest rates. It could also be the most realistic way of giving you relief from the crushing federal tax burden."

The senior senator has built a reputation as an able critic of the establishment. He is making his presence felt in Washington and deserves the support of everyone interested in bringing a degree of sanity back into federal budget-making.

We wish him well.

FUTURE SPACE GOALS

Mr. ANDERSON. Mr. President, on July 27, the Washington Sunday Star published an editorial entitled "After Apollo—Time To Return to Earth," which I ask unanimous consent to have printed in the RECORD at the end of my remarks. While the title is somewhat misleading, several points are raised upon which I would like to comment.

First of all, I agree that now is not the time to commit ourselves to the goal of a manned mission to Mars. Without a doubt, men from the planet Earth will someday set foot on Mars, but it is too early to set a hard and fast time table for the project for the simple reason that the technology is not available and there are many intermediate steps that must be mastered before a reasonable schedule could be established. Furthermore, there is much knowledge that will be gained in the next few years in the various additional Apollo flights to the Moon and in the near-earth-orbit operations in the Apollo applications program. Also, our unmanned Mariner and Viking missions will greatly increase our knowledge of Mars in this period. The gathering and digesting of this information will be essential in planning an intelligence strategy for space exploration for the remainder of the century. We may find, for example, that establishment of a permanent lunar scientific base will be a more attractive intermediate goal.

Second, the fact that we have landed men on the Moon should allow us to exert greater effort to solve our earthly problems, but it would be folly to contend that the way to solve these problems would be to cut back on the space program. Rather, our magnificent Apollo achievement should inspire us to solve other problems, and a vigorous space program should be pursued in order to keep our technology, and hence our economy, strong.

Third, the Apollo program has not been a crash program, despite what some people think. It has been a fast-paced pro-

gram with tight schedules. Despite the fact that sometimes these schedules have had to be altered, or slipped, they have been realistic and are essential to the efficient execution of the program. Whatever our future space goals, they should be done within a framework of careful scheduling lest they become inefficient and, therefore, more costly than need be.

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

AFTER APOLLO—TIME TO RETURN TO EARTH

The Apollo 11 mission is safely and gloriously completed. The trio that reshaped the world have come back to earth. It is time for the rest of us to do the same.

While Armstrong, Aldrin and Collins were on their historic mission, euphoria was the order of the day. Man had made good on his ancient dream. He had traveled to a world beyond his own. There he was, before the eyes of a disbelieving world, walking, running, hopping, working on the surface of the moon. Small wonder that men on earth—most of them—felt their horizons expanding as they began searching for a new dream to replace the one that had suddenly become a reality.

While Apollo 11 was still in the midst of its fantastic voyage, the visionaries went to work. Next stop, Mars. Then the rest of the planets. Then, of course, the stars of our galaxy in search for undiscovered worlds. Man was on his way, and the frontier was without limit.

These soul-stirring plans for the future were not being offered by the space planners whose function it is to conjure up visions of man's destiny in space. They were not the product of the science-fiction writers, who must move on to new far-flung pastures now that man has invaded their principal domain. They were set forward as desirable—almost inevitable—national goals by those whose duty it is to establish such goals: A senator, the vice president, and, by unmistakable implication, the President of the United States.

We agree that man has a destiny in space; that he has, in fact, a biological drive to extend his reach and to expand his life just as far as his capability permits. Apollo 11 has shown that space travel is a practical reality, that man can indeed land on worlds other than his own and that he can work and live, for a time at least, in strange and hostile environments. We have little patience with those who see the moon mission only as a waste of time and money, or with those who argue that it was nothing more than a bread-and-circus act calculated to divert attention from problems on earth.

But man is an animal that can and should respond to more than the basic urges that impel him to carry life as far as he can go. His instincts can be tempered and altered by his intellect. And the time has come for man to curb the excitement, the enthusiasm and euphoria that were the inevitable fall-out from the moon mission, and to think very carefully about where we go from here.

Vice President Agnew, who heads the task force charged with setting future United States space objectives, was quite specific. We should, he said, go to Mars. We should land men on that neighboring planet by the end of the century. Senator Charles Percy went the vice president about a decade better. The President, in addition to his almost uncontrolled enthusiasm over the Apollo 11 mission, spoke to visiting foreign students about far-flung space explorations of the near future and of the assurance of finding life on unspecified planets.

This is not, in our opinion, a time to commit the nation to any hard timetable for another space spectacular, or to launch a crash program for a Martian landing com-

parable to the convulsive effort that has put us on the moon.

In the first place, a manned flight to Mars would require an expenditure of treasure that would make the \$24 billion tab for the moon voyage seem like the fabled nickel ferry ride to Staten Island. A new generation of boosters would have to be developed. A vastly improved technology in guidance, spacecraft and life support would be required for the mission which, at the highest speeds attainable today, would take nine months for the 10-million-mile round trip.

Even with these drawbacks, Mars is the most inviting target in the solar system. Indeed, it may be our sun's only planet—besides our own—that is worth dropping in on. Venus, our closest neighbor, has a dense atmosphere of carbon dioxide and a surface temperature of 800 degrees. Jupiter, by today's standards, requires a four-year round trip. The other planets are simply too far, and for the most part, too hostile to life to make a visit worth while considering. As for the stars, even given a new rocket that could push man along at 100 times the present speed it would take 1,000 years to reach our nearest neighbor, Alpha Centauri. Assuming a real breakthrough would permit man to travel at the ultimate speed of 186,000 miles per second—the speed of light—it would still take nine years to get to Alpha Centauri and back again, with no time out for sight-seeing along the way or for exploring any planets that might be found.

But it would be a mistake, surely, to dismiss the possibility of vastly extended space flight on the basis that it is beyond the technical capability of man. The brief history of man's venture into space so far has demonstrated that yesterday's impossibility is today's commonplace. The plans for Mars and beyond should not be dismissed at all. But neither should they be approached at a fever pitch.

For the period immediately ahead—for the next decade at least—the focus of this country's attention should be on the domestic challenges that face us, and on the problems of environment, over population, disease, hunger and war that threaten the future of this fragile speck of matter that is our home. The excitement, the broadened vision, the proven ability of man to do what he sets out to do should be utilized to mount an attack on these long-neglected problems. Apollo 11 has cast a harsh light on life on earth, showing man's failures in sharp contrast to his breathtaking technical achievements. It is a vision that should not be blotted out. It should be exploited as an incentive to get the vitally needed jobs done on earth.

At the same time, the United States cannot withdraw from space. The huge investment in Cape Kennedy and Houston must not be let go to ruin. The vast aerospace industry must continue to function. The army of technicians and scientists must not be demobilized.

The complete Apollo program, calling for nine more flights over the next three years, should be funded. Beyond that, serious consideration should be given to the establishment of permanent manned stations on the moon so that we may truly explore and perhaps exploit the new world that we have already conquered. The manned orbiting station that NASA has proposed should be provided to test the ability of men to live and work for long periods in weightlessness. And far more emphasis should be placed, in the years immediately ahead, on unmanned probes of the planets—probes that can answer many of the questions at a fraction of the cost of manned flights.

None of these projects should proceed on an inflexible schedule as a top national priority. The minimum requirement should be enough momentum in the space program to prevent the structure from falling apart through disuse.

And always, during the decades ahead, every effort should be made by the United States to enlist the cooperation, the technical help and the financial support of any nation that is willing to contribute to the adventure that must finally be seen as the collective achievement of all mankind.

THE BANK CREDIT SQUEEZE

Mr. GOODELL. Mr. President, I urge the Federal Reserve Board to take prompt remedial action to deal with disturbing indications of an unusual stringency of credit in the large commercial banks.

The Federal Reserve Board has been pressing forward with its tight money policy to combat inflation.

One indication of tight money may be seen in the decline of the banking community's free reserves. These have declined since the end of last year by 27 times, to a present figure of minus \$1.35 billion.

Another indication of tight money may be seen in the decline in the ratio of banks' liquid assets to total liabilities—less capital accounts. This ratio has declined by 21 percent since the end of 1968.

Vigorous monetary and fiscal measures are clearly needed to combat the inflation that now threatens our economy.

We must accept the fact that these measures, to be effective, cannot be wholly painless.

We must equally be aware, however, of the risks of putting on all the monetary brakes at once. The effects of monetary actions may take anywhere from 6 months to 2 years before they are fully felt. Monetary policy is a powerful and useful instrument, but we must be careful not to overdo its use.

I would like to call particular attention to the fact that the present condition of tight money is hitting one sector of the economy—the major banking institutions and their customers—particularly hard.

There have been disturbing indications of an unusual stringency of credit in the larger commercial banks. David Rockefeller, chairman of the Chase Manhattan Bank, in testimony before the House Banking and Currency Committee this June, spoke of the potential dangers of the current situation. He cited a serious problem his own bank was facing in honoring its loan commitments while meeting minimum liquidity requirements. Other large banks are apparently experiencing the same difficulty.

This is a disturbing problem because so many businesses—many of them too small to borrow directly in the money market—depend upon the large commercial banks for their immediate credit needs to finance current operations.

This is a matter which has not received sufficient attention.

This is a matter on which the Federal Reserve Board should take prompt remedial action.

Various remedies have been proposed. One is to relax the 6¼ percent interest ceiling set by Regulation Q for large denomination bank certificates of deposit. This, it has been suggested, would enable the large banks to compete more effectively for funds in the money mar-

ket, without increasing the overall supply of credit.

Another suggested remedy is to infuse a small amount of additional credit on an emergency basis into the banking system, subject to appropriate restrictions.

It is up to the Board and the administration's monetary experts to determine which particular remedy would be the most workable.

My purpose is to point out the existence and seriousness of this problem, and to urge that a solution be promptly sought.

THE PESTICIDE PERIL—XXXIV

Mr. NELSON. Mr. President, an editorial published in the *New Republic* of July 19 describes one of the major difficulties in establishing effective pesticide regulations: "Political Sanguinity in Washington."

Regulations and controls on the use of persistent, toxic pesticides do exist, but as brought out in recent hearings before the House Subcommittee on Intergovernmental Relations, enforcement is all but nonexistent. Examples of negligence and abuse of Federal regulations included a cockroach killer whose label warned on one side to "use only in well ventilated rooms" and on the other side directions to "close all doors, windows, and transoms"; authorization for an insecticide pellet vaporizer for use in restaurant kitchens, although the danger of food contamination had been cited by the Public Health Service and the Food and Drug Administration; and the continued presence of thallium rodenticides in some retail stores despite the cancellation of its registration in 1965.

Some States have already dealt with the pesticide threat by placing their own bans on the use of DDT, and many other States, in agreement that State action is necessary in the absence of Federal leadership, are currently considering measures to control DDT and other persistent pesticides.

I ask unanimous consent that the *New Republic* editorial be printed in the RECORD.

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

BALD EAGLES AND PEOPLE

The gradual extinction of the bald eagle and debilitating convulsions common among California grape pickers have a common cause—pesticides. The seven-year-old prophecies of Rachel Carson's *Silent Spring* are becoming realities as the billion-dollar pesticide industry goes on to peddle its wares unperturbed by actual or proposed federal regulation.

Two venerable Southern-agricultural institutions—the Senate Agriculture Committee and the Agriculture Department—are responsible for the industry's political sanguinity in Washington. Together they have successfully stymied any federal moves to control the sale and use of pesticides which, along with fertilizers, are responsible for the production of bumper crops on the limited acreage set by the farm subsidies program—another sacred cow of Southern agriculture. Year after year, the Senate Agriculture committee has killed Senator Gaylord Nelson's (D., Wis.) proposed ban on the interstate sale of DDT.

For a quarter of a century, the Agricultural Research Service of the Agriculture Department has violated the federal Insecticide, Fungicide and Rodenticide Act, which empowers it to register, prescribe labels for, and if dangerous, seize pesticides. Recent hearings before Rep. L. H. Fountain's (D., N.C.) subcommittee on Intergovernmental Relations have uncovered evidence of what is, at best, negligence and, at worst, venality. Some small samples:

A cockroach killer with a warning on one side of "use only in well ventilated rooms" and directions on the reverse side beginning with "close all doors, windows and transoms. . ."

Insecticide pellet vaporizers being authorized for use in restaurant kitchens, despite the danger of food contamination pointed out to the ARS by the Public Health Service, the Food and Drug Administration and other federal, state and private agencies.

The dearth of ARS initiative, implementing its legal power to check company sales records and initiate multiple seizures of dangerous pesticides. For 22 years ARS has persisted in seizing only the lethal stocks in one or two individual stores. Despite 400 reported cases (with perhaps ten times that number going unreported) of thallium poisoning in 1962-63 (mostly of children), and their own cancellation of thallium's registration in 1965, thallium rodenticides may still be purchased in many retail stores.

A propensity to favor the products and complaints of certain companies. For example, Shell Oil company has registered, among 48 separate pesticide products, a "no pest strip" which only after several years of prodding by the Public Health Service, was finally required by ARS to carry a warning against its use in rooms where elderly people or infants are present. But it took only four days for ARS, upon receiving a complaint from Shell, to cancel the registration of a competing strip produced by a smaller company.

The coincidence of interests between the pesticide manufacturers (Shell, Dow Chemical, Union Carbide and American Cyanamid are among the major ones) and pertinent regulatory agencies of the federal government has only made state action that much more inevitable as the specter of ecological disaster becomes more visible.

DDT, the best known (its developer won a Nobel Prize for his feat) and most prevalent form of pesticide, has been singled out for special attention. New York stopped using it in city parks when its Director of Horticulture found natural predators, including the ladybug and the praying mantis, capable of doing a better, safer and cheaper job of controlling insect pests. Michigan, Arizona and California, finding their milk, fish and other food stuffs contaminated have placed controls on the use of DDT. Wisconsin has just completed several months of nationally audited hearings on pesticides. Their final report should encourage a number of other states to take action.

The focus of concern for pesticide regulation, however, may soon return to the federal level. The seizure of 4,000 pounds of DDT-contaminated salmon in Michigan last April prompted HEW Secretary Finch to appoint a commission to inquire into the benefits and dangers of various pesticides. Its final report is due next November. Meanwhile, the Department of Agriculture last week suspended the use of DDT and 8 other similar compounds for 30 days, pending another "review."

TIME IS SHORT FOR STUDENT FINANCIAL HELP

Mr. MONDALE. Mr. President, the need for full funding of the Federal student financial aid programs has never

been more serious than at the present time. The crisis that is presently before the students and their families is very simply stated: How to begin or continue a college education without the financial aid that, in effect, has been promised to them by the Federal Government.

Student motivation for a college education is not the issue. The problem that confronts the student who has planned for and committed himself to a college education is overwhelmingly one of finances.

The House of Representatives is at present considering the appropriations for the student financial aid programs in the overall 1970 fiscal year appropriations bill for the Department of Health, Education, and Welfare. I am particularly hopeful that, at the very least, the \$16 million cut, by the Appropriations Committee, from the requested budget for the Educational Opportunity Grants program will be retored. The effect of this cut would be to reduce further the aid available to low-income freshmen.

Mr. President, I further call the attention of Senators to an article written by Eric Wentworth, and published in the Washington Post of July 26, relating to the financial aid programs and the special circumstances facing applicants for Insured Student Loans.

I should hope that we in Congress can better fulfill our commitment to students and their families by more adequately responding to their needs for higher education financial aid.

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:

CAPITAL EDUCATION: U.S. AID SQUEEZE HITS CAMPUS

(By Eric Wentworth)

Countless young Americans confident Uncle Sam would help them through college are getting a lesson they weren't bargaining for.

Call it Fiscal Botany 1A: The Government money tree, blighted by inflation, bears little fruit.

Needier students expecting Federal grants and direct low-interest loans are finding the funds in critically short supply. When they and their better-heeled brethren try the much-touted program of Government-guaranteed bank loans, they run into shortages there as well.

With less than two months before the fall term starts, Congress is deluged with demands to keep the faith and find the means to bail these students out. But there's no assurance at this point the lawmakers can turn the trick.

The first big test should come next week when the House is scheduled to debate the Health, Education and Welfare Department's money bill.

The House Appropriations Committee has increased the outlay for direct Federal loans to \$188.2 million from the \$161.9 million asked by the Nixon Administration, placing the funds available at roughly last year's level. The increase, however, comes to only about two-thirds the colleges' certified needs.

Furthermore, the committee has made it largely at the expense of money for direct Federal grants to low-income freshmen in the 1970-71 year. Money for such grants this year, appropriated earlier, falls far short of the sum of a year ago.

Prodded by hard-lobbying education groups, House liberals will likely try to boost the direct-loan funds as well as other outlays

during the floor debate. If they fail, the often more-generous Senate may add some money when it gets around to the bill. But time is short.

Time is short, too, for efforts to resuscitate the guaranteed bank loan program which the Nixon team, like its predecessor, has counted on to make up for skimpiness in direct Federal aid. With its interest rate ceiling at 7 per cent while the commercial prime lending rate has soared to 8.5 per cent, this scheme is drawing at best a lukewarm reception from most bankers.

A House Education subcommittee chaired by Rep. Edith Green (D-Ore.) has been groping through meager statistics and sometimes conflicting advice for the best approach to this problem. The Administration, for its part, has wallowed in tedious internal debate on what it should recommend.

Meanwhile, the National Council of Higher Education Loan Programs warned Mrs. Green's panel Thursday that about one-third the students seeking guaranteed loans for the first time this fall could expect to be turned down. In round numbers, that could mean up to 200,000.

The District of Columbia, with a \$2.4-million pool of guaranteed-loan money from 10 of the city's 14 banks, is in better shape than some locales, though director Robert A. McCormick complains the savings and loan associations have yet to kick in.

McCormick reckons, however, that the 1 million in the pool for first-time borrowers may have to meet a demand more than double that amount.

Requests for the higher-interest guaranteed loans are flooding in, naturally enough, from young people facing little or no chance of getting direct Federal grants, loans or work-study help. Locally, McCormick reports, many are low-income students.

The whole spectrum of student-aid resources, moreover, is being stretched as never before because an ever-larger number of needy students has been persuaded to pursue higher education. And they are heading for college at a time when tuition rates and other charges—reflecting the institutions' own efforts to make ends meet in the face of higher costs—are mounting anew.

Locally, tuition at George Washington University will be up \$100 to \$1800 this fall; at Georgetown University, up \$200 to \$2100; at Catholic University, up \$200 to \$1900. The University of Maryland is raising tuition and basic fees by some 25 per cent to \$506, and boosting its charge to out-of-staters by \$50 to \$500.

Most deserving students who fail to receive the direct or indirect Federal aid they seek will probably attend college anyway this fall. They'll require greater sacrifice by their families, they'll look harder for part-time jobs, they'll be more Spartan in what they wear and eat.

But that's hardly the point. What counts is what they'll think about a Government which may well have led their hopes too high in the first place but in any event is failing to fulfill them. Their thoughts, undoubtedly, will be one more ingredient in the bubbling brew of student unrest that has already brought many campuses near the brink of breakdown.

WILLA MAE THOMAS:
PEOPLE HELPER

Mr. HARTKE. Mr. President, from time to time we hear about the unusual efforts of an individual to make the world a happier home for all of us. Miss Willa Mae Thomas, of Indianapolis, is such a person. For the past 16 years she has worked tirelessly to foster a spirit of international good will. This she has done by helping approximately 3,000 high

school and college students from foreign countries to find homes while they pursue their studies in Indiana schools. Her work has inspired those around her. I believe that her story, published in the Indianapolis Star, will prove similarly inspirational to a national audience. I therefore 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:

"WILLA THOMAS DAY" TO HONOR STUDENTS' FRIEND

(By Dennis J. Hoffman)

Miss Willa Mae Thomas could be called Indianapolis' ambassador to the world.

During the last 16 years she has helped approximately 3,000 high school pupils and college and post-graduate students from foreign countries find homes while they pursue their studies in Indiana colleges and universities.

Although she receives no pay for her work, Miss Thomas meets the students at the airport, makes certain they have proper clothing for Hoosier weather, and answers any questions they may have about life in this country, in addition to finding housing for them.

In an attempt to repay her for her years of services Mayor Richard G. Lugar has proclaimed July 20 as "Willa Thomas Day" and some of her friends are planning a testimonial dinner in her honor at 3 p.m. that day in the Atkinson Hotel.

For the four students who died during their stay here, she was left with the responsibility of making burial arrangements.

Miss Thomas also arranges for complimentary tickets for her students to see a fair, circus, sporting event or musical concert, if a student cannot afford the price of the ticket.

She has persuaded Mayor Lugar to present honorary citizenship certificates to her students.

"I tell the students I can help them with any problem they have except money," Miss Thomas said. "I don't have any and I don't expect any."

Miss Thomas has a scrapbook of letters from grateful students who remember how she made them feel welcome here. Many send her cards at Christmas while others have mailed gifts.

The students, from Japan, Southeast Asia, the Philippines, Europe, Africa and Latin America, phone her at all hours of the day and night with their problems and, like a dutiful mother, she offers common-sense solutions to her adopted family.

Miss Thomas sends letters of welcome to the foreign visitors before they arrive and gives going-away dinners when their student days are over. She helps those who want them, to find jobs and has been instrumental in getting scholarships for others.

She visits those who are sick or hospitalized, taking them a rose which is "all I can afford." She sends them birthday cards, attends their weddings and graduations, throws wedding and baby showers when appropriate. On holidays such as Christmas and Thanks-giving she finds for those living in dormitories, homes where they can have a home-cooked meal.

As a child, Miss Thomas considered leaving her home in Mississippi to become a Baptist missionary to Africa. Today she still is very active in church affairs. She is religion editor of the weekly Indianapolis Recorder and she frequently checks up on her student family to make sure they're attending their respective churches regularly.

Miss Thomas decided to work with the foreign students after she received a warm welcome while attending a religious conference in Europe.

"The people I met in every country I

traveled in were so nice to me, speaking and helping in every way," she said. "So when I returned home I thought I should try to be nice to people of other countries when they come to ours."

She discussed this with friends who aided her in establishing the International Welcome Committee of Indianapolis.

This organization has sponsored 15 fund raising dinners to help the students, organized welcomes by city, state or church officials and helped set up an International Club for the students and other central Indiana residents from foreign countries.

The International Club sponsors two picnics, one each in the spring and fall, for members and friends.

"My purpose," she explained, "is to spread good will and understanding among all men to help build God's Kingdom of Peace on earth for men, that there may be love with harmony, and that all may live together."

Miss Thomas receives no money for her work but she has been honored by the Church Federation of Greater Indianapolis and other groups interested in international relations.

Some day Miss Thomas hopes to write a book on her experiences with the students. Proceeds from the book would go toward construction of an International House which would feature living space for exchange students as well as a soundproof music study room, a library, swimming pool and a spacious yard.

Miss Thomas' concern for her students leaves her little time to worry about her own problems. Two days after her testimonial dinner she is scheduled to enter the hospital to have a large tumor removed.

"I hope I'm recovered before Sept. 1," Miss Thomas said: "I have to attend a church convention in Florida then."

THE BOOK LOVERS' STUDY CLUB OF ALICE, TEX., URGES ESTABLISHMENT OF 100,000-ACRE BIG THICKET NATIONAL PARK

Mr. YARBOROUGH. Mr. President, I am pleased to announce that the Book Lovers' Study Club of Alice, Tex., has joined the growing list of supporters for a 100,000-acre Big Thicket National Park in southeast Texas.

The members of the Book Lovers' Study Club realize that we must take immediate action if we are to rescue the Big Thicket from its desperate reduction toward destruction. The Big Thicket has already been reduced from its original size of 3.5 million acres to about 300,000 acres. The ivory-billed woodpecker is rapidly becoming extinct because of the endless cutting of large trees in the bottomlands from which it gets its food. As thoughtful, intelligent, and responsible citizens, the members of the Book Lovers' Study Club and the many other organizations who join them in supporting a 100,000-acre Big Thicket National Park are doing everything they can to protect these invaluable natural resources.

Mr. President, I ask unanimous consent that the Book Lovers' Study Club's resolution be printed in the RECORD.

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

RESOLUTION

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 Book Lovers' Study Club of Alice, 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 of \$4 which would create a Big Thicket National Area.

THE HIGH COST OF ENVIRONMENTAL QUALITY

Mr. TYDINGS. Mr. President, it is ironic that on man's first mission to the moon he discarded some of the baggage brought along on the trip. Along with the glory evidently comes the garbage. While in this instance it was no doubt necessary, one cannot help but reflect that man seems inherently incapable of treating the land, sea, and air in which he lives with the respect they deserve.

Wherever he goes, man pollutes. I hope that in the decades ahead he will treat his space environment better than he has his environment on earth.

The May issue of News Front contains an article entitled "The Destruction of Earth." Its explanatory subtitle provides a clue to its content:

Men have polluted this planet to beyond the point of tolerance, and still they continue.

I do not think that anyone familiar with the quality of our environment would dispute this statement.

The article contains a number of well taken points: That the United States will soon face a basic choice between cleaning up the pollution and disturbing the present conditions of our economy or endangering the environment and maintaining these conditions; that "what makes the problem critical now is sheer massiveness;" and that it has been difficult so far to prove a direct causal relationship between certain pollutants and injury to health.

There is one statement, however, with which I take issue. Speaking of the costs of preventing pollution, the article states:

For, to put it bluntly, in the 1970's it still will be far cheaper to contaminate the environment than to set up preventive systems.

I do not think this is the case at all. In the first place, it ignores the long-term cumulative efforts of pollution. The further buildup of contaminants now means it will cost more later on to remove them. More importantly, the statement refers only to economic costs. But there are other kinds to consider. They can be summed up in that admittedly imprecise term "environmental quality." Contrary to Marx, man is more than an economic animal. The scope of his life is broad and decisions must reflect values other than dollars and cents. Only then can man achieve a quality environment. Economic factors are important, but they must not so predominate as to exclude other considerations.

The article is nevertheless well worth reading by anyone concerned with conservation. I ask unanimous consent that it be printed in the RECORD.

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

THE DESTRUCTION OF EARTH—MEN HAVE POLLUTED THIS PLANET TO BEYOND THE POINT OF TOLERANCE, AND STILL THEY CONTINUE

Man's flight to the moon could not be more timely—for he is now wearing out his welcome on earth.

After centuries of poisoning, the environment is finally getting "fed up." Air, water, land, which conveniently served as the cheap dispose-alls of pre-industrial society, are just not up to the task of continuously absorbing the vast and complex wastes created by today's military and industrial technologies, high productivity and widespread affluence.

If man persists in his reckless intrusions on the environment, say the experts, he will clash with nature and will eventually destroy the capacity of this planet to sustain life. But if he veers sharply onto the road of effective pollution control, there's a chance he may severely jar the economy and curb individual freedoms.

Sometime in the '70's, the U.S., as the nation where the problem is posed in its most acute form, will make a choice. That it will be for somewhat more stringent controls is certain. But many scientists doubt that the measures acceptable to the economy will be drastic enough to maintain the intricate balance of nature.

There's good reason for their scepticism. Except in moments of spectacular intrusion, as when an off-shore oil well recently dumped 21,000 gallons of raw oil daily for 12 days into the Pacific near Santa Barbara, Calif., it's difficult to arouse public concern, particularly when the full peril of the hazards may not be realized for generations.

Then there's the dearth of cost-accountable cause-and-effect information on specific pollutants. It's one thing to say that pollution is an important factor in lung cancer, emphysema, bronchitis and asthma—and quite another to name the specific villain and impose equitable legislative controls.

TOKEN LEGISLATION TO COMBAT AN EVERPOWERING PROBLEM IS ALMOST FARICAL

The history of past programs is not encouraging. Congress first authorized a Federal program of research in air pollution and technical assistance to state and local governments in 1955. Eight years later, after few achievements, it passed the Clean Air Act, calling for expanded aid to states and more Federal research. This was amended in 1965, when standards for new motor vehicles were set up for initial application in the 1968 model year.

Then in 1968, the Air Quality Act was passed which called for a systematic regional effort to combat air pollution and the establishment of a 15-member Presidential Air Quality Advisory Board.

Concern about pollution is not new. To protect their drinking water from the wastes of 11 million inhabitants, the Romans built the Cloaca Maxima, one of the first major municipal sewers in history. In 1306, King Edward I prohibited the use of coal fires in London to help clear the air while Parliament was in session. And some 300 years later, John Evelyn voiced a familiar complaint in his diary when he exclaimed against the "hellish and dismal cloud" that enveloped London, producing "catarrhs, phthisicks, coughs and consumption."

What makes the problem critical now is its sheer massiveness. The motor vehicle, called by HEW the single worst source of air pollution, emits some 350,000 tons of carbon

monoxide, hydrocarbons and nitrogen dioxide gas into the atmosphere daily. Autos, factories and heating plants dump 3 million tons of contaminants into New York alone each year.

By the mid-'70's, oxides of sulphur from fuel combustion, the second biggest factor in air pollution, is expected to reach 40 million tons a year, some 10 million above the present level; while pollution from the destruction of solid waste from domestic, commercial and agricultural operations will climb from 170 million tons in 1966 to 230 million in 1976.

Escaping to the countryside won't help much, because the pollution is expected to extend at least 500 miles from the city, where the haze will diminish the solar energy reaching the farmlands.

Under a comparable assault, the surface waters of the U.S. are becoming so contaminated "as to lose their biological capability for purification within the next 20 years," according to a report by the National Academy of Sciences.

Lake Erie has already in effect died, overcome by a lethal dose of sewage, industrial wastes and the chemical runoff from heavily fertilized farmlands. Elsewhere, marine life in bays, inlets and coastal waters dwells in constant danger of extinction from malfunctioning of passing ships and off-shore wells.

The early '70's will bring a new threat. Nuclear power plants will discharge an estimated 50 trillion tons of heated water into U.S. rivers and streams. By the end of the decade, this thermal pollution is expected to double, at which time, according to some fish and game departments, it will seriously endanger the nation's fisheries.

Recently, man has attempted to divert dangerous chemical and nuclear wastes from water to land by building deep wells to serve as underground containers. There are over 100 of these now in use and about 300 are predicted by 1972. Some experts view them as hidden hazards, pointing out that if the wastes break out of their steel casings (and it has happened), there's no telling what effect they may have on plant and animal life—and ultimately on man.

IN SPITE OF COMMON SENSE, THE LACK OF SPECIFIC FACTS HINDERS ACTION

Air, water, land are all being contaminated at the level of "great worldwide damage" by DDT, according to one molecular ecologist. Another suspects the pesticide of threatening the supply of the world's oxygen. A third charges it may be inducing sex organ changes and interfering with the body's ability to respond to drugs.

Only a few scientists have really clashed head-on with the pesticide industry, illustrating what continues to be one of the big roadblocks to effective pollution control: the scarcity of hard facts.

"The general case is pretty well supported to show that pollution is bad for you," comments Dr. Richard Morse, chairman of the Commerce Department's Panel on Electrically Powered Vehicles. "But we can't say that X number of people died from nitric acid, or X number of people died from carbon monoxide; we don't have reliable information."

FEAR OF POLLUTION MUST BE STRONGER THAN FEAR OF ANTI-POLLUTION COSTS

Scientists do not interpret this admission as a warrant for indifference or inaction. By continuing to massively intervene in the environment without being aware of the harmful consequences until they are upon us warns Barry Commoner, chairman of the Department of Botany at Washington University. "we are conducting a huge experiment on ourselves." Thus he sees an urgent need for the scientific community to establish "some means of estimating and reporting on the expected benefits and hazards of pro-

posed environmental intervention in advance."

Some new tools for prediction and control may emerge from the report of the 55-nation International Biological Program on "Man's Survival in a Changing World," due in 1972. The American Association for the Advancement of Science is now studying "Unauthorized Environmental Hazards from Technological Intrusion." And there's a proposal afoot to set up a National Institute of Ecological Research, along with an agency to advise Congress on environmental change.

Skeptics shrug their shoulders and say while information-gathering of this kind is necessary, its only practical effect will be to confirm the scientists in their attitudes and leave the public where it is today:—momentarily outraged when pollution is publicized, yet hostile to legislation which would interfere with its autumnal rite of back-yard leaf-burning.

To mount popular support for tough control laws, say these observers, the "hard facts" will need to be clear and frightening enough to defeat the logic of cost. For, to put it bluntly, in the '70's it still will be far cheaper to contaminate the environment than to set up preventive systems.

Sophisticated incineration equipment will mean more taxes. To provide adequate sewers nationwide will cost \$10 billion, plus \$20 billion more to separate steam and wastes sewers, as will eventually be necessary. Higher rentals on apartments and steeper prices on homes will follow the control of sulphur oxide pollution from fossil fuels. And used cars owners will need to spend from \$100 to \$200 on devices to control carbon monoxide if the requirements for new cars are to make sense.

This leaves the responsibility for initiating programs with industry and government. The former has the option of developing technologies for cleaning up the air, water, land, or of facing legislative controls which may unsettle the balance of the economy while they restore the balance of nature. Either way the price is high.

A TECHNOLOGICAL REVOLUTION MAY BE NECESSARY TO INSURE MAN'S SURVIVAL

Some experts see the first step in an industry program consisting of research on causes and cost studies on effects. With specific causes isolated and measured, presumably systems and equipment could be invented to control effects. The last step would entail complete technological change-over. Instead of trying to clean up the combustion engine, for example, the automotive industry might switch to a reciprocating steam engine. Or combustion and nuclear plants might be supplanted by installations using the sun's energy to produce electrical power.

The shape of regulation and legislative controls would depend upon the political climate at the time. A nuclear accident, the final contamination of a national heritage, might bring about stringent measures, and the public might not think a limitation on its freedom too high a price to pay for protection against "ultimate intrusions."

More likely are the steps outlined by Edwin S. Mills of Johns Hopkins University in "The Economics of Air Pollution," which would entail direct regulation of pollution, with licenses, compulsory standards and zoning; payments, with subsidies for control devices and tax credits for investment in equipment; and fees for discharge of specific pollutants. Even these measures imply Federal intervention in the affairs of business and local communities on a big scale.

Predictions point to action by both industry and government in the early '70's, with one watching the other for significant moves. Thus the time announcement of a control innovation by industry may deflect the force of a control bill, while planned

legislation may prompt the announcement of a technological break-through.

Somewhere behind the discussions of pollution and contamination the big payoff for effective control tends to disappear from view: it's no less than the survival of man on this planet. But there's another way of keeping the payoff in focus, and that's in terms of a particular town or city or region, where it means healthier people, better property values, new industries.

And for some it's a chance to reverse a downward trend, which is what Pittsburgh did in the '40's when industrialists, bankers and concerned citizens banded together, it fought its way out from under a choking cloud of smoke and discovered a new vitality.

To develop an ecological conscience may be too slow and arduous a process for man to attempt at this late date. But on a day when the smog bites into his eyes and he reaches fearfully for his next breath, he may decide once and for all to relinquish burning his leaves. It would be one step in the direction of where the air is clear.

So in the past 15 years, various laws and committees have been established to combat pollution. But they have made little real progress.

THE IMMINENT INCREASE IN ANTIPOLLUTION SPENDING WILL NOT BE ENOUGH

More money is forthcoming. In 1970, Federal funds allocated for pollution research will top \$63 million, an increase of 17 percent over the previous year. Within a few months, the Department of Health, Education and Welfare—which has Federal responsibility for prevention and control—is expected to release the first detailed study of overall cost to government and industry of combined air pollution controls. Reliable sources estimate that the figure will be approximately \$4 billion for the next decade.

There's little doubt the sum will be allocated. But all that money still won't clean the air.

OIL INDUSTRY SUBSIDIES

Mr. MCINTYRE. Mr. President, our present tax laws have long been shameful in the magnitude and variety of special handouts from the public treasury to the oil industry. Now that Congress is talking seriously of putting an end to these longstanding subsidies, the industry has begun to marshal some counter-arguments. One of the more specious of these industry arguments was recently advanced by the Petroleum Industry Research Foundation.

According to the foundation, any reduction in the present depletion allowance available to the industry would be followed immediately by a hike in petroleum prices. And, since low-income families spend a higher percentage of their incomes on gasoline than the well-to-do, any such price hike would have a decidedly regressive effect. Thus, the foundation concludes, legislators concerned with the needs of the Nation's poor have no alternative but to support the present allowance.

An excellent appraisal of this curious line of thought was published recently in the form of an editorial in the Wall Street Journal. I ask unanimous consent that this trenchant editorial be printed in the RECORD.

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

AN UNPERSUASIVE OIL ARGUMENT

Now that Congress is talking of cutting the oil depletion allowance, the industry

naturally is mustering counter-arguments. Some of its points, however, seem singularly unpersuasive.

Under present law a producer can deduct 27.5% of the gross income from each well, up to 50% of the net income of that well. The House Ways and Means Committee has proposed a reduction in the allowance to 20%, and the idea has considerable support elsewhere in Congress.

Industry officials claim the companies could not absorb the added tax and would have to pass it along to consumers in higher prices, particularly for gasoline. The Petroleum Industry Research Foundation, Inc. estimates retail gasoline prices might rise by one cent a gallon.

It's perfectly true that corporate taxes are often passed along to consumers, if competition does not prevent it. And the oil industry is to some extent sheltered from competition by the oil import quotas, which raise domestic prices by limiting the inflow of less-expensive foreign petroleum. The industry's concern for consumers would be a bit more believable if it were also arguing for removal of quotas.

The Petroleum Industry Research Foundation stresses that a gasoline-price increase would hit the poor especially hard. Families with less than \$3,000 in annual income spend 6.2% of their earnings on gasoline, the foundation says, compared with 1.5% for families earning \$15,000 a year. By this argument, of course, the poor suffer most from the quotas and would gain the most from their elimination.

What's needed is a less emotional approach to the industry's economics. There's no question that petroleum producers, as they draw oil from the ground, are depleting their assets. The depletion allowance serves much the same purpose that depreciation deductions serve for other industries. Perhaps the allowance needs to be redesigned but its principle is sound.

In any case, the depletion allowance debate should be decided on the true economic issues. Not many legislators are likely to be swayed by the argument that, in supporting the allowance, they will be helping the nation's poor.

HISTORY OF THE GENEVA PROTOCOL OF 1925

Mr. PROXMIER. Mr. President, I would like today to summarize briefly the history of the Geneva Protocol of 1925.

In 1921, at the Washington Conference on Limitation of Naval Armaments, a treaty was proposed that contained a prohibition on the use of poison gas in warfare. The United States signed the treaty, and the Senate ratified it unanimously, but it never went into effect because of France's failure to ratify it.

The Geneva Conference of 1925 was originally intended to restrict, if not to abolish private trade in arms. Though the conference made little headway in this area, the United States saw in it a chance to limit chemical warfare. To this end, the U.S. delegation introduced a proposal to prohibit international trade in poisonous gases for use in war.

This proposal ran aground on the arguments that it was impossible to distinguish gases intended for peaceful purposes from those intended for war, and that non-gas-producing countries' military preparedness would suffer if they could not import gases. Unable to find a midway point between unrestricted use and total prohibition, the conference decided on full prohibition, and drafted

a protocol banning gases and bacteriological weapons that was very similar to the Treaty of Washington.

The United States, in keeping with its stand at the Washington Conference, signed the protocol on June 17, 1925, along with 37 other nations. Proponents of the treaty saw little obstacles to its ratification, particularly in view of the Senate's speedy action on the Treaty of Washington.

The protocol encountered considerable opposition in the Senate, however. The Senate Foreign Relations Committee considered the treaty in executive session, and reported it favorably more than a year after its signing, on June 26, 1926. The Protocol was vigorously opposed by veterans organizations, parts of the Military Establishment and the chemical industry. It became obvious that the treaty did not have enough support to be ratified, and it was sent back to committee on December 13, 1926.

For the nations that had signed it, the Treaty came into force on February 8, 1928. On April 8, 1928, the Soviet Union, which had not signed the treaty originally, acceded to its restrictions. By 1939, 42 countries had ratified the treaty. Though President Roosevelt reaffirmed our policy of using chemical and biological weapons only when attacked with them first, the Geneva Protocol remained in committee, unratified.

In 1947, President Truman removed the treaty from Senate consideration along with a number of treaties that had become obsolete. At this time about 60 nations, including all of NATO and the Warsaw Pact, have ratified the agreement.

RESIDENT ALIEN RADIO AMATEURS

Mr. GOLDWATER. Mr. President, 5 years ago legislation which I had introduced pertaining to certain aliens became law. This act permitted visiting aliens, who were practicing amateur radio operators, to operate radios within the United States. They could do this only if their countries offered reciprocal agreements and only after a careful review indicated that the national security would not be imperiled through this privilege. During fiscal years 1967 and 1968, 336 and 441 aliens received this authorization. I am pleased to say that in the opinion of all concerned, including administrators and beneficiaries, this program has been very successful.

Mr. President, after the inauguration of this program, we found that a most important group of aliens were excluded from the opportunity to use amateur radio equipment. This group consists of resident aliens who are attracted enough by our country to want to give up citizenship in their own native lands and to declare their interest in becoming U.S. citizens. These alien hams have fallen into a wide legislative gap which, on one side, benefits the visiting alien and, on the other side, the U.S. citizen. In March of this year, I attempted to close this gap through the introduction of S. 1466.

This measure would permit the Federal Communications Commission to is-

sue a license for the operation of amateur radio stations to aliens admitted to the United States for permanent residence who have filed under section 334(f) of the Immigration and Nationality Act a declaration of intention to become a citizen of the United States. Like the visiting alien, the applicant under this bill would be subject to review by the appropriate Federal agencies to insure that the national security would be protected; and like the visiting alien, the applicant can be summarily denied a license for security reasons. Unlike the visiting alien, however, the declared alien would have to submit to the same examination and licensing procedures as those required for an American citizen.

During the past 5 years approximately 66,000 aliens have formally declared their intentions of becoming U.S. citizens. I mention this period because it is the usual waiting time imposed on resident aliens before they become eligible to petition for U.S. citizenship. While no accurate figures are available, it is estimated that a score or two of these declared aliens are radio amateurs. So you see, Mr. President, that this legislation will benefit only a few very important people. I fully appreciate the relative priorities of congressional concern. Within these priorities currently are such monumental matters as appropriations for space exploration versus those for poverty, decisions on the ABM system, and extension of the surtax and tax reform. Among these legislative behemoths, the problems of a very small and uninfluential minority are likely to be lost. I do not intend to let this happen. I believe that a quality Congress can deal effectively with large and small issues, and that this is a quality Congress.

Mr. President, were any of us to decide to change our citizenship, we can imagine some of the practical and emotional concerns that would be generated. There is no reason to add to these, in the case of foreign citizens admitted to our shores, by denying the amateur radio enthusiasts among these aliens the practice of this activity for a 5-year period while they await their American citizenship. It is interesting to conceive that we might enrich their motivation, dedication, and American patriotism by granting radio licenses to those who qualify. It may be that these new "voices of America" can do much to enhance our reputation abroad as many of our 265,000 amateur radio operators have already done.

Incidentally, I am pleased to announce that the American Radio Relay League, the nonprofit organization which represents most of the members of the ham fraternity in this country, has endorsed this proposal without qualification.

Mr. President, after working out the administrative details and procedures for security, opposition to the 1964 law enabling alien visitors to operate amateur radio equipment was almost nil. Opposition to legislation granting a similar privilege to alien residents devoted enough to the United States to announce their intent to become citizens should be completely nonexistent. I urge action at the earliest possible time to accommodate the interests of this very important group of

future citizens. In this regard, I ask unanimous consent to have printed in the RECORD several letters and articles pertinent to this effort.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

ZERO BIAS

Once again, in 1969, the Congress of the United States will attempt to rectify an error in the original "Reciprocal Licensing" measure passed in 1964. The error—or omission—allowed amateur operation by foreign nationals visiting the U.S. (when proper applications were made, and when proper reciprocal agreements existed between the U.S. and the particular foreign government), but did not permit similar privileges for individuals who had emigrated to the U.S. and were applying for U.S. Citizenship.

Last year, Representative Theodore R. Kupferman of New York took the first step in that direction with the drafting of a Bill (H.R. 16764) designed to permit such operation. Predictably, H.R. 16764 died in committee, but with the recent re-election to the Senate of K7UGA, Barry Goldwater, the hopes of immigrant would-be operators rose once again. Also, predictably, Senator Goldwater has taken the bull by the horns, and introduced in the 91st Congress a Joint Resolution "To amend the Communications Act of 1934 to provide that certain aliens admitted to the United States for permanent residence shall be eligible to operate amateur radio stations in the United States and to hold licenses for their stations."

The Joint Resolution labeled S.J. Res. 27 was introduced January 23, 1969, read twice and referred to the Committee on Commerce for study.

We sincerely hope that the efforts of Mr. Kupferman, Mr. Goldwater, and the firebrand behind the whole situation, George Pataki, ex-YO2BO, will not be in vain, and that we'll see the amendment become law during this session of Congress. Amateurs can help assure the success of the measure by making their feelings known to their state's Representative and Senators. A Post Card, Radiogram, Telegram or letter stating your desires may not move mountains, but when it comes time for a vote, Joint Resolution number 27 may sound familiar to your Congressman because of your letter. Please write today.

S.J. RES. 27

EDITOR, CQ: Please accept my thanks and appreciation for your second recent article (ZERO BIAS, March 69) regarding licensing of immigrants in the U.S.

As an immigrant (now citizen) and an amateur radio operator in Israel and now in the U.S., I can only hope that the thousands of immigrants from all over the world who will follow me, and many in this country at present, will not have to wait five full years to obtain amateur radio licenses.

I was an active ham operator before leaving for the U.S., and believe me, the waiting period was not easy. I had the means, the know how and the experience to obtain and operate a ham radio station but was not permitted to do so because of the existing laws.

I believe that many hams, after such a long period away from their sets may never return to them, and the loss is also ours. I know of many such cases.

I would like to remind all my fellow hams in the U.S. about S.J. Res. 27 and urge all to show their support by writing their congressman to support that resolution in the 91st Congress.

I hope that our medieval laws regarding licensing of immigrants will be changed and thereby enable us to accept many excellent hams and old timers into our growing society.

Thanks again, Dick, for your support, your fine article, the use of your editorial column and the pages of your magazine for such a good cause.

DAN B. LIEBRECHT,
WA2CRD/ex-4X4JS.

RIVERDALE, N.Y.

EDITOR, CQ: I like to thank you for taking a stand in favor of Senate Joint Resolution 27, in your ZERO BIAS editorial, March 1969. This bill, introduced by Senator Barry Goldwater, K7UGA, would amend the Communications Act of 1934, allowing immigrant radio amateurs with permanent resident status, to apply for a W license.

I have talked to many radio amateurs about this problem. All agreed with this proposed legislation but few of them took time to do something about it.

Hearings will soon begin on S.J. Res. 27. I wrote to the United States Senate, Committee on Commerce, in Washington, D.C., and to my U.S. Senators, in favor of this bill, but this is not enough. I urge American radio amateurs to write now to their Senators expressing strong support for this bill.

We former DX stations, now living in the United States and future citizens of this country, sincerely hope that the American amateurs will help us in getting S.J. Res. 27 passed.

GEORGE PATAKI,
ex YO2BO.

NEW YORK CITY, N.Y.

EDITOR, CQ: Like most hams, I heard of the Goldwater bill, Senate Joint Resolution 27, which would allow immigrants to this country the privilege of obtaining an American license, a privilege they are currently denied. Since many foreign nationals may operate here under reciprocal licensing agreements, it seemed only logical that immigrants who have applied for permanent residence in the United States be allowed the same privilege. Like most hams, I agreed with the idea of this bill and promptly forgot it.

Unlike many hams, however, I came in contact with several foreign hams who have actually been forced to give up their hobby because of the current regulations and whose only hope for operating is the passage of this bill. I have now written my Congressman urging support of Senate Joint Resolution 27 but my one letter will not do any good without support from others.

Will you be like most hams and forget the plea of the number of future Americans who are now denied operating privileges or will you take the few minutes required to write your Congressman and urge his support? Help someone else enjoy the privilege we have and send your letter today.

DENNIS McALPINE,
W1DYE/2.

NEW YORK, N.Y.

IMMIGRANT OPERATORS

EDITOR, CQ: I am one of those people who has left his country to realize his dreams and is at the point of touching his life ideals. I am soon going to arrive in the USA as an immigrant with permanent residence and I hope to get US citizenship as soon as possible.

I am convinced that my dreams will soon become reality for in the USA—in the middle of American society where I shall live and work—it is easier than in any other country to bring those dreams into being.

Only one of those dreams, one to which I have devoted all my time, seems to be more difficult to touch.

I have been an active radio amateur in my former country (Romania) from 1954 to March 1969, and had a first class license to operate all categories of radio amateur stations, being one of the operators of Central Radio Club station, YO3RCC. My call was

YO3LM. I am also a graduate electronics and telecommunication engineer.

I know that at this time in the USA it isn't possible, if you are an immigrant, to obtain a license for amateur radio; it's possible only after you get US citizenship. Amateur radio was all my life and it's very hard for me to be kept away from it. Dozens of American radio amateurs may remember our first contacts in two way single sideband and other contacts during ARRL or CQ World-Wide DX contests. I was always pleased to establish contacts with American stations.

Many immigrant ex-amateur radio operators with licenses are looking forward to becoming owners of a U.S. License.

I am one of them.

I ask that all United States radio amateurs help to support Senator Barry Goldwater's bill S.J. Res. 27 concerning the amendment to the Communications Act so as to provide aliens with permanent residence in the USA permission to operate amateur radio stations in the U.S. and to hold licenses for their stations.

Please write as soon as possible to the appropriate persons: Congressmen, Senators and let them know your feelings. It will make it easier for the amendment to become law.

SERGE COSTIN,
ex-YO3LM.

BAD DREUZEN, AUSTRIA.

GOLDWATER BILL FOR IMMIGRANTS

Senator Barry Goldwater has introduced S.J. Resolution 27 which would allow immigrants with permanent resident status, who have filed "first papers" for citizenship, to acquire amateur radio operator and station licenses. His earlier bill allowed visitors to operate here on a reciprocal basis; this did nothing for refugees whose licenses would have been cancelled by their former country, nor for immigrants who found an interest in radio after arriving here. The bill has been assigned to the Commerce Committee. (A similar bill was introduced in the House last year, but was not acted upon before Congress adjourned; such bills do not carry over into the next Congress, but must be re-introduced.)

LICENSE FOR IMMIGRANTS

Coming to the U.S. I was hoping to apply for a W call but here I realized that getting a U.S. license means to me a full 5 years waiting period. That is because the present law permits issuing of amateur radio licenses only for American citizens.

Senator Goldwater (KUGA) has introduced a bill in the Congress which, if passed, would allow foreign amateurs to get American licenses after they have received their "first papers."

A lot of other foreign amateurs are in the same situation. Now, I ask every W/K to express his support for this bill, called Senate Joint Resolution 27, sending a letter to the Chairman of the Committee on Commerce; Senator Warren G. Magnuson, Washington, D.C. 20510.

The American amateurs have been always friendly and helpful to me during thousands of QSOs and I sincerely hope they will give me now the necessary support to get a W call.—Illie Nuculae, ex-YO4AAC, New York, N.Y.

NO CITIZENSHIP REQUIREMENT?

The Communications Act permits foreign nationals who are neither citizens nor permanent residents of U.S. and probably never will be, to own and operate an amateur radio station but does not give the same right to the legally admitted immigrants who are permanent residents of United States and future citizens.

I feel that this particular regulations of Federal Communications Commission against which I am complaining is unfair

and discriminatory against a group of new Americans and I am asking you to start an action to change it. I understand this can be done by an amendment passed by Congress.—George Palaki, New York City, New York.

I agree completely with Mr. Pataki's letter in the February issue concerning the citizenship requirement for a radio amateur license. Before I came to the United States I was holding a ham license in Germany. Here I cannot get a license because of the citizenship requirement. I was told that I could operate under my German license, but this license was revoked when I left Germany, because that country has a residence, rather than citizenship requirement. In the U.S. army I was entrusted with official communications, but "on the outside" an immigrant is not trustworthy enough to go on the air. Surely there are many others in the same boat and cannot wait until the 5 years required for US citizenship are up. I hope that soon the FCC will remember this forgotten group, maybe with the aid of the ARRL.—Wolfgang Pfeifer, Inglewood, California.

ZERO BIAS

A few years ago, in 1964, amateur radio in the US enthusiastically greeted the news that the US Congress had passed, and President Johnson had signed into law, PL 88-313, legislation permitting the US State Dept. to enter into negotiations and agreements with foreign governments for the purpose of allowing foreign amateurs to operate while in the US and possessions. In the years since the passage of PL 88-313, the US has negotiated "reciprocal privilege" agreements with 32 foreign governments, and amateurs from both sides of the borders have begun to enjoy new freedoms which had previously been denied. But a few flaws seem to exist in the law.

There seems to be no provision in the law covering the special case of political refugees and immigrants to the US, although alien operators are permitted to operate after proper application and authorization. There also is no provision for an alien applicant who has been denied an operating permit to find out why it has been denied.

Cases which have been brought to light recently involve political refugees from eastern European countries. These refugees have brought with them to the US great enthusiasm for the American way of life, enthusiasm for amateur radio, and great technological know-how. They have also signed written declarations of their intention to become citizens of the US, and have begun the long and arduous task of becoming naturalized citizens of the US. But a quirk of US law prevents these individuals from holding an amateur license until they are actually citizens, perhaps five years from now.

Are these political refugees a greater risk to US national security then, let us say, another alien here on vacation? Obviously not, so that line of reasoning for the laws is invalid. Then are they any less likely to be enthusiastic and law-abiding amateurs than a native born or naturalized citizen? No, the prime reason for this situation is legal laxity and oversight. No one has cared enough about the existence of the problem to say anything about it except, perhaps, the immigrants involved, and lacking a vote, they lack the tool of "constituent pressure" that a citizen can frequently bring to bear.

REFUGEE AND IMMIGRANT AMATEURS

DEAR OM: Having read your ZERO BIAS in January CQ, I wish to make a few comments on the subject. Having been a native of Germany and immigrated to the U.S. in 1961, I think I am qualified to speak on the matter of licensing immigrants and fully support your view in letting immigrants become radio amateurs in the U.S. However, if eligible for

citizenship they should become citizens or else lose their license. This is the way our neighbors in the north (Canada) handle it. To wait 5 years is a long time and to me it seemed unfair to let foreigners operate while visiting U.S. just because they were hams in their own country. Thank you very much for your support and outspoken opinion on this matter, Dick. You most certainly have my support and let's hope our law makers can see it the same way.

HAL KOSTLIN,
WN6YNG.

ONTARIO, CALIF.

EDITOR, CQ: I am a holder of Telephone 1st, Telegraph 1st and Advanced amateur licenses and I wish to state that I am in favor of amateur license for permanent residents of our country.

Your editorial in January CQ certainly points up a problem which has been neglected or overlooked so far.

CARL H. PAULSON.

PEARL RIVER, N.Y.

DEAR DICK: As a reader and subscriber to CQ, I would like to congratulate you for your January 1968 editorial and for bringing to the attention of your readers a problem which has unfortunately received all too little care.

I know of one particular case of an Eastern European refugee who was an active amateur in his home country and who fled his native land in order to find new opportunity and a new future in the United States. Although he has declared his intentions to become a U.S. citizen and has filed the necessary papers to that effect, he is prevented from obtaining even a temporary amateur license. There is no logical reason for this injustice and I would hope that legislation can be passed to remedy the situation.

I, for one, am writing to my Senator in Washington in the hope that other amateurs may feel inclined to do likewise, and so bring this situation to the attention of our legislators. U.S. amateurs are, for the most part, extremely well treated when they visit foreign lands; there is no reason why we cannot at least extend some sort of courtesy to those who seek new homes in our country.

Thanks again for bringing up a timely and important topic in your editorial column.

IVES A. FEDER,
W1EOX.

CHESTER, CONN.

DEAR MR. ROSS: I am writing to you to commend you on your stand in ZERO BIAS concerning political refugees. I happened to know one of these fellows . . . and I am not surprised to realize how lucky they feel we are! The point he made was, we have so many people (inactive hams), who don't exercise their privilege! I'm afraid I had to agree with him . . . not only that, his dedication to the hobby was intense rather than a fly by night attitude.

After reading your article, I can't see where a temporary license could not be issued. It seems the least we can do under the circumstances.

Besides, these amateurs can offer a wealth of exchange information concerning all gear used. This country became great by the very acceptance of people like this and we should continue to be the one country in the world who make no conditions on citizens of the future.

WARREN JARVIS,
K2LUE.

BAYSIDE, N.Y.

ALIEN OPERATORS

EDITOR, CQ: In connection with your ZERO BIAS editorial from January 1968, I would like to make a few remarks:

I am one of those amateurs who came in

United States as an immigrant and started with great hopes for a new life. Being a graduate of electronic and telecommunications engineer, I got a very good job and I work for CBS Television network in New York City. I have all the reasons to be very happy in this wonderful country, but I happened to be an enthusiastic radio-amateur and the Communications Act of 1934 prohibits me as a permanent resident of the United States, but not yet a citizen, to have my own station. In my native country, Romania, I had a license, my own call was YO2BO and I was the chief operator of YO2KAC club station. Only a ham can understand what means to me to wait 5 years to get citizenship and a license. It seems unbelievable that I can operate a professional broadcasting equipment for one of the biggest television net—of the world, but I can not operate my own amateur radio station. It is interesting to mention that many countries give amateur licenses to their immigrants, for example Canada does it. Other countries grant licenses not only to their citizens and residents but to all visitors interested in amateur radio. The Communications Act, based on Reciprocal Operating Agreements, permits to citizens of 33 foreign countries to operate their own amateur radio station here in U.S. but does not permit the same thing to the permanent residents of United States, people who live constantly in United States, work in United States and support the United States.

Here in the United States there are many immigrants from different countries who are also amateur radio operators and they all dream the "impossible dream" to get a W license.

I understand that only an amendment of the Communications Act by action of the Congress can offer a solution to our problem. For this we need the support of American amateurs, citizens will—to write to their Congressman, urging for support.

GEORGE PATAKI,
ex-YO2BO.

NEW YORK, N.Y.

WE NEED TO REDUCE THE MAXIMUM WORKING HOURS ON RAILROADS FROM 16 TO 12

Mr. YARBOROUGH. Mr. President, as a cosponsor of S. 1938, an amendment designed to revise the hours of service law to reduce the maximum number of working hours in a 24-hour period from 16 to 12 hours per day, I stress the importance of this piece of legislation.

Since its enactment in 1907, over 60 years ago, the hours of service law has not been amended in any material respect. At that time, the maximum number of hours that employees of a railroad could work per day was set at 16. In the years since that important act, machinery and railroading have changed vastly, and it is now recognized by all parties that it is not safe for a man to work on a railroad for such an extended length of time. The Post Office Department, for example, requires that a worker stop work if he has been on the clock for 12 hours in 1 day. There are numerous other measures which, in the interest of the workers and of public safety, limit the number of hours a man may work in a day.

This matter is especially pressing in light of recent developments in the railroad industry. Safety on the railroads has been deteriorating. Average weekly hours on duty for railroad engineers on passenger trains has risen from 30.5

hours in 1964 to 40.1 in September 1968. On local freight trains, the rise is from 55.5 to 62.5 hours per week. There is no reason why men should be subjected to such long hours of toil week after week. The hours on duty are so far out of line with the normal hours worked by other categories of employees in the various industries that immediate rectification thereof is required for reasons of social justice.

In far too many cases, workers have complained that they have been required to work during their vacation, that their relief or release periods were not sufficient to provide adequate rest, and that many of them felt that they were at the physical breaking point.

Mr. President, in other transportation industries in the United States as well as in the railroad industry in other countries, it has been recognized that limiting hours of work at a point below the maximum presently prescribed for railroad operating employees is necessary in providing those employees with adequate, unbroken rest from their tasks. Testimony presented by the railroads to the House Subcommittee on Transportation and Aeronautics in regard to the 1966 bills to amend the hours of service law reveals that over 9 percent of all engineers in the various classes of service for October 1965 worked on an average of 12 or more hours per trip or tour of duty. The material submitted also proved that about 30 percent of those engineers in local and way freight worked 12 or more hours per trip or tour of duty in the same period.

We have waited long enough to correct this dangerous situation. In this day and age, I know of no justification for a law which allows a man to work 16 consecutive hours without rest. It is inconsistent with every other principle in our society. I urge the Senate to effect the prompt approval of the bill.

ON THE SELECTION OF WINTHROP C. LIBBY AS PRESIDENT OF THE UNIVERSITY OF MAINE AT ORONO

Mr. MUSKIE. Mr. President, these are challenging times on American campuses. From what we frequently read in our daily newspapers, administrators and students appear incompatible and irreparably estranged.

This, of course, does not represent the situation on a majority of American college campuses. My belief is that where there is harmony on campus, there is an administration which listens to its students and trusts them.

Such an administrator is Winthrop C. Libby, the new president of the University of Maine, at Orono. At the time of his selection, Mr. Bill Caldwell, of the Maine Sunday Telegram, wrote an editorial page feature on President Libby, and the feature has been reprinted in the Maine Alumnus magazine.

I ask unanimous consent that Mr. Caldwell's article on President Libby be printed in the RECORD.

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

LIBBY IS APPOINTED PRESIDENT (By Bill Caldwell)

(EDITOR'S NOTE.—Winthrop C. Libby, 57, was named the 11th president of the University of Maine at Orono April 16 by the university's board of trustees at an executive session. President Libby has served for the past 10 months as acting president. His salary was set at \$30,000 per year. A member of the university faculty and staff for 35 years, he became acting president of the University last July when Dr. Edwin Young resigned to return to the University of Wisconsin. A native of Caribou, President Libby was graduated from the University of Maine in 1932 and received his M.S. degree in agricultural economics from the university in 1933. He has also done graduate work in agronomy at Rutgers and Cornell Universities. He was awarded an honorary Doctor of Laws degree by Ricker College in 1968. Appointed to the staff of the department of agronomy in 1934, was made head of the department in 1943. He served as associate dean of the College of Agriculture in charge of resident instruction from 1950-57. He was named to succeed the late Dean Arthur L. Deering as dean of agriculture in 1957. In this position he directed the work of the College of Life Sciences and Agriculture, Cooperative Extension Service, and Maine Agricultural Experiment Station. He was named vice president for public services in 1968. During his years at the university he has been engaged in research activities, extension programs, and many public service activities. In 1966 he was named to the President's Committee on Rural Poverty, a select group comprised largely of cabinet officers and administrative officials. The committee later made a report to the President on their findings. He is married to the former Elizabeth Tryon and the couple has a son and two daughters.

(Bill Caldwell, editorial editor of the Maine Sunday Telegram, in his weekly Downstreet column, described Libby as "The Spirit of Orono." The Alumnus, with Caldwell's permission, reprinted most of that column.)

Given bio-data like this, an IBM computer, programmed to choose a modern-day college president, would probably choke on Winthrop C. Libby's punch-card. Yet, few at Orono would doubt that among 7,500 students and 450 faculty, he is the best-liked, most trusted man-on-campus.

The reason is not because he is a Maine-bred and Maine-raised man from Caribou. Or because he is an agronomist. Or because he has been around the Orono campus for over 37 years. Those characteristics should, by rights, make Libby old-hat, hidebound, backward glancing at a 'golden age' of education which is dead and gone. This background should put Libby on a wave-length of thinking in collision and clash with the ideas and outlooks of today's students.

But, in an old-shoe way, Libby is a perverse contradiction of himself.

Instead of being 'old guard,' he is almost avantgarde. But, like a deer in the forest, Libby's Caribou exterior camouflages his attunement to the times.

"The Major Mission of the University of Maine," says Libby (talking 'Caribou'), "is the education of men and women." Libby's simplicity is no simpleness. He adds: "But the U of M, like any University worthy of the name, is a proving ground for ideas as well as a transmission belt of knowledge . . . It must be a place where different viewpoints can be discussed freely and openly in an atmosphere of candor . . ." Quietly preaching his gospel of openmindedness, Libby goes a long step further, saying "Experience convinces me that student disagreement is preferable to student apathy; that student commitment even to false gods is preferable to no commitment whatsoever; that students who believe in their own maturity and wisdom are preferable to those

who expect the University to function as their parent."

The pomp and prerequisites of a university presidency hang loosely on Libby, almost unused. He has never moved into the President's house on campus. Instead he lives in his old home in downtown Orono and walks two miles to work in all weather, arriving at 7:30 a.m. in the President's office, first man on duty. At night his wife picks him up. He barely uses the President's car. When he takes a visitor to lunch, Libby takes his place in the cafeteria line. When he invites a visitor for a cup of coffee, he takes you to the undergraduates' Bear Den, where his table fills up with students. When President Libby drops you at the SAE fraternity house to change your shirt, he waits downstairs and in two minutes he is surrounded by 30 'brothers.' "I'm Libby," he says, stretching out a handshake to the counsellor on duty, when he carries your bag into the Gannett Hall dorm where you are spending a night. There is no "side" to this man.

Libby is proving to be an ideal conduit between the sometimes opposite poles of Trustees and Students. Trustees rely upon Libby because after almost 40 years on campus Libby knows more about Orono than any man living. Students trust Libby for the best of all reasons; he trusts them.

In the brief span of two years under Libby, Orono students have won and are exercising a bigger and more responsible voice than ever before in changing and improving student life.

For example, an excellent and new Disciplinary Code, enforced jointly by students and faculty (without administrators), now governs student conduct; student recommendations have resulted in liberalizing girl-boy visiting rules in the dormitories; a current student-faculty committee, with carte blanche from Libby, has just completed a thorough investigative report into all phases of Student Activities, including such holy-of-holies at the Deans' Office, the office of the Director of Student Activities, the Student Union, Counselling and Placement Services. It will recommend major overhauls in many phases of university administration. And Libby hopes to move promptly on putting them in effect, wherever feasible.

Dialogue, frequent, meaningful, mutually respectful, between President and students is today part of the fabric of Orono. It happens half a dozen times a day. This is the kind of an interchange which minimizes the need of student revolt or administrative repression.

The relationship on campus at Orono might be an eye-opener for other troubled universities. And it all occurs in a natural, normal way, without the pressure of crisis pushing it or the fishbowl glare of publicity which follows after a campus collision between Students and Administration.

PSYCHOLOGICAL ASPECTS OF AMERICAN FOREIGN POLICY

Mr. FULBRIGHT. Mr. President, the Committee on Foreign Relations held a short but most interesting series of hearings earlier this year on the subject of the psychological aspects of foreign policy—a subject which both the public and the bureaucracy tend to ignore.

Miss Elizabeth Wharton, of the United Press International, wrote a brief but perceptive article on those hearings. The article has been printed rather widely.

In view of its succinct summary of the hearings and the fact that it focuses on some of the fundamental problems nations have in communicating with each

other, I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD. The article appeared in the Tampa Tribune-Times of Sunday, July 20, 1969.

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

BEHAVIORAL SCIENCES AS TOOL OF
DIPLOMACY

(By Elizabeth Wharton)

WASHINGTON.—An American is brought up to look a man in the eye when talking to him. He also is conditioned by his culture to keep a certain distance from a person with whom he's conversing.

An Arab is taught from childhood that looking a man in the eye during conversation is extremely rude. He also is accustomed to stand quite close to a person with whom he's talking.

If an American meets an Arab, and neither is aware of the other's cultural conditioning, any conversation between them is likely to produce serious misunderstanding and mutual irritation. The American thinks the Arab is crowding in too close, so he steps back, which insults the Arab. The American thinks the Arab is shifty because he won't look him in the eye, and the Arab thinks the American is trying to stare him down.

Social scientists, particularly in the so-called behavioral fields of anthropology and psychology, recognize these cultural differences and understand how important they can be as a cause of friction.

Governments—and most people—do not.

In an effort to determine what insights social science studies might offer to smooth the path of international relations, Chairman J. William Fulbright of the Senate Foreign Relations Committee held a series of hearings on the subject of "anthropological and psychological aspects of U.S. foreign policy."

Witnesses were Dr. Margaret Mead, anthropologist, writer, and curator for ethnology at the American Museum of Natural History in New York; Dr. Karl Menninger, noted psychiatrist, founder and president of the Menninger Clinic and Menninger Foundation in Kansas; and Dr. Edward T. Hall, author and professor of anthropology at Northwestern University.

All three believe behavioral science could make a significant contribution to the quest for peace and international amity.

They cited the experience of World War II, when intensive U.S. research on Japanese culture yielded two outstanding successes and many minor ones.

The first achievement concerned treatment of Japanese prisoners of war. When American military commanders began taking their first prisoners in the Pacific islands, the Japanese not only freely discussed military secrets but even offered to help their captors track down installations and ammunition dumps.

"The Americans didn't trust the prisoners, of course, since Americans are conditioned not to give such information to their captors. We told them the prisoners could be trusted because the Japanese had never been conditioned to being taken prisoner," Dr. Hall explained. "Their culture decreed that they be good soldiers, and to them being good soldiers also meant being good prisoners. We were right, and the information proved very useful."

The second great success was in persuading the U.S. Government to permit the Japanese to retain the Emperor after the war—a recommendation made by the behavioral scientists within months after the attack on Pearl Harbor.

If the Emperor had been forced to abdicate, Dr. Mead said, Japanese society would

have taken generations, instead of just a few years, to recover from the war.

Government-sponsored behavioral studies tapered off after the war, and the entire field of social science fell into disrepute during what Dr. Menninger called the "rampant know-nothingism" of the late 40s' and early 50s'.

The three experts suggested that a number of national crises since then could have been averted, or, at least, ameliorated, if such research were still being done as a guide to government policy. Dr. Mead cited two examples:

The first was the Pueblo incident. To North Koreans, truth is an elastic concept in which bare facts are less important than the interpretation one chooses to place upon them. They knew the Pueblo was off-shore spying on them, and whether the ship was a few miles inside or a few miles outside an invisible line on the water simply didn't have anything to do with it.

But Americans rely on facts, and our instruments proved the ship was a certain number of miles outside the invisible line.

The final settlement, under which the United States agreed to sign a "confession" of invading North Korean territory—and promptly repudiated it—might have been reached much sooner than it was if the behavioral scientists had been consulted, Dr. Mead said.

Her second example was the violent disruption which resulted from the Supreme Court's school desegregation decision of 1954. Behavioral scientists had warned in advance, she said, that such a drastic change must be effected rapidly.

"To the human mind, anticipated change is frightening, while accomplished change is accepted," she explained. Therefore, she feels it was the clause in the decision which allowed local governments to move "with all deliberate speed" which caused all the trouble.

Hall said the practice of sending American representatives abroad without preparation on the mores of the society to which they were going subjected them to a "culture shock" from which they might never recover enough to do the job they set out to do.

He used time as an example. The United States, he said, is a "monochronic" culture which times everything to the minute and in which the people, the industry and the government function on a set schedule.

Latin America, on the other hand, is a "polychronic" society in which people set little store by schedules, and consider times set for appointments to be only an approximation.

"Both time systems work, but they work in different ways," he said. "What is more, they do not mix."

"I have observed a number of Americans . . . fail in their mission because they never learned to read the local time customs."

At the same time, Hall continued, Americans feel a terrible need to be loved, cannot tolerate criticism from others and don't think much of self-criticism either.

"We have to feel we are doing well all the time," he said. "It's a real problem, because it is self-defeating to be complacent."

All three witnesses agreed that consulting social scientists on national policy would give the United States an enormous advantage over the Communist world whose inflexible ideological framework has no room for unfettered social research.

Fulbright agrees, but says he has not yet decided how to go about trying to convince a U.S. bureaucracy which has a certain inflexibility of its own.

"We spend an enormous amount of money collecting information about the Russians," the Senator explained. "I should think it would be a very good investment to spend even a little money hiring behavioral sci-

tists to interpret the information and draw conclusions from it."

TAX SURCHARGE PASSAGE

Mr. FANNIN. Mr. President, each day this body delays action on the extension of the surcharge, our Nation drifts farther down the road to fiscal irresponsibility. At the domestic level, fuel is added to the fire of inflation with our deficit spending continuing because our revenue does not equal our expenditures.

The grocery bag for the welfare recipient, or those on a fixed income, shrinks in size as prices continue to skyrocket. This results from many circumstances prevalent in our economy today, not the least of which is the loss of confidence in the American dollar.

Our dollar is also in jeopardy in the world money market if we do not stabilize our economy with a more favorable balance of payments. To improve our balance-of-payments position we must increase our exports, decrease our imports, or improve our dollar flow. Of course it could be a combination of these corrections that could result in a favorable fiscal position. We must convince the other nations of the world of our willingness to get our financial house in order. No one knows whether the economy might break during this critical waiting period while we await the passage of the surtax extension. It has happened before when circumstances did not seem any more threatening.

Because of inflation, we are losing the ability to compete; other countries are winning a greater percentage of world trade. The trend is starting to rapidly increase in their direction. Whether we talk about steel, motor vehicles, or a vast number of other products including sophisticated electronic equipment, we are losing the battle.

In recent years we have become net importers of iron and steel mill products and the gap is still increasing. We are net importers of paper, yarns, fabrics, and man-made fibers. Our trade position has swung to the deficit side with Canada since 1967, a deficit with Japan since 1964, and a deficit with Germany since 1965.

In a 5-year outlook, published in April of 1969, the U.S. Department of Commerce says this:

Moderating U.S. inflationary pressures . . . is a basic prerequisite for improving the trade balance . . .

Millions of jobs are being lost to American workers by our loss of industry because we cannot compete with foreign manufacturers.

For years our finished products were our main sources of exports and finished products were a limited percentage of imports. Each day this is changing with a much larger percentage of finished goods included in our imports.

Just a few examples will illustrate what I mean. In radios, TV sets, and radio-photograph units our exports have remained at roughly the same dollar level—around \$25 million. Our imports, on the other hand, have been steadily rising. U.S. Department of Commerce

figures show imports of radios, TV's, and phonographs at slightly over \$100 million in 1962. By 1967 they had jumped to nearly \$400 million and are still climbing. This cost Americans thousands of jobs.

Our apparel industry has been suffering. Exports have risen since 1962 from slightly below \$100 million to slightly above \$100 million in 1967—the latest year for which complete information is available. At the same time, imports of wearing apparel has risen from a 1962 level of \$300 million to almost \$600 million. The volume of imports has thus almost doubled while our exports have remained at almost the same level. The imports of foreign footwear shows a similar situation.

Perhaps the sharpest dollar increase has come in the automotive field. While the United States is still a net exporter of automotive products outside the field of new automobiles, our imports have far outstripped our exports in new automobiles in dollar amounts as well as rate of increase. In the 1962-67 period, foreign car imports jumped from around \$425 million to more than \$1,700 million. On the other hand, our exports have jumped from a level of less than \$300 million to a level of around \$800 million. Thus we are still a net importer of new automobiles by about \$900 million per year and the gap is growing.

In the past few years we have gone from one monetary crisis to another with several shocking problems that could have proven disastrous. The next could be upon us with the least warning and coming during this critical waiting period now projected by some on this legislation could leave us without the financial strength to again weather the storm.

This is not a partisan matter since the collecting of taxes and spending the money is everybody's responsibility. Yes, and we all have the responsibility to do everything within our power to give relief to those people of limited income who are suffering most from our higher prices.

The Secretary of the Treasury has continuously outlined, over the past few weeks, the hazardous situation our Nation faces and the absolute necessity of passing this legislation. He has emphasized the sensitive situation involving inflation, sky-high interest rates, the difficulty of Government borrowing in addition to the problems that hinge on this measure in our financial dealings with foreign countries.

Psychology is a word little used in the realm of taxation and economics. It has become a prime aspect of the current fight to stem the inflationary tide. Too many people have resigned themselves to what they feel is the inevitability of inflation, and are advancing their expected purchases to avoid higher prices—the result is even higher prices.

We, as Members of the Senate, must recognize the cyclical effect of this inflationary psychology and try to break the cycle. If we do not, our senior citizens and low-income groups will bear a disproportionate burden of prior economic mistakes.

To delay passage of the surcharge, and engender accompanying doubts of its fate will only incite more frenzied anti-

patory buying. To the extent that our inflation is of the demand-pull type, where the demand pulls prices higher due to limited supply, a delay would be very costly.

The rate of consumer prices has risen faster than last year's rate of 4.2 percent. It is also possible that unless inflation is checked it may reduce every dollar earned or saved by 6 cents in this year. In 1 year the dollar could drop to 94 cents. Every attempt must be made to assure a stable dollar.

I dislike heavy taxes as much as any Member of this Senate. But, I dislike rampant inflation even more. The surcharge is not destined to make anyone very popular—neither is the painful vaccination needle. For our personal well-being we will accept the pain. We must do the same for economic well-being.

We must coordinate and complement our economic policies in order to combat inflation. A good start has been made. There is a ceiling on Government spending and monetary policies are restrictive. The missing ingredient is the surcharge. Until the tremendous inflationary psychology has been brought under control it will be imperative to pursue restrictive fiscal and monetary policies.

The slowdown in real growth of the economy indicates that we are making progress against inflation. The 6-plus percent rate of growth in the second quarter of last year has been reduced to less than 3 percent in the first quarter of this year. To sacrifice this opportunity in order to wield pressure for tax reform is a case of doubtful priorities. The balance of revenues forthcoming from tax reform does not approach the amounts generated by the surcharge. Thus, even with tax reform the surcharge would be needed.

To expand on the problem, inflation is not only a problem within our domestic economic system but also with respect to foreign trade. Our balance of payments and especially our balance-of-trade account has been deteriorating. One prime reason is inflation. Much of this inflation is being caused by an ever accelerating series of wage demands. In the next 18 months an estimated 7 million workers in important industries will be up for contract renewals. This situation must be watched carefully to avoid a complete switch over from demand-pull inflation to the cost-push type.

The other aspect of course is the effect that higher wages have on our international competitiveness as I have already stated. Imports have risen 1½ times as fast as our exports over the last 6 years, and this rate is rising.

The question is, What do we do? It is quite evident that we will not be able to reduce wages or many of the other cost factors in production—at least in the near future. But, we can do something to thwart some of the current demand for goods and services. By convincing the American people and those abroad that the United States is determined to reduce inflation. We will remove much of the impetus to buy.

We cannot wait for tax reform. Action must be taken as soon as possible. Reform will not abate the need for the surcharge, but the delay required for re-

form will aggravate inflation. Bipartisan support is necessary to put our fiscal house in order and political machinations should be avoided where the sake of the Nation is involved.

To sum up, Mr. President, I would like to deal with several questions. First, extension of the tax surcharge, some argue, should await enactment of tax reform.

The President of the United States, the chairman, ranking minority member, and a majority of other members of the Ways and Means Committee, all have pledged their efforts for a good tax reform bill this year. The best way to get that reform is to pass the current Ways and Means package and let that committee return to its tax reform deliberations—much progress has already been made—then put a good reform bill through.

Extension of the surcharge could now be delayed only at the risk of seriously jeopardizing the anti-inflationary program and strongly bolstering inflationary expectations.

Second, some people ask why taxes should be continued at present levels if it is true that the budget is in surplus. Because failure to enact the tax package would throw the budget into deficit, even when measured on the basis of the new unified budget. The projected \$5.2 billion surplus would be converted into a \$4.0 billion deficit.

Third, with interest rates at their highest level in a century, some Members say they will refuse to vote for tax extension until something is done to bring them down again.

Nobody likes the high interest rates, not even the banker who is caught in the middle between record loan demands and a very tight monetary policy. To meet these demands, he is paying 10 percent or more for new money—in Federal funds and Eurodollars—and lending it out at a prime rate of 8½ percent.

The surest way to drive interest rates up even further is to kill the tax bill; the best way to bring them back down is to cool off the economy through continued fiscal and monetary restraint.

The previously stated desire of the distinguished majority leader to have tax reform legislation passed in this session is almost unanimously agreed upon. I do not intend to indicate all agree on every change that should be legislated. Many of the considerations are in the tax reform bill now under study in the House and will be sent over to the Senate for hearings in the Finance Committee.

In our discussions of the need for the surtax, no doubt a great deal will now be said about the surplus that has just been reported by the administration for the period ending June 30 of this year. Although it is not a very big surplus, around 1½ percent of the total spending, I will agree it is very important since it is the first surplus since the 1960 fiscal year.

The President, I am sure, is pleasantly surprised and gives thanks to the taxpayers for paying into the Government \$2.8 billion more in taxes last year than even the Government had been predict-

ing. The prediction to which I refer includes both the Johnson and Nixon administrations. But, now lets realize we still face a very serious situation since even with a rosie prediction of a surplus in 1970 of \$5.8 billion including the surcharge, we would have a deficit if the surcharge under consideration is not adopted.

In our elation that we finally seem to have our financial structure pointed in the right direction, let us not lose sight of the fantastically large deficits that have been with us over the last few years.

Let us realize that with the tax reform measures now under consideration in both the House and Senate, we will have both decreases as well as increases in the amount of taxes that will be added to the Treasury. There is just as much a chance that our tax collections will be reduced as there is that they will be increased.

Mr. President, the single most important factor affecting domestic and international confidence in the dollar today is the status of the tax surcharge. Failure to extend it could have disastrous consequences at home and abroad. I urge prompt passage of the bill we have under consideration.

A VIETNAM APPRAISAL

Mr. HATFIELD. Mr. President, as the Vietnam conflict continues I would like to reaffirm my position in regard to our involvement in this war and to state to the best of my ability the reasoning behind the stance which I have found necessary to take on this issue. All too often the events of the moment tend to make us forget the enduring problems which our Nation is facing. It is for this reason that at this time I wish to offer an appraisal of our involvement in South Vietnam and to reaffirm my efforts toward finding a lasting peace to this tragic war.

EVOLUTION OF A POSITION

Vietnam became an issue with me in 1945 when I found myself in Haiphong, Indo-China, as part of our naval forces there. Since that time I have revisited Southeast Asia many times in my memories and have followed closely the developments in that area of the world. From my initial experience with the Vietnamese people plus my continuing research into the present situation, it has remained my conclusion that the Vietnamese people have been fighting for over 30 years for the basic cause of nationalism. The desire of these people has been to rid their land of all forms of foreign domination—first the Chinese, then the French, then the Japanese, and now the United States—and not primarily a desire to spread communism. The indifference of the battle of ideology is mirrored today in South Vietnam, where the cause of anticommunism has largely failed to inspire the South Vietnamese. The distinctions of ideology are luxuries that only a well-fed, stable nation can afford to make. To the impoverished, hungry people of Vietnam, the primary consideration is to obtain a situation in their country in which they can support their families with food and a safe place to live. The present conflict

makes that an impossible situation to obtain.

COMMITMENTS AS A SENATOR

On January 10, 1967, I took my oath as a Senator. Before that time my opposition to or policies in Southeast Asia had come from the privileged position of an onlooker—someone with a legitimate concern in the issue but no responsibility to resolve it. As a Senator my relationship to the Vietnam issue changed radically. In the office of Senator I had for the first time a legislative responsibility in foreign policy. Although my opposition to our involvement continued, I supported military appropriation bills under the conviction that our first duty was to support the men committed to Vietnam with all the material they needed. After seeking the advice of my more experienced colleagues I found that it is impossible to distinguish between those sums assigned to support troops already there and those intended to escalate the war or to finance other aspects of our defense effort. I, therefore, could not in good conscience oppose these appropriation bills.

I did, however, utilize my speaking engagements to inform the people of the United States that the issue of Vietnam was not quite as simple as the administration sought to portray it. Only through the voices of the American people is this war to be ended. I intended, therefore, that my remarks would give people further information and therefore a new perspective on this issue. I hoped they would cause my listeners to examine critically the things they were told about Vietnam, encourage them to reevaluate their own thinking on this subject, and, hopefully, encourage them to reject our policies in Vietnam.

THE RESPONSIBILITY OF DISSENT

The responsible dissenters of our policies in Vietnam, whom I know, are sincerely convinced that those policies are wrong and that they must be corrected if the best interest of the United States are to be served. To argue that such dissent is prolonging the war and encouraging the enemy is fallacious. The entire reasoning behind this charge is based on the assumption that the enemy is demoralized, desperate, and hangs on only out of hope that American public opinion will demand an American withdrawal. I have seen no evidence that Hanoi or the NLF is either demoralized or desperate. In fact, the continuing aggressiveness and determination of these people only demonstrates that they are capable of pursuing the war indefinitely and determined to do so, irrespective of what critics may be saying in the United States. Yes, we do owe our men fighting and dying in Vietnam all the support and material they need, but we owe them more still. We owe them an uncompromising promise and total effort directed to extricating them from this war, to finding alternatives to futile policies that have failed for 20 years. This, to me, is the highest duty of those in positions to have their voices heard and their influence felt. This is why I, and others, have dissented from our present course in Vietnam.

But under this statement on the obligations which we have to the men in Vietnam special mention should be made

of the over 13,000 men who are listed as prisoners of war or as missing in action. It is often very easy for us to forget these men when we are concentrating on peace overtures and the protection of the men now involved in fighting in Vietnam, but to thousands of families across the Nation the Vietnam war spells nothing but uncertainty and waiting. Thousands of women have banded together in the hope that their concerted actions will produce long awaited results in obtaining news of their loved ones. Some of these women have had to wait over 5 years without news of their husbands, sons, or brothers. For these families we owe a sincere dedication to supporting the recent administrative efforts to check on the treatment of these servicemen and to obtain a full list of names of those being held. In addition we need to support strong requests that North Vietnam respect the rules set out under the Geneva Convention. There is no way that the North Vietnamese Government can be forced to observe these rules except through repeated pressure by the United States at the negotiation table and though direct approaches to the Government in Hanoi. It is therefore our obligation to pledge our full support to such measures and to exert what pressure we are able to see the most expedient realization of this important issue.

GULF OF TONKIN RESOLUTION

There was and is one final role I could play as a Senator in attempting to guide our policies in Vietnam. I could vote on legislation affecting this conflict. Constitutionally, this should be a Senator's primary function, but through years of neglecting its role in foreign policy determination, Congress now finds itself in a position of virtual impotence. Congress was told by the Johnson administration that declarations of war are obsolete and that the President does not need the approval of Congress to send U.S. troops anywhere in the world he chooses and at any time he chooses.

In reference to the Gulf of Tonkin resolution of 1964, President Johnson said:

It is just an expression and [Congress] just approved our position that we were taking.

To me this was and is a dangerous assumption in regard to the necessary checks and balances of our democratic Nation. Although the Gulf of Tonkin resolution was interpreted as granting a blank check of power to the President for conduct of the Vietnam war, this does not seem to have been the intent of Congress when the resolution was passed with only two dissenting votes.

The erosion of congressional power that seems to have begun with the Tonkin resolution will only be regained through a careful hold on the reins of Presidential power.

In February of 1968, I introduced a resolution that was not antagonistic to the President's policies in Vietnam but emphasized the need for Congress to participate in any decisions made that would alter the scope of the war and of our commitment. This resolution never came to the floor for vote. Today, Congress is still unsure of its position in foreign policy although attempts are being made to

seek a redefinition of that role. I support these attempts as an extremely necessary step toward reestablishing the important balance between the legislative and executive branches of our Government.

HISTORY

Numerous officials of the Johnson administration sought to portray the Vietnam war as a simple matter of aggression from the North. A 1967 State Department publication "Why We Fight in Vietnam" concludes:

If there had been no violation by North Vietnam of article 10 of the Geneva Agreement, calling for total cessation of hostilities there would be no war in Vietnam today.

The publication goes on to represent that since 1954 the North Vietnamese have been the sole cause of the conflict and that since that time Ho Chi Minh has organized and directed the struggle in the south.

To anyone who has seriously studied the historical circumstances of this conflict, these assertions must stand as a blatant distortion of fact. It is not necessary to trace in detail the evolution of the Vietnam conflict when there are numerous articles and books—by such outstanding Southeast Asian experts as George Kahn and John Lewis, Bernard Fall, Joseph Buttinger, Phillippe Devillers, et al.—that provide very thorough analyses of the history of this crisis. But I do want to emphasize certain points that are crucial to understanding the true nature of the Vietnam war.

The Vietnamese people have for centuries struggled to be independent of foreign domination. Since before the birth of Christ, the Vietnamese have feared and resisted domination by the Chinese. In this century they have openly fought the French, the Japanese, and now the Americans. Their struggle has always been primarily "nationalistic" for independence from foreign rule and exploitation. Since the 1920's this movement for independence has been led by Ho Chi Minh. Although Ho is a Communist, his primary thrust and appeal to the Vietnamese people have been on the basis of nationalism.

Prior to the Second World War, Ho emerged as a nationalistic leader determined to drive out the French. During Japan's occupation of Indo-China in World War II, Ho organized the Vietminh to fight the Japanese and received American help in this effort. As evidence of his appeal to the Vietnamese as a nationalist, the Vietminh was a united front of both the non-Communist and the Communist elements.

After the Japanese surrender, the Vietminh selected a National Liberation Committee headed by Ho Chi Minh, the Emperor Bao Dai, a non-Communist, becoming its "Supreme Political Adviser." They called their country the Democratic Republic of Vietnam and eventually reached an agreement with the French that recognized this republic as a free state belonging to the Indo-Chinese Federation and the French Union. But disagreements developed at to Vietnam's status as a free state, and by the end of 1946 the war for complete independence from the French had begun.

According to Bernard Fall, the highly respected authority on Vietnam, Ho fought because he felt that Vietnam must be a single state, because it was not viable as a divided one, and because the French were trampling upon Vietnamese national dignity. We began aiding the French in 1950, spending over \$1 billion abetting the French attempt to establish colonial status on a nation which wanted freedom. The French were defeated and withdrew with a list of casualties which numbered over 100,000.

The Second Indo-China War, as the current conflict is often called, began to fester shortly after the First Indo-China War was concluded with the 1954 Geneva Accords. Following the accords, Ngo Dinh Diem—a nationalist, anti-French, anti-Communist—came to power in South Vietnam with American backing. Diem was initially very successful in uniting the South, but as months wore on, his policies became repressive. In violation of a section of the Geneva Accords, he suppressed all forms of political opposition. With U.S. support, he violated another section of the accords, that called for a national plebiscite in Vietnam by July 1956. He refused to allow the elections to be held as it was obvious that Ho Chi Minh would easily win a popularity contest. President Eisenhower had estimated that Ho would have received 80 percent of the vote.

Perhaps the policy that most clearly and inevitably led to the initiation of revolutionary guerrilla activity was Diem's decision in June 1956 to replace the traditionally elected village chiefs or headmen with appointees, and by 1958 over 400 had been assassinated by the guerrillas. As the South Vietnamese people lost hope that the promised economic and social reforms would be undertaken, and as the corruption of the Diem regime multiplied, more and more people accepted the Vietcong as the only hope for change.

By 1967, when the United States committed military forces in an attempt to shore up the Diem regime, a major insurrection was already taking place in South Vietnam. South Vietnamese were fighting South Vietnamese, Communists fighting non-Communists, the landless fighting the landowners. It was a civil war then and remains basically a civil war today. The Geneva Accords did not divide Vietnam into two separate countries but provided for two "zones" that were to be reunited through elections. Can we legitimately call it a case of external aggression when the adversaries speak the same language, share the same cultural backgrounds and were raised in the same cities and villages? Can we really call it anything but a civil war when leaders in the government in the South were born in the North and vice versa?

To recognize that this conflict is a civil war is not to deny that Ho Chi Minh is aiding and encouraging the insurgency in the South. He clearly is. But this in no way makes valid the fantasy that the conflict was initiated, organized, and controlled from the start by Hanoi. The North Vietnamese were in no way the cause of Diem's outrageously repressive

tactics. The refusal of the South Vietnamese leaders to provide the people with the kind of government they wanted was the cause of the conflict.

AMERICAN INVOLVEMENT IN VIETNAM

But if this is correct about Vietnam being basically a civil war, why did we ever get involved? At this point comes the plethora of reasons which lumped together produced the ugly phrase "credibility gap." Let me review a few of these stated reasons.

President Eisenhower: President Johnson used the ploy that he merely carried out the policies of his Republican predecessor. However, facts prove that in 1954 Eisenhower merely promised economic aid to South Vietnam with the understanding that Diem would institute the reforms necessary to gain the support of his people. When Eisenhower left office in 1961 there were only a few hundred U.S. military advisers in South Vietnam.

SEATO: Another reason for our involvement has been to state that we had to comply with our commitments under the SEATO Treaty. Again, the facts do not bear this out. The only specific act to which the operative section of this treaty commits us is to "consult immediately—with other parties to the treaty—in order to agree on the measures which should be taken for the common defense." The treaty in no way compels us to take the action which we are taking in Vietnam.

Honor our commitments: The Johnson administration also justified our involvement in Vietnam on the basis that if we do not stand by our commitments there "no nation can ever again have the same confidence in American promises or in American protection." Our involvement in South Vietnam breaks our commitment to respect the Geneva Accords which provide that no foreign armies would be based in Vietnam. And what about our commitment to the Charter of the United Nations, which provides that only the Security Council may determine the measures to be taken to maintain or restore international peace and which bars members from any unilateral resort to force? Third, our deepening involvement in Vietnam has reached such proportions that we are not in a position to offer any future assistance should a crisis arise in a country closed to our shores. And, finally, when other nations observe how we have literally destroyed South Vietnam in our zealous efforts to defend it, are they likely to want our help?

Defending freedom: This would be a legitimate reason for our involvement were it true. However, the South Vietnamese do not have freedom of the press; they only have limited religious freedom; they are denied freedom of speech and freedom to assemble and petition their government for a redress of grievances. Last, I suppose the ultimate freedom the South Vietnamese are denied is the one most required for a free society—honest elections. During the last elections there was no real choice for the South Vietnamese at the ballot box. The prerequisite to free elections was canceled in South Vietnam when the two candidates

who were likely to defeat the Thieu-Ky ticket were not allowed to run by decree of the military junta. Today Thieu and Ky follow the same repressive policies as Diem once did.

Containment of China and the domino theory: There are several unstated hypotheses in the so-called containment theory that must be proven before the argument has any validity. Some of these presuppositions are: First, that the conflict in Vietnam is truly a case of "aggression from the North;" second, that if South Vietnam goes to the Communists, other Asian countries will inevitably fall under China's power—the "domino theory," and third, that our willingness to fight in Vietnam will discourage China from interfering in the affairs of other nations.

First. I hope that I have pretty well established that this is not the case and that in fact a civil war exists in Southeast Asia. In recognizing this primary nature of the conflict, the Chinese are not likely to reach the distorted interpretation that a Vietcong success is proof that genuine, externally initiated wars of liberation will be victorious.

Second. The second presupposition is the so-called domino theory and it rests on the assumption that the Communist threat is primarily military in nature. It is not. The Communist challenge is basically political. I disagree with the domino theory on two bases: First, it is not logical to assert that what thrives in the political environment of one country will necessarily survive in the climate of another; and second, when the biggest domino of them all fell—that is China—this did not usher the fall of all the rest of the Asian nations to communism.

Third. China's capacity and inclination to aggravate unrest in its neighbors are not going to be retarded by our willingness to fight in Vietnam. If anything, our commitment in Vietnam is likely to encourage China to try to involve us in other conflicts. For one reason China is delighted to watch the Americans "bleed themselves dry" in a number of involvements. Second, to maintain support of hard-line orthodox Communist theory, Communists need enemies. By supplying this need in our role of "foreign imperialist devils," as they call us, the United States has helped the Communist countries more than harmed them. Finally, the Achilles' heel of communism is prosperity and plenty. Under conditions of abundance, the economic theories of communism are unworkable. If we want to forestall the spread of communism, therefore, we should direct our efforts and aid toward reducing the oppressive conditions that breed rebellion. We should redirect our policies toward correcting the social, political, and economic injustices, toward feeding starving people and improving living conditions. To accomplish such ends under combat conditions is virtually impossible.

SOLUTIONS TO THE VIETNAM CONFLICT

In view of all these reasons given as justification for our involvement in Vietnam, I find them inadequate in justifying the terrible price we are paying to wage this war.

Escalation: To believe that a declara-

tion and implementation of "all-out war" will reduce the problems of this conflict is to ignore the conditions of the struggle that is taking place. Even if military victory were possible—which under humanitarian and moral reasons is not—the South Vietnamese people would still be vulnerable due to the lack of support of their own government. When we were pursuing a heavy bombing policy there was not a significant effect in reducing infiltration or supplies nor did it impair the North Vietnamese capacity to wage war. What the bombing of the North accomplished was a vast loss of lives, both military and civilian, and a loss of international goodwill and sympathy and perhaps a naive but growing fear by emerging nations that we were being colonial in our actions. The entire handling of accounts of "military progress" has left nothing but doubts in the minds of the American public. If we followed the Johnson administration's statements we were to have "won" years ago, but the present situation only established the Vietnam war as the longest and one of the most costly in history. Where we have failed in our battle is to attract the allegiance of the South Vietnamese people. As long as this is ignored there remains no possibility of genuine "victory."

But, let us imagine that we have an "all out war." What options are left to us? We could drop more bombs but on what targets? Military targets in North Vietnam are nearly nonexistent. We could destroy the Haiphong Harbor, destroying Russian and Chinese ships and, therefore, risking war with these two nations. If we increase ground activity, the draft calls are enlarged, fewer student deferments granted, taxes substantially increased, economic controls instituted, and the unrest at home may reach breaking point. The number of military and civilian casualties will increase sharply. We could adopt a policy of "hot pursuit" into Cambodia and Laos, thereby bringing these countries under fire and destruction. We could launch a successful and expensive invasion of North Vietnam, risking high casualties due to the preparedness of the North Vietnamese for just such an invasion, risking Chinese and Russian reaction and a vast growth in the scope and tragedy of the war. Should we win such an invasion, and assuming China accepts such action, there would still be hundreds of thousands of Vietcong nationalists in South Vietnam with which to contend.

No; escalation is not the answer. Escalation is far from a rational policy. As an article in the Bulletin of the Atomic Scientists pointed out:

For both sides, the fact that the rising toll of human life still leads to no resolution of the conflict inevitably begets a sense of frustration.

This produces a wide sentiment for the Government to "do something" to break through the impasse. The sacrifices already made appear to justify an even greater escalation. The administration in the past sought to justify the policy of increasing military pressure on the grounds that this is the best way to achieve an honorable, negotiated settlement of the war. But the more we escalate, the more we sacrifice and the

more difficult it becomes to accept compromise solution. And, only a negotiated peace can give meaning to these sacrifices because only a compromise solution—a peace without victory—can be lasting. Until we realize this, more lives will be lost as have over 13,000 Americans since the beginning of negotiations on May 13, 1968.

De-Americanization of the conflict: What must we do to bring about a solution to this conflict? As our main objective we must win the allegiance of the South Vietnamese people and to do this we must place our emphasis on seeing that the South Vietnamese Government prove worthy of allegiance and establish a concerned, meaningful relationship with the people. Currently, the NLF political workers represent the only effective force for economic reform and social justice for the people of South Vietnam. In addition we must abandon our Americanization of this war which has in essence made the South Vietnamese but spectators to their own conflict. How independent are a people which we are asking to fight for independence when we so dominate their government that it would collapse in days if we ceased to support it? The complete dominance of South Vietnam by the United States further harms the development of self-sufficiency of the South Vietnamese in the political, economic, and social realms. The Johnson administration ambition in Vietnam was to establish an anti-Communist, democratic, self-sufficient, pro-American, anti-Chinese strong central government in Saigon. The South Vietnamese peasant wants something less grand and much more tangible. The loyalty of the people in rural areas of South Vietnam has never been to a central government but to their local hamlets and ethnic groups. They want reform, they want food. We must direct our policies to conform to the ambitions of the South Vietnamese people.

Troop withdrawal: Last, I am convinced that the possibility of negotiating a political solution to the war would be enhanced if the major adversaries in the conflict were Asian. For this reason I have for some time maintained that the first thing to be negotiated in Paris or elsewhere is the time and implementation of our military withdrawal from the Asian mainland. This would greatly enhance the possibility of finding a just solution to Vietnam within the framework of an Asian diplomatic offensive. For this reason I look with hope to President Nixon's promise of troop withdrawals over the next year.

COST

Vietnam is now the longest and one of the most costly in history. Despite peace negotiations, more than 600,000 Americans are still based in Southeast Asia. The greatest loss in the war is that of our young men. Every day young and promising men die in Vietnam as the result of trying to fight a war which cannot be won militarily—a toll of over 36,000 since the beginning of hostilities. Our young men are dying and yet we subsidize such senseless deaths. For every man, woman, and child in the United States our Government is spending \$142.45 per year for the war in Vietnam. For every \$100 of

your tax dollars expended by the Federal Government, only \$1.26 is devoted to the protection and utilization of our natural resources; \$1.84 for community housing and development; \$2.49 for international assistance including foreign aid, food for freedom, and the Peace Corps. Education receives \$4.04; health, \$8.63; but the Defense Department receives \$52.96, \$19.50 of which goes to the war in Vietnam.

In another perspective, we spend \$82 million per day for Vietnam. The total model cities program for a year affecting over 140 urban areas could be paid within 8 days of the cost of the Vietnam war. The Federal Water Pollution Control Administration receives for a year what the Government spends in Vietnam in 3 days. And, yet, we have over 11,000,000 units of substandard housing, and pollution is of such magnitude that it has become a health hazard. One thousand workers are forced into early retirement each month because of lung disorders and the economic losses resulting from dirty air exceed \$11 billion a year. In spite of these costs, our Federal investment in air pollution abatement is only \$78 million per year, less than 1 day of the cost of the war in Vietnam.

The 1960's began with bright hopes for the future, but these have dimmed during the decade due to the nagging problems of international rivalry and nuclear threats. Our dreams for a "great society" have been undermined by our apparent inability to use our economic and technological resources to solve the age-old problems of ignorance, disease, hunger, and poverty.

We have reached a point in the history of our country in which power politics, nationalism, and stringent ideologies can no longer play a part. The vast unrest across our Nation brings to mind a quote by the prophet Hosea:

You have plowed iniquity, you have reaped injustice, you have eaten of the fruit of lies. Because you have trusted in your chariots and in the multitude of your warriors, therefore the tumult of war shall be among your people.

Security, like charity, begins at home. Yet, there is a grave imbalance between our needs and our priorities. Crime costs between \$20 and \$50 billion each year—in lost earnings, property damage and uncollected public revenues—and yet we invest but \$5 billion on every aspect of crime prevention, enforcement, detention, and rehabilitation—about the same we spend on toiletries.

Twenty-two million Americans live in poverty despite 100 months of unprecedented economic growth and expansion. The cost of 4 months of the Vietnam war is about \$10 billion—10 times the total combined cost of the war on poverty and the Teacher Corps.

Today, 28 percent of our young people are not graduating from high school and out of those children who entered the fifth grade in 1961, and would have graduated in 1969, more than 750,000 dropped out before obtaining their high school diplomas. The Federal Government spends but 4 percent of our tax dollar on education—perhaps the single most important force in developing a progressive and rational nation. This compares,

again, with the 19.5 percent of our tax dollar spent in Vietnam.

The needs at home and the cost of the war: the disparity is too great to pursue such futile policies which reap nothing but tragic results. The war is not being won—the Defense Department already has over 50 percent of the Federal budget—our domestic crisis has reached a breaking point.

Because of these reasons I am opposed to our continuing involvement in Vietnam. I say with a clear conscience that the first thing to be negotiated is the immediate withdrawal of our military presence from the Asian mainland. President Nixon's moves in this direction are a very positive step in the right direction, and I look with hope to the complete withdrawal of troops in the near future. I also sincerely believe that we must see the day when a government will emerge in South Vietnam which truly reflects all of the political components of the country and proves responsive to the needs of all the people. Such move must be achieved before the long overdue peace will be accomplished for Vietnam.

EAST-WEST CENTER

Mr. INOUE. Mr. President, I invite the attention of Senators to a recent press release from the East-West Center. I believe the story it has to tell exemplifies so well what we have to gain from international cooperation and 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, harder 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."

POLLUTION ATTENTION

Mr. NELSON. Mr. President, I am very much heartened to see the increased interest on the part of the news media in coverage of the Nation's environmental quality problems. With both hard-hitting daily newstories and comprehensive, perceptive special pieces, they are bringing to the public attention, as never before, the facts about air and water pollution, and the myriad other problems we face in our relationship with our environment.

As an instance, Life magazine for August 1, devotes special attention to environmental quality concerns, and in an excellent editorial points out that the threats to our environment—and to us—are serious, that the potential losses are critical, and that the need for action is urgent.

It is my deep conviction that the great question which is facing man in America and worldwide in the last third of the 20th century is whether he can and will take the steps necessary to assure that he will survive in reasonable compatibility with his surroundings on earth. We can destroy ourselves; we can destroy earth as we know it today. As Pogo said:

We have met the enemy, and they is us.

Hopefully, the Nation is beginning to address itself to the grave dangers we are creating for ourselves in a century of unsurpassed technological achievement and population growth.

I commend the news media for taking the lead in stating the problems and increasing our awareness of them. I ask unanimous consent that the Life editorial and essay in the August 1 issue be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

LIFE EDITORIAL

The story on the following pages shows a part of America that is threatened by our spreading civilization and growing population—the wilderness lands. These lands—10 million acres now under protection, almost all west of the Mississippi—have always held a magic. F. Scott Fitzgerald wrote of the early settlers arriving at the new world three centuries ago: "For a transitory enchanted moment man must have held his breath in

the presence of this continent, compelled into an esthetic contemplation he neither understood nor desired, face to face for the last time in history with something commensurate to his capacity for wonder."

That enchanted moment is long past. The continental wilderness has largely vanished, and what remains of it is threatened by our own increasing needs. Our capacity for wonder survives but less survives to be wondered at.

Vanishing wilderness is, however, only one aspect of the deteriorating quality of American life today, both in the countryside and in our cities. There are many others: pollution, endangered wildlife, smog, urban sprawl and that new catch-all term, "uglification." In later issues *LIFE* will show this deterioration and recommend ways to prevent it.

Change, of course, is inevitable; and progress, which is intelligently conceived change, is desirable. There must indeed be more jet airports, highways, housing and power plants, and it is foolish to maintain—as some conservationists do—that their encroachment must be prevented everywhere and at all costs. But too often the cost is too high. We are a rich country, but as Jean Mayer, a population expert and Special Consultant to the President, writes in *Columbia Forum*: "Rich people occupy much more space, consume more of each natural resource, disturb the ecology more, and create more land, air, water, chemical, thermal and radioactive pollution than poor people."

The population of the U.S. is headed toward 300 million in the next quarter of a century; our GNP will reach a trillion dollars in the next two years. This explosive combination of people and money will produce ever greater demands for more cars, dams, lumber, fuel, food, roads, land. These demands will lead, unless checked, to more pollution, garbage, trash, noise, desecration—and leave much less beauty to evoke our capacity for wonder.

What we now require is an intelligent and continuing weighing of the demands of "progress" against what might be sacrificed to them. Fortunately, some momentum in this direction already exists. Both government and industry have shown awareness—though not yet enough—of the environmental side effects of their activities. The Wilderness Act of 1964 set aside vital acreage for protection and provides a method for setting aside much more. Two months ago President Nixon established an Environmental Quality Council at Cabinet level, with himself as chairman and his scientific adviser Dr. Lee DuBridge as executive secretary. The same executive order set up a Citizens' Advisory Committee on Environmental Quality, with Laurance Rockefeller as its chairman. Both groups have a broad charter but have yet to show what they can do. Such industries as chemicals, oil and utilities have recently shown a greater responsibility toward the environment in which they flourish.

Public concern has also increased. The destruction of rivers by chemicals and detergents, the destruction of wildlife by insecticides, the destruction of landscape by indiscriminate and ruthless "development"—all are now less likely to occur without protest than was possible 10 years ago.

Nevertheless, not nearly enough information exists to enable government, industry and the public to determine whether or not specific projects should be approved. The Santa Barbara oil-drilling leases, granted by the U.S. Department of the Interior, might not have been granted if the full extent of the threat had been known. The use of DDT, a successful chemical against insects, is either being questioned or has been banned in 17 states because its damage to other forms of life is finally recognized. Marshlands that have been filled in and gobbled up by industry and housing might well have been protected if more people had realized that one acre of marshland potentially can pro-

duce 10 times as much animal protein (fish, oysters, clams, crabs) as one acre of farmland.

Quite aside from the purely physical destruction involved in careless exploitation are the esthetic losses. Even when no ecological damage is committed, we constantly afflict the eye with shoddy excrescences of bad design, ugly and haphazard travesties of modernity spattered across the landscape in the name of expansion.

Life will undertake to treat these themes in pictures and words. We will report the threats and attempt to show how they can be opposed and, if possible, defeated. We believe that the threats are serious, that the potential losses are critical and that the need for action is urgent.

WE HAVE MET THE ENEMY, AND THEY ARE US

The sight of a bear track on an Alaskan island, intimidatingly huge, a miniature amphitheater filled with three inches of water . . . the smell of spring in Hells Canyon, sweet and soft and fresh . . . the sound of a full and violent river, a ceaseless fast freight smacking along to some midnight rendezvous . . . a sudden stillness in a place vivid with life . . . the feeling of oneness with your tribal past, the ease of letting years blow away like blossoms in the wind . . . an echo off a cedar swamp . . . the suprising gentleness of nature . . . fear . . . wonder . . . solitude . . . mystery. "Wilderness," wrote one connoisseur, "holds answers to questions man has not yet learned how to ask."

Our history was written in prairies and mountains, not castles and cathedrals, and the raw spectacle confronted by the first Europeans on this shore had no equal in the Old World. Americans still live so close to the wilderness, figuratively if not often in fact, that it's difficult for many to see that it is practically gone. It doesn't look that way, flying over the country at 28,000 feet, but almost all that land down there is spoken for—it's being used to graze cattle or sheep, it's part of a military base or a testing site, it's been leased to a lumber company. Excluding Alaska, only between two and three percent of the U.S. qualifies for the federal definition of wilderness: "An area where the earth and its community of life are untrammelled by man, where man himself is a visitor who does not remain . . . [an area] without permanent improvement or human habitation." Most of that slender remnant has either been picked over once, or is about to be. The Wilderness Act of 1964 set aside nine million acres for permanent preservation (a million more acres have been added since then), but left the remaining *de facto* wilderness as a shrinking arena where the final scenes of an old American drama are being played—the conflict between the developers and the conservationists.

In the past the fight has never been even. From the beginning, when the last Conestoga was put on blocks and the boosters fanned into the countryside, building the dam has had clear precedence over listening to the river, clearing the woods has had the edge on getting lost in them. There have been isolated victories for the conservationists through the years—it comes as a revelation to learn that Yellowstone Park was set aside as a "public park or pleasuring ground" 97 years ago—but those were exceptions.

The American creed was and is foursquare for growth; growth is seen to have a sort of *a priori* goodness, a moral value, and against that force the tender arguments of the wilderness lovers ("deep breathers" and "kissers of the wind," one developer calls them) were feeble indeed. Still, there was an ambivalence in the American mind: if conquest of the wilderness seemed necessary and therefore Christian and laudable, it was gradually subverted by the idea of wilderness as sanctuary, as escape, as the resting place of truth and beauty. It's a tough one: both ideas are wholly American, both impulses beat in the

American breast, and thus the conflict is not so much a clash of two opposing groups as it is a collision of two ideas within the mind of each of us. "We have met the enemy," Pogo said, "and they are us."

Both sides indulge in what might be called the "last great" syndrome. In Hells Canyon on the Idaho-Oregon border, for example, private and public power companies have hankered to build a dam for half a generation, claiming that the middle Snake River represents the "last great source of hydroelectric power in the Pacific Northwest." The Sierra Club, a late-arriving but fiercely effective foe of any dam in the canyon, ripostes with the charge that the Snake is the "last great free-flowing river in the West." Both contentions are wrong, and both sides, in moments when candor gets the better of combat, will admit it.

But now the fight is a lot closer to even than it ever was. The reason, probably the only reason that could explain it, is that the public, or at least large segments of it measurable regularly in election returns, has become conservation-minded.

Nothing like reliable statistics are available to document this phenomenon, but its existence is conceded by both dam builders and river preservers, the former with a sour mutter that "the pendulum has swung too far the other way," and the latter with the kind of raucous victory shout peculiar to long-time losers.

Nirvana for the deep breathers is still beyond the sunset, however. David Brower, the eloquent conservationist recently ousted from leadership of the Sierra Club, explains that "there's plenty of power when the public gets excited about a specific issue like Grand Canyon or the redwoods, but there's still not enough day-in day-out support."

Brower's examples are not random; preservation of the Grand Canyon (from a dam which would have backed reservoir water into the canyon) and the redwoods (from the lumber industry) were victories for an army he commanded. Through dogged energy and charismatic flair, Brower built the Sierra Club to its present strength and letter-writing clout. In April he was voted out of office. Critics charged that he was authoritarian, spent too freely and acted without the consent of the club's board of directors. As a result, the conservationists are floundering momentarily for lack of strong leadership. The two most significant and visible leaders of the last decade, Brower and former Interior Secretary Stewart Udall, are currently without portfolio.

The best illustration of the growing strength of the wilderness forces is the sunburst of conservation legislation that emerged from Congress during the Johnson years. The Wilderness Act was only one of dozens that reflected an increasing environmental uneasiness—the scenic rivers bill, antipollution laws, establishment of new parks and others.

In the courts as well, the values of wilderness have begun to get a hearing. A federal appeals court ruled in 1965 that scenic, historic and recreational values had to be taken into account by the Consolidated Edison Company in its proposal to build a nuclear power plant on the Hudson River. A 1967 U.S. Supreme Court decision on the Hells Canyon dam issue introduced the same ideas into an order remanding the question to the Federal Power Commission, where it remains.

Industry itself has begun to show some long-absent sensitivity to conservation. Public relations men go to elaborate lengths to avoid offending the wind-kissers. Some firms have subsidized conservation studies, others have donated parks or wild land to local governments. This kind of thing cuts no ice with Brower, however. He calls it "cosmetics for rape." He is, of course, incorrigible.

Along with the growing power of the conservationists has come a change in the char-

acter of the movement. The wind-kissers, in fact, are in decline. The scientists, more specifically the ecologists, are increasingly important. Nowadays a stand of trees or a piece of sageland is worth preserving not necessarily for its beauty or its opportunity for solitude; it is more likely defended as vital to the balance of nature, the "chain of life" in a given area, or as a natural laboratory containing potentially valuable secrets. The ecologists talk less about the romance of wilderness and more about "ecosystems," distinctive networks of relationships between land and water, vegetation and wildlife.

This has led to some peculiar gyrations. Some scientists are trying to "quantify," in the good new American way, the values of wilderness. This is a ploy born in desperation. For decades developers have been able to show, in dreary charts of "cost-benefit ratios," what specifically might be gained from whatever project they have in mind—read: dollars. In reply the conservationists have fiddled with their fingernails and talked about beauty. Now they are groping for figures to fight the developers on their own terms; hence graphs that measure "scale of valley character" and assign numerical values to a view of a mountain or the presence of a bear.

"What it comes down to is this," says Brower. "If you can't measure a thing, measure it anyway for those who won't know anything about it unless you do."

The ecologists are running the palace, all right, but the troubadours are still skulking around outside in the high grass, practicing birdsongs, comparing backpacks, listening, frowning when they hear an airplane. Udall thinks the two sides, conservationists and developers, now have "a kind of parity of influence," but most conservationists disagree. "There's very little conservation legislation coming forward these days," says one congressman. "The logging and power interests are still damned strong. I'm pessimistic."

The one huge, dark fact dominating the entire question of land preservation is continued population growth. Any question of conserving space leads ultimately to a question of limiting the people with claims on that space. Most defenders of the wilderness are, at bottom, pessimistic about their chances, and spiraling population is the reason. It seems the final, ironic fruition of the "more is better" philosophy—to simply outgrow our resources. Nothing riles conservationists more than the celebration of growth for its own sake—ceremonies saluting the arrival of the 200 millionth American, the National Park Service's breathless releases on rising attendance figures. A Sierra Club poster is only about 20% facetious when it suggests that man, like the bald eagle or the flamingo, is now an "endangered species."

Another dark shadow on the future of wilderness is the state of public ignorance. Despite the growth of interest in the outdoors, most Americans remain urban, motorized and oblivious to the physical and spiritual wonders of the wild. The major recreation phenomenon of the past few years is the growth of trailers and camper trucks, motel rooms on wheels with names like Tear-drop, Week-N-Der, Six-Pac, Rolls Royal and CharAkee. Most camper drivers get no closer to the wild than a national park campground.

On the other hand, though most Americans may personally feel no urge to tramp the back country, they are enchanted by the idea of its existence. The camper truck may become an outdoors teaser: as he sees a little of raw, splendid America, the driver may want to see more; he may even recognize that the easiest way is not necessarily the best way—but that's getting giddy.

For the men who draw up "master plans" and "long-range policy," then, there is this difficult series of questions: what does the majority want, open country or scenic over-

looks? Do you strike a balance between tourist development and wilderness preservation and, if so, how? Is *everything* that remains worth saving, or just some of it? (When conservation pioneer Bob Marshall was asked how much wilderness was enough, he replied, "How many Brahms symphonies are enough?" He was incorrigible too.) How do we develop an ecological conscience in America? Through education, but why haven't we done so? Why aren't children taught to respect all living things? Wilderness is peculiar among American possessions in that it is not susceptible to compromise. To take some wilderness is still to take wilderness. Roads cannot be unbuilt.

The men who worry about these questions have come up with a few suggestions. (No ideas or initiatives have come from the new Administration, except for the President's creation of an Environmental Quality Council. "We're trying to steer clear of the controversial ones right at the start," says a high Interior Department official.) Here are the proposals:

The National Park Service is considering eliminating cars from some parks and operating campgrounds on a reservation system, as opposed to the present first-come, first-served method.

Some conservationists have urged that tax relief be granted to encourage the prevention of open space. Pay landowners, in effect, not to develop their land.

Udall suggests that "environmental mediators" could arbitrate disputes between developers and conservationists in the manner of labor mediators.

Brower would like to see a sort of Fair Conservation Practices Commission, an independent nongovernmental agency with authority to review projects before and after construction.

Biologist Garrett Hardin proposes that access to wilderness be limited to those "of great physical vigor," willing and able to walk and to take the risks of the wild, and that wilderness and park areas be established at graded levels of difficulty according to ability.

Hardin's intriguing idea recognizes the final paradox: as more people learn to know and appreciate wilderness, more will want to experience it. Ultimately, their numbers might destroy it just as effectively as would highways or snack bars. It could be cherished to death.

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

The PRESIDING OFFICER. The time for morning business having expired, the Chair lays before the Senate 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 Senate proceeded to consider the bill.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

Mr. McCARTHY. Mr. President, I commend the efforts of the Senator from Michigan (Mr. HART) and the Senator from Kentucky (Mr. COOPER) and those who have worked with them over the last year in carrying the issue of the anti-ballistic-missile system to the Senate, and, beyond that, to the American people.

The matter of antiballistic missiles is one that has been before the country and before the Senate for nearly 10 years. Presidents Eisenhower and Kennedy both considered anti-ballistic-missile systems. They both decided against the deployment of the Nike-Zeus, although subsequently President Kennedy initiated development of the Nike-X system, which was never recommended for deployment, but from it developed the Sentinel and, more recently, what is called the Safeguard system.

Nearly 2 years ago, in September 1967, former Defense Secretary McNamara announced that the United States would deploy an anti-ballistic-missile system. Since the September 1967 announcement, the reasons given for the deployment have continually been changed.

At one time, in the first presentation by Secretary McNamara, we were told that we needed it because of the Chinese threat. Secretary of Defense Laird, the current Secretary, now stresses the Russian threat.

The Defense Department's public report of a new and expanded Russian threat followed the decision to deploy the ABM rather than preceded it. We were told, also, that it would provide protection in case of an accidental launch of missiles, and other incidental arguments were given.

It was also argued that deployment would not have a significant impact on the strategic arms race with the Soviet Union or upon our efforts to control that race. This was in 1967. Now we are told that deployment would have a significant effect upon the effort to bring about some kind of disarmament, in almost direct contradiction to the arguments which were made roughly 2 years ago, when the first presentation was made.

We have also changed the name of the system. The Nixon administration, having concluded that the Sentinel evidently was unacceptable, revised the name, changed its mission to some extent and offered it to us again as the Safeguard system. But, it is pretty much a matter of old wine in new bottles and old programs under new titles.

As I see it, the case against the deployment of this system is based on at least four points, all of which have been discussed at some length in recent debate in the Senate and, of course, developed over the years.

The first is the scientific and technical challenge. Repeatedly, scientific and technical witnesses have challenged the

capability of the Safeguard system to perform under attack or, indeed, of any ABM system to add very much to our security. The best examination of this point that I have seen is that of Prof. Robert Axelrod, of the University of California at Berkeley, who raises these three points:

First, he says the argument that the Soviet's deployment of the new SS-9 missile is a threat to American security is only true if the worst of a range of possibilities comes true on each of seven factors. These factors are the size of the payload of the SS-9, the accuracy of the missile, the yield/weight ratios the Soviets can achieve, the number of warheads on each booster, the number of boosters deployed, the Soviet political intent, and the vulnerability of both the Polaris system and our B-52 force. He says that if any of these factors are not as bad as Secretary Laird has been assuming, then the SS-9 is not a serious threat, and its existence and deployment would not justify the deployment of the ABM system. Professor Axelrod states:

I believe none of them are probably as bad as he has been supposing they just possibly might be.

Second, Professor Axelrod says that the Safeguard system in its first stage of deployment is meant to protect Minuteman missiles from a sophisticated attack. Yet, the components of the system were specifically designed to protect cities against an unsophisticated Chinese attack. At least, this was the explanation 2 years ago. As far as we know, the major components, such as the Spartan missile and the radar, have not been changed, and therefore we must assume that, if what we were told 2 years ago was true and accurate, they are not suitable to the new and sophisticated mission for which or against which they supposedly are now directed.

The third point he raises is that the second phase of the Safeguard system is meant to protect cities. If this mission is to be taken seriously, extensive civil defense preparations would have to be undertaken to protect against fallout. The Defense Department has chosen to tell Congress and the public about this need later rather than sooner, and no significant effort is being recommended or carried out in the area of civil defense.

The second general consideration, I think, is an economic one and one which should be considered as we attempt to deal with the question of the surtax. This has now become the great point at issue, through which inflation is to be controlled and the economy put back in balance.

The fact is that we anticipate a \$2 billion surplus in the Federal budget, but that is not particularly important; it is not a question of a balanced budget or a \$1 or \$2 billion difference but, rather, a question of whether or not Government expenditures are for productive purposes. We could raise another \$9 billion and have the surplus run to \$10 or \$11 billion; but if we are going to spend \$30 or \$40 billion on wasteful military expenditures which contribute nothing to the balance in the economy between consumption and production, pouring pur-

chasing power in through salaries and payments on contracts, but do not produce anything on the other side to meet that real and effective demand, then we are going to have inflation and we are going to have, along with it, a kind of depression.

So to say that the surtax is the great issue relating to stability of the economy in this country, without taking into account the actual purposes of Federal expenditures, is, it seems to me, to oversimplify greatly the judgments that have to be made with reference to our economy.

In the last few years we have seen a kind of maturity in our own economic and capitalistic system. The old idea that Marx pronounced, that you had to have war in order to stimulate economic growth, is no longer true in this country. Every time there is now a rumor of peace, the stock market improves and all the indicators tend to lead up; whereas, if there is a rumor of expansion of the war—which was not true in Korea, in World War I, or in World War II—the indicators all go down.

In 1967 we had the automobile strike. It used to be that if you had an automobile strike, the stock market would drop, but in that case it went up. The only explanation is that the automobile industry was competing for the same materials, the same financing, and the same manpower that the war was competing for. I suppose if Marx were to write another book, he would add a chapter in which he would say that to keep the economy going, you have to have either war or the automobile industry; and from the economic point of view, there would be some substance to it.

We need to look, therefore, not only at the military aspect, which is subject to severe question, but also at the economic aspect of the ABM.

Dr. George Kistiakowsky of Harvard pointed out to the Foreign Relations Subcommittee chaired by Senator GORE: . . . had the deployment of the Nike-Zeus been authorized in 1960-61, we would have just about now the full system in operational readiness, after spending what was then estimated as \$20 billion and could have been, judging by analogy with other large weapon systems, twice as much.

I think his projection was on the conservative side.

Considering the current numbers and sophistication of offensive missiles now being deployed by the super powers, it is technically certain that the Nike-Zeus ABM system would now be of little value. It would be obsolescent or even obsolete, judging by the fact that the probably somewhat more modern Soviet ABM defenses around Moscow are rated of little value to the Soviet Union by our competent military experts.

The eventual cost of a "thick" ABM system has been estimated, for example by Dr. Herbert York, former member of President Eisenhower's Science Advisory Committee, at up to \$100 billion.

The third consideration is psychological. To seek to deter aggression and at the same time prepare to limit damage at home is inconsistent. As Dr. George Rathjens of Massachusetts Institute of Technology stated in the April 1969 issue of *Scientific American*:

To the extent that one accepts the action-reaction view of the arms race, one is forced to conclude that virtually anything we might attempt in order to reduce damage to ourselves in the event of war is likely to provoke an escalation in the race. Moreover, many of the choices we might make with damage-limitation in mind are likely to make preemptive attack more attractive and war therefore more probable. The concurrent development of MIRV's and ABM systems is a particularly good example. . . . Hard choices must be made between attempting to minimize the chance of war's occurring in a time of crisis and attempting to minimize the consequences if it does occur.

The danger of the action-reaction phenomenon and the chain of escalation it produces has, in my judgment, been repeatedly demonstrated. For example, when the United States thought that the Soviet Union was going to install some 70 ABM's, even though they had not yet done so, we made the decision to proceed with MIRV's which, if continued, will give us some 7,000 warheads.

We are witnessing today, in the case being made for the ABM system, a demonstration of the rule that when one thinks defensively the threat always rises to the level of the deterrent and then surpasses it.

One observer has said that we are the first nation to have a Department of Defense. It might be better to call it the War Department. Or perhaps we might have two platoons, the Department of Offense and the Department of Defense. However, once you begin to think about the limits needed to be secure, a situation is arrived at where no matter how many preparations are made, it is like the Kafka animal in the burrow that is always apprehensive because he hears the scratching sound.

Secretary Laird says that our military policies and programs should not be based on what our intelligence indicates the enemy is doing, but should be designed to offset their capacity to do all that they can do. The next step, of course, would be to build a defense of sufficient strength not only to offset all that they can do, but to offset all they would do if they could. Thus we are approaching a complete reversal of the classical Clausewitz theory that war is an extension of politics, and in its place we will have a theory that politics is an extension of military program.

Finally, the argument comes down to the diplomatic and political which I think is most important and it is that aspect I wish to emphasize today.

No matter what the technicians or scientists may say about how good or bad the ABM system would be—it might be better if it did not work, and that might be the best argument for it. But whether it does or does not work, the diplomatic consideration is most important.

We have been told that we must approve the Safeguard system because the President needs it for a "card in his hand" in any forthcoming arms limitation talks with the Soviet Union. We are told that we must go into such talks with strength if they are to be successful.

But the whole history of arms control negotiations since World War II refutes this claim. The Soviet Union has never been willing to enter into discussions,

much less agreements, except in a situation of approximate equality. As far back as the days of the Baruch plan, when we alone had nuclear weapons and were willing to give them up if agreements could be reached, the Russians were unwilling to talk. They agreed to meet only when they, too, had developed nuclear weapons.

There has never been any evidence that the Soviet Union could be forced to the conference table or to agreements by the superiority of our force. In fact, the contrary appears to be the case. We tried, for example, to initiate strategic arms limitation talks with the Soviet Union at the end of 1966, at which time we had a considerable superiority in weaponry over the Russians. They agreed to talk only in July 1968, when they had reached a position of relative equality. The idea of "superiority" is meaningless in a situation where each side has the capacity to destroy the other several times over.

In connection with the Soviet agreement to enter the arms limitation talks, it has been claimed several times that the vote in the Senate last year on the Sentinel system influenced the Soviet decision. This is unproven and, in my judgment, unprovable. The joint U.S.-U.S.S.R. announcement was made 3 days after the Senate vote, but we are all aware that joint announcements by the United States and the Soviet Union do not materialize overnight. The joint announcement had actually been the subject of discussion for some time prior to the Senate vote and, although the fact was not yet public, it was known during the debate that the Russians were willing to go into talks.

Finally, we cannot ignore the evidence from the history of the arms race that it is much more difficult to stop a development once it is started than to head it off. It seems clear that ABM deployment by the United States now, as well as continued MIRV development, will make it much more difficult to reach any worthwhile agreement with the Soviet Union on arms control.

Rather than Safeguard being helpful to the President, I believe that the President would be much more free to negotiate if we do not agree to deploy the ABM system.

I, therefore, hope that the Senate will vote against the deployment of this system and support the amendment offered by the Senator from Michigan (Mr. HART) and the Senator from Kentucky (Mr. COOPER).

(A this point Mr. HUGHES assumed the chair.)

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

Mr. McCARTHY. I yield.

Mr. HART. Mr. President, this is my first opportunity to state on the RECORD my regret that my seatmate and good friend has concluded he will not seek to return to the Senate at the conclusion of his term. Let me get that on the RECORD first.

His remarks this afternoon, I think, are an indication of why I am sure all of us have that feeling of disappointment. He is talking about a rather technical subject, and yet he has been able in the course of a very few minutes to

highlight some of the arguments that I have heard made before in a fashion and style that have distinguished him and brought him to the attention of the Nation.

He commented, as an example, that Safeguard is old wine in a new bottle. My impression has always been that old wine is good wine. Is that correct? That is not necessarily correct? My impression is that somehow or other old wine in new bottles is as good as old wine in an old bottle. It was good wine, whether in a new bottle or old, it would not hurt it. The point I make is that—

Mr. McCARTHY. We will straighten that out later. [Laughter.]

Mr. HART. What I mean is that it would not work in an old bottle labeled "Sentinel."

Mr. McCARTHY. That is right.

Mr. HART. Or in a new bottle labeled "Safeguard." The only thing we could be sure of is that it will cost an awful lot of money, whichever bottle is used.

In the style of the Senator from Minnesota, he has made that point so vividly that I rise to thank him.

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

Mr. McCARTHY. I yield.

Mr. STENNIS. Mr. President, with reference to the observation made by the Senator from Michigan about the recently announced intentions of the Senator from Minnesota—

Mr. McCARTHY. I think I should warn the Senator that he does not want to say too many good things about me because I might have to reconsider and I may use anything said about me, but with restraint, of course. I am glad to yield to him on that basis.

Mr. STENNIS. I was going to say that I am not happy about that announcement. It does recall some very pleasant and delightful experiences that I have had with the Senator from Minnesota, as well as the valuable counsel, advice, and assistance which he has given me over the years. I am glad to tell him again that I appreciate it.

Mr. McCARTHY. I thank the Senator very much.

Mr. STENNIS. Wait a minute now—just yield to me a little further now—[laughter]—with all deference to the two Senators and their allusion to the biblical quotation, I do not want to make any bad suggestions but I hope that the Senators are not so tangled up regarding the missiles and the ABM as they were on that quotation. I know that the Senators from Michigan and Minnesota are experts in this field or they would not have ventured out into it.

Mr. McCARTHY. The question is whether new wine in old bottles is any worse than old wine in new bottles. It all depends on the wine.

Mr. STENNIS. Anyway, the reference here that the Senator makes, in all sincerity, I know, to the diplomatic or to the international implications of the ABM, the exclusion or the inclusion of the items in the bill, I do think that is a highly important point. It seems to me just the commonsense of it and the ordinary reasoning, that if the President of the United States—having determined that he wants this defensive weapon in his arsenal, and having determined that he is going to

negotiate about the whole subject matter of arms—is sent over there stripped of one of his main positions, with his left hand at least tied behind him—

Mr. McCARTHY. I hope that the whole box of—

Mr. STENNIS. It would decrease his effectiveness and his position at that conference. I may be wrong. Will the Senator point out where I am wrong?

Mr. McCARTHY. I would hope that the whole box of moon rocks which the President is taking with him would be more helpful to him than the missiles, would not the Senator think? We would have to see how effective they are. The President has promised one to President Suharto in Indonesia. Apparently, he is going to give them out as he goes about his trip. This is a new weapon in the arsenal that he did not have when he proposed the Safeguard. He might use them to negotiate with the Russians.

Mr. STENNIS. I venture to say that the best thing that could happen to both the Soviets and the United States is to have an effective ABM system. If each country knew the other had it, they would come nearer to the stage—

Mr. McCARTHY. I think I quite agree. If we were to develop an effective ABM system and give it to the Russians, we would both have an effective ABM system. Then we would both have Maginot Lines and we could be certain that we were at about the same level. The projection of it now is that it would give us an advantage, since the Russians could not be effective against us. That seems to me to create a continuing imbalance which could only make the Russians suspicious and intensify both their defensive effort and their offensive effort.

As I recently have been challenging the President, I have some reservations about how much power Presidents should have. In another 3 or 4 months, I may have that same respect for the executive department that the Senator from Mississippi has just spoken of. I am in a transition phase right now.

Mr. STENNIS. I thank the Senator for yielding to me and appreciate his further discussion of this subject.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. GORE. Does not the Senator recall how quick the Pentagon was to give assurance to the Senate, upon learning that the Soviets were deploying an ABM system around Moscow, that they could quickly saturate it, that it provided no real defense of Moscow and no major interference with the offensive capability?

Mr. McCARTHY. I recall that.

Mr. GORE. Or could it be that the Russians have stopped deployment of the ABM around Moscow because they, too, have discovered that it could easily be saturated and was really ineffective?

Mr. McCARTHY. I think that is quite possible.

Mr. GORE. Could it be that the French would have saved themselves from a false sense of security and an ineffective defense system had they realized that the maginot line could be flanked?

Mr. McCARTHY. There is no question.

Mr. DOMINICK. Mr. President, will

the Senator from Minnesota yield on the point the Senator from Tennessee just brought up again?

Mr. McCARTHY. I yield.

Mr. DOMINICK. I think that we have already shown, both in the closed session and the open session which is not secret, that the Soviets have not stopped the construction of their ABM system, but they are still continuing. I think that point should be made clear.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. GORE. I invite the Senator from Colorado to come to the committee room of the Foreign Relations Committee, and I will be glad to go with him and show him the testimony.

Mr. DOMINICK. I have already seen the testimony in our own Armed Services Committee.

Mr. HART. Mr. President, I notice that the Senator from Mississippi has left the Chamber for a moment. I wanted to ask the Senator from Minnesota to develop a little more fully his theory with respect to the suggestion that the Senator from Mississippi made; namely, that the President of the United States has told us he wants this system. In addressing the Senator from Minnesota, the Senator from Mississippi made that point. It occurred to me that, for the record, either now or later, all of us would be benefited by having the thoughts of the Senator from Minnesota with respect to the infallibility of Presidents.

Mr. McCARTHY. I did, in somewhat an indirect and theoretical way, talk about this in the course of the campaign last year, not just about military weapons but other powers. It is necessary to have a proper distribution of these powers and some control over all the powers of Government that the Constitution attempts to distribute among the three branches of Government. They are at least reasonably well distributed. Congress, and the Senate generally, accepts that we should not give the President everything he wants in the domestic field. For example, there is no real disposition to say that we should give him whatever tax program he wants, but we should review it. There is no disposition that we should give him whatever he wants in the way of a foreign aid program. All of these are instruments of administrative and Presidential power, to some extent, but are shared with the Senate and with the House.

It seems to me that when we move into the important area of military action and defense, it is even more important. It involves the largest item in the budget and actions which are likely to have the greatest bearing on the welfare of this country and its influence on the world. At that point we ought to do even more and be more restrictive and harsher in our judgments of the President's requests which come to us and also more willing to fulfill our responsibility under the Constitution.

I think in the case of the ABM we have what is not really a basic military question; it is a question not as much of military policy as it is a question of diplomatic or foreign policy. It is a question of

how we want to deal with other nations in the world.

For those reasons, leaving out all considerations of science and technology, the Senate ought to put a "hold" on this by its action in the next few weeks.

CONGRESS MUST RECONCILE MILITARY SPENDING WITH DOMESTIC NEEDS

Mr. PROXMIRE. Mr. President, the great concern over the size of the military budget has at least reached the level of a full-fledged congressional debate. Most encouraging is the fact that the discussions are being conducted in the context of competing nonmilitary priorities. I consider this to be the most significant debate of public policy in my career as a U.S. Senator.

For years the shibboleth of "national security" has served to obscure the real military needs of this country while at the same time sacrificing its domestic needs. The common assumption has been that any increase in military spending represented an increase in national security. The enormous size of the military budget today—almost \$80 billion—is a testament to the success of the purveyors of this assumption. Yet recent disclosures suggest that we would have more national security if we spent less on defense.

MILITARY INEFFICIENCY

For one thing, we have learned about the enormous inefficiencies within the military establishment. There is inefficiency in procurement, in the purchase of weapons systems. There is inefficiency in defense production. There is inefficiency in the management of Government-owned property. There is inefficiency in the use of manpower. Many are asking why these inefficiencies should be allowed to continue.

Why should the taxpayer have to foot the bill for huge cost overruns such as the \$2-billion overrun on the C-5A and the more than \$3-billion overrun on the Minuteman program? Why should we be spending billions of dollars on weapons systems which are canceled before they are ever deployed because they do not work or for other reasons? The Manned Orbiting Lab is only the most recent example of this kind of boondoggle. Why is the military allowed to spend \$1.2 billion on the Sheridan/Shillelagh tank, hundreds of which are now in storage because they are defective?

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

Mr. PROXMIRE. I yield.

Mr. TOWER. The Senator is aware, is he not, that NASA has announced it is going to orbit a laboratory, and therefore there might have been duplication in that effort? Probably the NASA-sponsored effort would accomplish the same thing. I am sure the technology gained is of some value to NASA.

Mr. PROXMIRE. I presume that proposal by NASA will be reviewed by the Congress. I hope we look it over very carefully.

Mr. TOWER. I meant to say "proposal."

Mr. PROXMIRE. No doubt there are many benefits from any kind of proposal

by NASA or the Defense Department, but we have to put it in the context of other demands, including our economy and the inflated budget and that we need to cut back spending wherever we can without serious consequences. I think this is one area where we can and should.

In addition, serious questions have been raised about the basic assumptions underlying our military policy. These questions range from the definition of American vital interests and the nature of our foreign commitments, to the size of our general purpose forces, to the need for individual weapons systems. Perhaps the most basic of all assumptions now being questioned is the assumption that this Nation must be prepared to fight in two major wars and one minor war simultaneously. This is the so-called 2½-war contingency, and I must say, judging from discussions with my colleagues, the very existence of this assumption came as a revelation to some of the most distinguished and knowledgeable Members of the Senate when it was first discussed publicly a few months ago. Obviously, the 2½-war contingency has tremendous budgetary implications.

NO CHALLENGE OF MILITARY SPENDING

The unhappy fact is, however, that while inefficiencies and military policies are being questioned today, they have been allowed to develop in the past without serious challenge from those outside the Military Establishment.

A number of factors have enabled the military planners and the military spenders to claim their inordinate share of the public purse. The Nation as a whole, aware of the frequency of war and the possibility of foreign aggression, has generally supported requests for funds for the purposes of deterrence and defense. Unfortunately, however, modern technology and modern organizational techniques have made it extremely difficult for the average citizen and for the average Member of Congress to discern the difference between necessary military spending and unnecessary military spending.

In theory the Government functions in such a way as to minimize unnecessary spending. In the executive branch, the budgetary process is designed to coordinate and scrutinize the spending needs of the various agencies. With the aid of the Bureau of the Budget and the Council of Economic Advisers, the President is supposed to be able to make decisions about the size of the budget, including the military portion, and its impact on the national economy.

BUREAU OF THE BUDGET OUT OF ACT

We have learned that this theory is not working. The Bureau of the Budget, for example, went out of the business of conducting independent reviews of the defense budget several years ago. It has simply not effectively scrutinized the military budget. Its relations with the Department of Defense are vastly different from its relations with other agencies. It conducts independent reviews and thoroughly scrutinizes the budget requests of all agencies except one, the Department of Defense. As a result, the Military Establishment has created a

special relationship with the President and has successfully subverted the role of the Bureau of the Budget.

In April of this year the Joint Economic Committee urged that the Bureau of the Budget increase substantially its efforts to analyze and evaluate issues related to defense spending. The Committee made this recommendation because after its annual hearings on the economic report of the President it concluded that the Bureau of the Budget was not doing its job adequately. There have been indications that the BOB wants to more effectively exercise its responsibilities in this area. I sincerely hope that it is successful. We will know soon enough after we are able to evaluate its efforts with regard to the budget for next year.

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

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

Mr. DOMINICK. Would the Senator not agree that the revision of the budget by President Nixon when he came into office to reduce military defense spending was good?

Mr. PROXMIRE. Yes, indeed; and I would say the emphasis that the President, or that Budget Director Mayo, put on military budget review, and the assignment by Mr. Mayo of Mr. Schlesinger to that area are good indications. As I say, it is going to take some time to see whether or not they are going to get results.

Mr. DOMINICK. Would the Senator not also agree that the action of the Armed Services Committee in cutting almost \$2 billion from the proposed budget, as it came to us, was good?

Mr. PROXMIRE. Absolutely. I think the Armed Services Committee deserves great credit for taking that action. I was delighted with it. I am not surprised, because the Senator from Mississippi (Mr. STENNIS) has been very careful in scrutinizing military spending. He was in charge of the military construction appropriation for many years. That was the one appropriation bill which, year after year, was under the House level. In all other areas the Senate figure was over the House figure. I speak of the time I was on the Appropriations Committee and the Senator from Mississippi was in charge of that particular appropriation.

Mr. DOMINICK. I wanted that to be clear for the RECORD, because I was afraid that, as the speech was made and delivered, it would look as if it were an overall attack of the way the administration and the Armed Services Committee have worked.

Mr. PROXMIRE. It is not. I am sure the Senator recognizes that this is one area where we can dispense with partisanship, because it is an enormous responsibility for all of us, and it crosses party lines.

But the important point is that the Bureau of the Budget has not operated effectively with regard to military spending for many years. Its failure has deprived the Nation of one of the instrumentalities on which it has relied to check excessive military spending.

COUNCIL OF ECONOMIC ADVISERS IGNORES MILITARY

Similarly, the Council of Economic Advisers has been completely inadequate as a source of analysis and evaluation of the economic impact of military spending. The Joint Economic Committee in its annual report was sharply critical of the Council on these grounds. The report states:

We have had little concrete analysis of the defense budget or guidance from the administration—

And, frankly, this does apply to the previous administration—

of the important question of the allocation of our resources between military and civilian programs. This committee urges the Administration to focus attention on assessment of our nation's requirements and goals, the definition of long-range objectives of economic policy, and development of more realistic means of establishing priorities in public expenditure. We would expect the Council of Economic Advisers and the Bureau of the Budget to play a key role in conducting this effort. We feel that there are some limitations in the analysis of defense spending, in the report submitted to Congress. The annual report of the Council of Economic Advisers, for example, confines its analysis of defense spending to less than two pages.

And that was a report of well over 100 pages.

We urge that the Executive Office of the President undertake on-going and comprehensive investigations of defense procurement matters and submit their findings to this Committee as part of the Annual Economic Report.

On June 12, 1969, the Chairman of the Council of Economic Advisers, Paul W. McCracken, testified before the Subcommittee on Economy in Government in the hearings on "The Military Budget and National Economic Priorities." In view of the annual report of the Joint Economic Committee and other criticism of the Council, I looked forward to Mr. McCracken's appearance to see if there had been any shift in emphasis by the Council toward the area of military spending. Frankly, I was most disappointed.

Specifically, I asked the Chairman whether the Council of Economic Advisers has undertaken a study of the manpower demand of defense spending or whether such a study is planned. The response: No specific study is underway now. I asked whether the Council was studying the impact of the high demands of defense contractors on the limited supply of engineers and technical personnel or whether such a study is planned. The response:

Only in general as we are concerned with Labor-Management Council.

I asked whether the Council had undertaken a study of the enormous rise in defense prices for the past few years or whether such a study is planned. The response: "No." I asked whether the Council had undertaken a study of the economics of military procurement with the view toward eliminating the national economic inefficiencies. The response: "No."

The situation is deplorable. There seems little hope at this time that the Council of Economic Advisers is even con-

templating a study of the impact on the national economy of defense spending. Apparently, where the CEA is concerned, the President can expect no counsel on matters relating to the defense budget and its impact. Perhaps we ought to rename this body "The Council of Economic Advisers for Civilian Affairs" and create a new "Council of Economic Advisers for Military Affairs."

For, in my opinion, the Council is keeping only one eye on the economy. It is using only half its vision to study fiscal policy, inflation, employment, poverty, and the other problems it concerns itself with. As far as military spending is concerned it has had and continues to have a serious blind spot.

MILITARY BUDGET UNDER CONTROL

The inadequacy of the Bureau of the Budget and the Council of Economic Advisers reflects a general pattern within the executive branch. None of the powerful or influential groups in the executive branch have had very much to say about military spending. The Department of Defense has been able to frame its own requests for funds and submit them directly to the President. The President has not had the benefit of expert, critical, and independent advice on the military budget. The forces that act as countervailing and balancing influences on most of the budget within the executive branch simply do not exist or do not operate with respect to the military portion.

In the recent hearings on "The Military Budget and National Economic Priorities," the former Secretary of the Interior, Stewart Udall, gave us an important though disturbing insight into the operation of the executive at its highest level. Mr. Udall spoke of a serious imbalance between military and civilian spending and between the manner in which military problems and civilian problems are approached in this country. I asked him whether, during the time he served with such great distinction, there was any opportunity to argue the civilian case for Federal funds within the administration, for example, at Cabinet meetings or other high-level conferences.

Mr. Udall responded:

No, neither of the Presidents that I served under had any systematic institutional way whereby there was a forum where you could argue domestic priorities against military priorities. It just was not a subject that was discussed.

The question of domestic priorities versus military priorities has not been a subject for discussion in the highest councils of the National Government. This is one of the primary reasons the American people today face what Stewart Udall calls the military juggernaut.

CONGRESS ALSO FAILS TO CHALLENGE MILITARY

The situation in the legislative branch has been equally as bad and, in some respects, worse. The legislative branch has not developed even the appearance of a rational decisionmaking process. The executive branch and particularly the Department of Defense has at least formally adopted a system of analysis and evaluation for spending programs.

The executive decisionmakers are able to take advantage of comparisons of benefits and costs to be anticipated from a decision. They are able to weigh quantitative evaluations not only of the economic costs of programs but also of a variety of alternative ways of reaching similar goals.

Congress has lagged far behind the executive in this regard. While there is much evidence, in my judgment, that the decisionmaking process for military policy is distorted by irrational and self-interested influences in the executive branch, Congress does not even go through the motions of systematic analysis and evaluation.

The problems of congressional decisionmaking are not often discussed in Congress. It is a taboo here and the committee structure with all its inadequacies and shortcomings is regarded by many as some sort of a holy cow.

Yet the vast majority of us know that the authorization and the appropriation process often does not produce rational or good decisions and this is especially true in the area of military spending. I have stated before and I repeat today that the congressional appropriation process is a classic example of an inexplicit, closed, and uninformed decision process.

A congressional committee does not normally have the opportunity to compare alternative programs for obtaining objectives. It does not normally understand the benefits and costs of programs, particularly with regard to future costs.

Usually the executive comes before Congress with a single budget and a single set of programs. The committees might change the budget somewhat, and sometimes programs are modified. But changes and modifications are relatively slight. The executive knows it will get from Congress more or less what it requests.

Especially in the area of defense spending, the congressional committees have played a passive, noncritical, and overly permissive role.

At this point, however, I make the exception which the distinguished Senator from Colorado has already made. This year the Committee on Armed Services has done, I think, a very good job. They have made a good start in discriminately handling that budget. But I think my criticism has been true over the years, and of course that is what I am aiming at.

As John Kenneth Galbraith pointed out in the hearings on "The Military Budget and National Economic Priorities," Congress has sorely neglected the economics of defense.

The Pentagon and defense contractors have used fear, secrecy, propaganda, and monopolization to obtain fat budgets and fat contracts. Congress, up to this year, has acquiesced.

CONGRESS CAN AND SHOULD DO JOB

We have all heard the excuse that military affairs are so technical and complicated that decisions about weapons systems and military policy are best left to the experts. Of course, according to this logic, the experts reside only in the executive branch and in the Pentagon. I

personally reject this argument for the abdication by Congress of its constitutional responsibility to provide for the common defense. For many years, Congress has succumbed to the temptation of delegating its authority to the executive branch. The technical expertise argument has been used to rationalize this delegation of authority. I have even heard it said that Congress is not supposed to sort facts and technical arguments. Rather, according to this view, Congress should simply rely upon the knowledge of the experts in the executive branch, and exercise only common-sense judgments about the broader policy questions with the aid of its own wisdom and the political pressures it perceives. This, in my judgment, is ridiculous.

The function of the legislative branch is to make decisions on matters of public policy within its jurisdiction. National defense under the Constitution is clearly within the jurisdiction of Congress. In order to make intelligent decisions about these matters, however, Congress must be informed. It is precisely the lack of information about military affairs that forms the main obstacle to intelligent decisionmaking in Congress today.

Congress, in fact, is badly informed and often misinformed by the Pentagon. The numerous and shocking cases of large cost overruns, poor performance, and late delivery of weapons systems reflects very poorly on the ability of Congress has succumbed to the temptation breakdowns of military procurement, of course, also reflect very poorly on the Pentagon's ability to manage the affairs entrusted to it.

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

Mr. PROXMIRE. I yield.

Mr. DOMINICK. Mr. President, I once again repeat what I said before. The Senator will recall that one of the principal areas of the fight against the so-called TFX arose out of committee. And, despite all we could do, it was a civilian, Secretary of Defense McNamara, who pushed this through under the Johnson administration.

The committee was trying to stop it because it did not think it was going to work. We were unable to get enough support to do that until last year, not this year. Last year the committee took the steps to cut out totally the FB-111, the Navy version of the TFX.

I should think the distinguished Senator would agree that this was a good move.

Mr. PROXMIRE. Yes, indeed; and I think that over the years there are unquestionable examples—unfortunately, they are isolated and occasional—in which this kind of action has taken place. And it is highly commendable.

My point is that Congress by and large—and I think there were exceptions—has not been systematically informed. Congress has not conducted the kind of supervision it should have. Congress has not really compared alternatives and has not considered priorities, other than the military priority, with sufficient concern, so that we have not really had a basis for making a decision.

The Senator is correct, and I think the point he makes underlies and emphasizes the point I am trying to make. There are cases, and the TFX is a good example, where Congress has done a good job and has caught a mistake made by the Defense Department.

It is true that this has still cost the Federal Government and the taxpayers an enormous amount of money.

My point is that until we are much better staffed and informed and until the GAO does a much more comprehensive job than it has done in the past, we will not be able to stay on top of the problem the way we should.

Mr. DOMINICK. Mr. President, I would agree. We can certainly go along with having a more detailed analysis.

As the Senator knows, I have been involved in some of the procurement contracts myself and have managed to get some changes made because they were mostly noncompetitive, and they were expensive.

The Senator referred to the fact that the military put in the TFX. That is not quite so. The military was against the TFX. It was the Secretary of Defense that put in the TFX on his say so. And no one else did it. The Secretary of Defense was able to do it under his power as a civilian, as the Secretary of Defense, which is a civilian office.

As far as the Appropriations Committee is concerned—and, unfortunately, I do not serve on that committee, but my colleague from Colorado does—the committee when it starts to consider the bill cannot consider alternatives, because they are bound by what is in the authorization bill. So they cannot consider the alternatives under our system unless they are to be faced with the question of a point of order on the appropriations bill when it gets to the floor.

They are required by the method under which Congress and the Senate has worked for these many years to work within the confines of a military procurement bill.

I think that what the distinguished Senator from Mississippi (Mr. STENNIS) has done this year and what the Armed Services Committee has done in previous years has been pretty effective in trying to analyze the proposals.

We were not sure whether this was the right way in which to proceed. We did not have enough manpower to be able to investigate it fully, as the Senator has pointed out.

We have kept a lot of these projects in the research and development stage, and then when it seems that they are not working properly, we cut them out. We have done this over and over again.

I think that we can do something more and should do something more, as the Senator has said. However, I do not think it is fair to say that the total blame is on the military.

The military has to work on the policy that is given to them and they have to decide under that policy what weaponry they need to perform the job.

Mr. PROXMIRE. Yes, indeed. I would say that, far from the total blame being placed on the military, very little of it should be on the military. The military is doing its job.

If I were in the military or if the Senator from Colorado were in the military, our job would be to come to the executive department first and then go before a congressional committee and do the best possible job of trying to convince Congress or the Budget Bureau or the Secretary of Defense that in our judgment the weapon involved was desirable and workable.

The Senator is exactly correct.

My criticism has been directed at the executive branch and the Secretary of Defense and at the whole Pentagon operation. I am talking about the civilian part of the Pentagon, and also the Council of Economic Advisers, the Budget Bureau, and those of us in Congress.

I agree that the military itself cannot be held to blame.

We cannot expect the military to come in with a balanced program and consider all of the priorities. That is our job.

Mr. DOMINICK. Mr. President, I am glad the Senator has pointed that out.

We get carried away with a fervor and blame everything on the military because we do not like the war in Southeast Asia.

I do not like the war in Southeast Asia either. To make a personal reference, I have a son in that war. I do not like it a hoot, but he is there.

The question concerns whether this is the fault of the military. Some people say it is and some people say it is not. However, the ultimate policy decision has to be made by civilians. That is the point that we should keep in mind.

Mr. PROXMIRE. The Senator is exactly right. That is the thrust of my speech.

FEDERAL GOVERNMENT FAILURE ACROSS BOARD

In short, the Federal Government is not doing a good job of controlling military spending.

The cost to the American taxpayer of this poor performance has been enormous. On the one hand the enormous increase in the defense budget from approximately \$50 billion in 1965 to \$80 billion last year has been a major contributing factor to the high rate of inflation during this period.

It is recognized that no one factor can be singled out as the sole cause of inflation, but it is also recognized that Government spending can be a major cause. Because defense expenditures make up such a large part of total Federal outlays, and because defense expenditures constitute an even greater share of relatively controllable Federal expenditures, they can have a profound impact on the national economy. Indeed, the defense budget today comprises approximately 80 percent of relatively controllable Federal expenditures. Obviously the defense budget since 1965 has had a profound impact on the economy.

In a study submitted to the Subcommittee on Economy in Government, Assistant Secretary of the Treasury Murray L. Weidenbaum analyzed the controllability of Federal budget requests for fiscal year 1969. He broke down budget requests for each department or agency, using data from the current budget document, to show which funds are rela-

tively uncontrollable and which relatively controllable.

I make that point because when people talk about cutting Federal spending they seem to think that they can cut the entire \$192 billion. Obviously we cannot cut the interest on the national debt or the pension paid to people on social security or to the veterans. Only about one-half of the budget is controllable.

According to Secretary Weidenbaum's analysis, of the \$104 billion in relatively controllable budget requests last year, \$77 billion was for the Department of Defense.

I ask unanimous consent that the table constructed by Secretary Weidenbaum illustrating this point be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, obviously the Defense budget has a profound impact on the economy.

INFLATIONARY IMPACT OF MILITARY SPENDING

In my judgment, the failure of those of us who occupy responsible positions in the Federal Government to adequately control the defense budget has been the single greatest cause of inflation in the past 5 years. The surtax enacted last year was made necessary by the high rate of defense spending. It should be recalled that the surtax in the final analysis was and is a tax to support military spending. Its supporters have advocated it as an anti-inflationary device, but the inflationary pressures which this tax is supposed to relieve have been to a large extent produced by high military spending.

In my judgment it is more important to remove this primary cause of inflation—excessive military spending—than it is to deal with the symptoms of inflation through taxation. The surtax by itself may only be a prescription for recession. If military spending is not reduced in the near future, no amount of taxes piled upon taxes piled upon the shoulders of the taxpayers can have a salutary effect on the national economy.

The pending bill offers an excellent chance to start in that direction.

At the same time that inflation has brought about a de facto devaluation of the American dollar, reducing the value of savings and fixed income, excessive military expenditures have also brought into sharp contrast our failure to confront domestic nonmilitary problems. This failure, in the long run, may be the most disastrous of all.

DOMESTIC NEEDS IGNORED

Professor Galbraith, in his testimony before the Subcommittee on Economy in Government, said:

By starving our public services, failing to live up to the goals that we have proclaimed and that we put before the younger members of the community, failing to make the kind of attack on housing, poverty, educational deficiency, environment—the things that we have talked about but have not accomplished—we have contributed substantially to the alienation of the younger generation from our Government.

The fact is that whether or not we agree with those who would shift re-

sources from the defense budget into public services, the great difference in our attitudes toward military needs and civilian needs gives cause for great concern. In addition, we not only approach the two kinds of problems differently; we carry out our commitments in these areas in entirely different and contradictory ways.

Joseph A. Califano, Jr., whom almost all Members of the Senate know, was one of the ablest men working for President Johnson. Mr. Califano, former special assistant to President Johnson, has articulated this important distinction. Testifying in the hearings on the military budget and national economic priorities, he pointed out repeatedly that the Nation is urged to fulfill its military commitments. Needless to say, these commitments, whether to purchase weapons systems or spend blood for allies, are religiously kept.

FAILURE TO MEET COMMITMENTS

But how well do we keep our nonmilitary commitments to the American people? Mr. Califano made the following statement:

I believe that we hear too much about these commitments and not enough about our commitments at home—about our commitments to the pressing needs of the American People. It is essential to consider our domestic commitments and weigh them against our military commitments.

Because we have never hesitated to provide the resources or make the sacrifices that were considered necessary to protect our national security from foreign dangers, yet time after time we have failed to provide the resources and make the sacrifices necessary for all Americans to live at some minimal level of human dignity and spiritual tranquility.

I believe that any one who reads the daily newspapers must realize that our domestic commitments involve the national security at least as much as do our military commitments abroad.

The Joint Economic Committee in its annual report discussed two of the national domestic commitments which the Federal Government has failed to keep. Housing is the most outstanding example of the Government's failure to fulfill its domestic commitments. In 1949 the Federal Government committed itself to helping every American family obtain a decent home and suitable living environment. Only last year, in the 1968 Housing and Urban Development Act, Congress recognized that this promise has not been kept and reaffirmed the 20-year-old housing goal.

In 1964 the Federal Government, through the Economic Opportunity Act, committed itself to the elimination of poverty. The Joint Economic Committee has reported that since 1964 we have not advanced beyond the stage of recognizing the problem, developing creative new responses, and raising the expectations of the poor. In my view, we have made some progress in the war against poverty, but not nearly enough. One can only wonder whether the Federal Government will renege on this promise too.

Similarly national commitments can be found in areas of education, transportation, pollution, and many other

areas of urgent and critical need. These obligations go unfulfilled while tens of billions of dollars are spent in the defense industry and in our far-flung network of foreign military bases.

It was with these facts and these imbalances in mind that the Joint Economic Committee reported:

The Committee believes present and past allocations of public and private resources to the economic development of our urban and rural areas have been inadequate. The place of economic development in our agenda of priorities should supersede less essential programs contained in the defense budget, space exploration, the supersonic transport, and certain public works projects.

I do not mean to say that an absolute transfer of funds from the military budget to the civilian budget will automatically bring us closer to our national goals. In my judgment, there is at least as much inefficiency and mismanagement in the administration of some portions of the civilian budget as there is in the military budget. In addition, even under ideal circumstances of Federal administration, there is no assurance that the expenditure of public funds alone will solve problems. In some instances, the expenditure of Federal funds have created more problems than they have solved. For example, according to the report of the Douglas Commission, in the past two decades we have demolished more housing by public action through such programs as highways and urban renewal than has been built under all federally aided programs.

BIG JOB: CUT MILITARY BUDGET

The reallocation of natural resources will be a difficult job in the years to come. But the immediate task must be to reduce the size of the military budget. Excessive military expenditures are frustrating the efforts of those who would like to see a reallocation of resources, as well as creating distortions and stresses in the national economy.

We would do well, before continuing our uncritical support of the military budget, to ask the questions raised by Senator WILLIAM FULBRIGHT in his testimony on "The Military Budget and National Economic Priorities":

What do we want our Nation to be?

Do we place a greater value on trying to mold foreign society than we do on eliminating the inequities of our own society?

What does the budget for defense mean in terms of dividing up the pie?

The budget, as Senator FULBRIGHT succinctly put it, tells the story. Our system of priorities is cockeyed. The way we allocate our resources is the fundamental barometer of our values as a civilized society.

What kind of a country do we wish America to be?

In the past Congress has shied away from these hard questions. Instead there has been a tendency for Congress to allow itself to become the tool of the military planners.

There are encouraging signs that Congress is breaking away from these bad habits and that it is beginning to assert its independence and exercise its responsibilities as a co-equal branch of the Government. The question is whether

it is too late, whether too much damage has been done, whether we have either been terrorized or lulled into submission to the Military Establishment.

EXHIBIT 1

TABLE 1.—CONTROLLABILITY OF FEDERAL GOVERNMENT BUDGET REQUESTS, FISCAL YEAR 1969

[In millions of dollars]

Department or agency	Relatively uncontrollable				Total
	Trust funds	Permanents, indefinites	Fixed charges	Ongoing projects	
Funds appropriated to the President.....	1,324				4,819
Agriculture.....	68	735	3,831		2,896
Commerce.....	134	214			679
Defense—military.....	7		2,313		76,796
Defense—civil.....	9	4		950	344
Health, Education, and Welfare.....	37,670	41	7,456	13	6,190
Housing and Urban Development.....	159	1,821	358		3,004
Interior.....	97	268		180	312
Justice.....					542
Labor.....	4,095		145		596
Post Office.....		920			920
State.....	12	2			414
Transportation.....	4,703	70	51		1,701
Treasury.....	39	15,425			54
Civil Service Commission.....	3,626		42		131
General Services Administration.....		1	2		327
Railroad Retirement Board.....	1,064		18		1,082
Veterans' Administration.....	746	12	4,664		2,368
NASA.....	1			2,133	2,235
Export-Import Bank.....		608			608
Farm Credit Administration.....	535				535
All other.....	773	97	91		896
Total.....	55,062	20,218	18,971	3,276	104,196

Note: Includes requested new obligational authority and loan authority.

Source: Based on data contained in "Budget of the United States Government, Fiscal Year 1969," and appendix.

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

Mr. PROXMIRE. I am happy to yield.

Mr. STENNIS. Mr. President, the Senator from Wisconsin has done a great deal of fine work in this field. He is always constructive and quite energetic.

The first part of his speech was a rather severe attack on the military budget, on the military bill before the Senate. I have a suspicion that he is digging up some atmosphere as a prelude to some of the far-reaching amendments he is going to have soon. I do not blame him for his amendments. However, I do want to point out to him and others that this committee has brought in a bill because we were selected by the Senate to put in writing the weaponry and other things that go with the military program which we think are most probably necessary for our security.

With all deference to the economists and the large number of other people whom the Senator from Wisconsin quoted, they do not have the responsibility of getting down to the nub of these problems and being specific. They do not have the responsibility of providing for a weapon or leaving it out of a bill. When we begin to write a bill and men are still dying every day in Vietnam, and a request is made for more helicopters, we might be doubtful on some point, but we are not going to decide the doubt by leaving helicopters out of the bill; we are going to include them. The Senator from Wisconsin would do the same thing, I feel certain.

Mr. PROXMIRE. I would; I agree to that.

Mr. STENNIS. That is an example of some of our problems. It is not a far-fetched illustration. We not only have to delineate a weapon specifically, whether to leave it in or leave it out, but we also have to put a dollar amount on it.

That is under a mandate of the Senate that there must be an authorization bill which specifies amounts—at least, the top amounts. That is not an easy job. Often there is doubt about the figures. Where can we get accurate figures? None may be available.

Take a relatively simple item such as the cost of sending a son to college for 4 years and then to professional school for 3 years, 7 years in all. Many of the contracts for these items in the bill will run for 5, 6, or 7 years. How can we estimate accurately the cost of a relatively simple item to provide for 7 years of college? The Senator knows that that cannot be done. It may run from 10 to 20 or 30 or 40 percent. Is it an actual overrun of the estimate or value because of a shift or a change of circumstances due to inflation or other factors?

So, as the Senator knows, we cannot be specific about these things in the beginning. I think the word "overrun" is being abused. It is greatly overused because the contracts say on their face that they cannot be specific. Everyone in the trade recognizes that there is a target amount and then an ultimate amount.

I have already referred this afternoon to the contract for the C-5A. It was an experimental type plane. Perhaps because it was not being used in large numbers or for a long period of time, not much was known about it. The matter showed up as an illustration in the light of experience. I am illustrating merely what is involved.

We hear talk about a two and one-half war. That term has been kicked around longer than the Senator from Wisconsin might think. What really created these conditions was when we began to sign every proposed treaty guaranteeing every nation in the world its physical security and integrity.

It seems to be a situation of the more the merrier. I was in on it. I got tired of it and I stopped voting for some of those commitments. But that is the situation we are involved in and we cannot turn 180 degrees and get out. If we could renegotiate those agreements, we could cut down greatly on our commitment.

I hear talk like that from the President, but, Mr. President you cannot just stop in your tracks. Mr. President, what are you going to do with the Philippines and our guarantee as to them? They have not helped us much in Vietnam, it is true. However, we do have a definite promise, and until some substitute is given that promise must be met. What are we going to do about Japan. They have a constitutional provision there which we had put in and we told them we would take care of them. The Senator would not want us to walk out on that situation.

It is not enough to say we have piled up two and one-half wars. No one knows what may be involved. We have to protect ourselves first and, as best we can, carry out what is called for under those commitments. I want to reduce them as much as we can but I do not want to repudiate any of them because we would be laying the groundwork for more trouble later.

I am not being critical of the Senator but we have to keep both sides of the situation in view at the same time.

The Senator referred to the billions of dollars spent on missiles that were canceled before they were deployed. I want to point out that while we were writing up the bill, week after week and month after month, there was an indoor sport on the floor of the Senate talking about the billions and billions of dollars worth of waste that add up to \$23.7 billion wasted—w-a-s-t-e-d. I do not think the Senator from Wisconsin used those words or referred to "wasted" with respect to missiles that are not now deployed.

The catch is in that word. Listed in that group was the old reliable Redstone missile, one of the finest missiles we ever had in the Army. It served a tremendous purpose. For one thing, it put us up with Sputnik. Then, the old Atlas is not remembered now. In time we have gotten a cheaper missile but for awhile it stood there as our sole deterrent in that field of possible intercontinental ballistic missile warfare which through God's good graces did not come. But we cannot charge that missile to waste any more than we could charge to waste the little old plane in which Charles Lindbergh flew to Paris, the first plane to cross the Atlantic Ocean.

I came to the Senate Chamber and undertook to answer that \$23.7 billion charge. I showed where over \$18 billion of that amount went for these useful missiles that did have a place and were deployed and did serve a time and a purpose. About \$5 million of that amount was on missiles that did not turn out. They were like the automobile business. How many automobile businesses fell by the wayside because there was something the matter with them? That is particularly true in this new field of missiles.

The climax to all of the missiles is in the modern ones we have now. All of that money has been spent learning about missiles and is represented now in the better ones we have.

I point this out to the Senator and others with respect to the other side of the picture. The committee has to be specific and put down or leave out these items. It has to give an estimate as to what the approximate cost might be. We are trying to do a better job. We will not make headway in 1 or 2 years. I think the Senator has made a fine contribution by probing into these matters, but it takes time in this field as in other fields.

I thank the Senator for yielding.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator for his friendly and temperate remarks. They are characteristic of the distinguished Senator from Mississippi.

I would like to point out several things. Nothing I said indicates we can only make these cuts or should only make these cuts by foregoing some of our commitments or not meeting commitments.

As the Senator knows, Robert Benson, of the General Accounting Office, an able analyst, made a detailed and specific proposal arguing that we could meet our international commitments with \$9 billion less in our military budget. The Congressional Quarterly last year made a similar analysis to the effect that we could save \$10.8 billion without foregoing any of our commitments. Most recently, Fortune magazine—I noticed it in my office just before I came here—said that by 1972 we could cut \$17 billion out of our military spending without betraying any of our international commitments.

I think it is possible here to argue that we do not have to reduce our commitments, although I think we should reduce some of them, and I think the Senator from Mississippi shares that view.

Mr. STENNIS. That is correct.

Mr. PROXMIRE. I think we could cut our expenditures sharply without walking away from any commitments we have made.

Mr. STENNIS. I think the Senator is correct. I am sure the estimates to which the Senator referred are not directed to the military bill we have before us now on military hardware. That estimate was out of the entire military budget.

Mr. PROXMIRE. The Senator is correct. In the Congressional Quarterly estimate, one-half of that amount was with regard to personnel.

This bill before us started out as a \$23 billion procurement bill as the Johnson administration originally recommended; then the Nixon administration made it \$22 billion; and the Senator's committee made it \$20 billion. It made a substantial cut.

Mr. STENNIS. In round numbers that is correct, but in round numbers 60 percent of the military dollar goes for the salaries, personnel costs, operation and maintenance, general operations, upkeep, and they are not included in this bill at all. This bill represents research and development, testing and engineering and

the weapons themselves, and it constitutes about 40 cents in round numbers out of the military dollar. As the Senator said, \$3 billion has already been taken out for this year alone. When we add up the prospective cost of the new weapons we took out, it will run into many billions of dollars, because we just took out \$20 million in one item that is a weapon system that would have cost \$10 billion, we will say, in the course of the year.

One other illustration. Perhaps, when the shooting stops and after the adjustment period, I hope we can reduce the manpower personnel by 1 million men. I hope it would be back to what it was when the war started. If my arithmetic is correct, that would perhaps come to around \$10 billion in savings right there.

Mr. PROXMIRE. I hope that we can reduce at least part, or part way in that direction, even before the shooting stops, although I think the Senator is correct that the big cut will have to come after the Vietnam cease-fire.

Mr. STENNIS. I agree. We cannot be certain about those things as long as the war is going on. It takes some time after.

Mr. PROXMIRE. I should like to make one other rebuttal to the Senator from Mississippi. I do not want to leave the impression that overruns are a result of inflation. The way a weapons system is designed, inflation and expectation of inflation is written into the contract and provision is made for that to begin with. In the second place, the inflation we have had in manufacturing in general, up until this year, has been modest over the past 10 years, at least substantially less than inflation in the consumer cost of living. Then, in the third place, the Pentagon itself, using its own figures, shows that a modest, relatively small proportion of the overruns can be accounted for, even based on their justification, on the basis of inflation. This is the result, by and large, of inefficiency, of very badly conceived plans, and many mistakes, and also of an extremely poor control system by the Pentagon and the executive branch generally, including the Budget Bureau, and I might also say the General Accounting Office.

Mr. STENNIS. Quite briefly, some of the contracts do have a sliding scale provision as to ordinary inflation, but some of them do not. Inflation, I think, has affected this picture. The Senator talks about inefficiency. That is the key word. We find it not only in defense contracts but also in contracts everywhere. I mean the workmen. Also the management; not just the workmen. We find it, according to my observation, in a lot of stores, service stations, and everywhere else, where the service is not up to what it used to be. The quality of the workmen is not up to what it used to be, either. That concerns me greatly, as I know it does the Senator from Wisconsin. I think we can improve on the contracts, too, a great deal. I believe that we will. I thank the Senator for yielding to me.

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

The PRESIDING OFFICER (Mr. PACKWOOD in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. PROXMIRE. I yield.

Mr. MURPHY. I have been most interested in the reports and comments of our distinguished chairman as he called attention to the many areas that need close scrutiny.

I join the chairman of the Armed Service Committee in his observations. I have had the privilege of serving on that committee this year for the first time. I have also had some experience in business methods. I was amazed at the thoroughness and care with which the chairman and the entire committee have approached their obligations in this matter. It is not just a matter of the Pentagon's sending down a request and everyone rubber stamping it. These things are gone over most carefully. They are questioned carefully. I am pleased that the distinguished chairman made the point clear.

I ask the distinguished Senator from Wisconsin, in the work of the committee, in looking for areas and different areas of concern where savings can be applied or arrived at, has he also looked into the matter of Government buildings?

I have been interested in one particular building that is supposed to have been finished, I think at least 12 months ago, and it is still not finished.

In the matter of overruns, which we hear generally applied to the military, I would be interested to know whether there has been any research or any examination into the matter of overruns in other areas, whether they are militarily so disproportionate, or whether they are some of the things that are brought on in the matter of Government buildings.

Mr. PROXMIRE. I just do not know of any in connection with overruns in this area. I would be shocked and surprised if there had been anything like that in another area that had not been called to the attention of Congress. The overruns go from \$3.4 billion to \$5.2 billion. An \$1.8 billion overrun on one weapons system, one kind of airplane, it seems to me is shocking and drastic. Think of it, \$1.8 billion.

Mr. STENNIS. I agree.

Mr. PROXMIRE. There is nothing comparable to it in the civilian sector or in the nondefense governmental sector. I think the Senator knows that if anything like that occurred in private industry, whoever was responsible would be out of a job in a big hurry.

Mr. MURPHY. I was as shocked as he was when I heard it was being done. I must say that after listening to the questioning by the committee in public meeting of some of the people responsible, both civilian and military, in manufacturing, when I understood the conditions of their contract, when I understood the problems they were facing, and that the original contracts were all made on estimates, completely guessing estimates, because it was the type of operation that had never been conducted before, plus the fact that there had been no secret that Congress had been informed about the overruns as of a year ago, this really should not have come as such a surprise. Having seen the results of the contract, I think it is a shocking amount of money

but I can easily understand how it was honestly and even carefully come by. I looked up the record on that same corporation that had the responsibility, and I must say that they have a good record of avoiding overruns in the past.

Mr. PROXMIRE. In April of 1968, the House Appropriations Committee was informed by the Air Force that the C-5A was in good shape, with no expectation of an overrun. It was in November of 1968 that the Economy in Government Subcommittee discovered the overrun and disclosed the overrun. Of course, the unfortunate aspect of this is that Boeing, which had been selected by the Air Force Selection Board as the best contractor, had been beaten on the bid by Lockheed, \$300 million under Boeing's bid on the contract. But now the Lockheed contract is much more than \$1½ billion over what Boeing had. So the Federal Government is out that much money on the basis of a commercial plane that Boeing has built, and we have no choice now but to spend a whole of a lot more money.

Mr. MURPHY. I agree with my distinguished colleague that in many areas unfortunate practices have grown up over the years in the matter of contracting. It is a difficult field. It is a complex field. It certainly needs as much scrutiny as the committee can give it. I am pleased that the chairman of the Armed Services Committee explained the care which was taken and, hopefully, these records on things which have happened in the past will be well served by the experience of this year and, hopefully, the committee will be able to do a much better and more efficient job in the future.

I thank the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator.

S. 2727—INTRODUCTION OF A BILL TO PROVIDE FOR THE SHARING OF FEDERAL TAX RECEIPTS WITH STATES AND POLITICAL SUBDIVISIONS FOR PURPOSES OF EDUCATION

Mr. MILLER. Mr. President, I introduce and send to the desk for printing and appropriate reference a bill to provide for the sharing of Federal tax receipts with the States and their political subdivisions for purposes of education. I ask unanimous consent that the bill, along with a table prepared by the research staff of the Library of Congress showing the distribution of funds among the various States according to the formula in the bill, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and table will be printed in the RECORD. (See exhibit 1.)

Mr. MILLER. Mr. President, for the citizens of this Nation today, the promise of America—of which novelist Thomas Wolfe once wrote—is in the development of our human resources through education.

Man is the shaper and the planner of his environment and his destiny. By his very nature, he must strive for the almost unlimited goals of the human spirit.

Education is an essential prerequisite

to self-fulfillment of the individual and to social and economic progress of a nation. The National Education Association underscored these points when one of its writers in 1966 remarked:

Education adds up to human dignity, to rational thinking, to a creative spirit, to self-reliance, to economic competence, to informed citizenship, and above all to lifelong opportunity for every American.

Our breakthroughs in space exploration and nuclear energy, our advances in health, social services, and in other areas are traceable to our citizens' enlightened view of education as a lifelong process. Our commitment to education is well known and is being emulated throughout the world.

Nevertheless, our schools and colleges face a financial crisis, born of the necessity and firm belief that every child should have the best education possible. Sources of money have been depleted by inflation while the needs continue to grow. The citizen-taxpayer is wondering when the demands on him will let up even as he knows we cannot afford to ignore our youth and our educational institutions.

As the financial problem becomes greater, we must reach out for innovative approaches to resolving it. We can no longer solely depend on present approaches to financing education, for a point of diminishing returns surely will confront us in the very near future.

We in Congress must share part of the responsibility, for the Federal Government has not measured up to its share of the burden of meeting our national commitment.

One of the problems in the educational field—and also in many other areas—is the proliferation of Federal programs of assistance to the States. In order to restore a healthy, viable Federal-State system, the present conglomeration of over 400 Federal grant programs should be consolidated. The cost of administration alone for education and all other Federal grant programs—estimated at \$400 million annually—could be materially reduced. As an example, 21 of the Federal grants for education require the submission of separate State plans. An entire university could be operated with the manpower needed to prepare and review these plans.

Also, Federal aid, which logically should serve to strengthen our Federal system, in many cases actually undermines it. For example, of approximately 200 HEW grants, 146 are project grants, which are generally approved and administered solely by local government and private nonprofit community organizations. The resources of State government experts are ignored.

Many of these grants are so rigidly controlled by the bureaucracy in Washington that local initiative or enterprise in the administration of these grants is given little or no latitude. Thus, assistance from the Federal Government has too often been paid for by an unhealthy dependence on the Federal Government.

Many individuals, groups, and organizations have endorsed the approach of "block" grants to the States, particularly in the case of education, as opposed

to the so-called categorical grants-in-aid. Among these are the noted educator, Dr. James Bryant Conant, the Greater Cities Superintendents Association—comprising the 16 largest cities in the Nation—the American Association of School Administrators, the National Education Association, the Council of Chief State School Officers, the National School Boards Association, and the National Congress of Parents and Teachers.

One method is the sharing of Federal tax revenues for educational purposes with the States and also, through them, the local governments. This is the method set forth in the bill I am introducing today. In brief, my bill would return to the States and their political subdivisions 2 percent of total Federal tax collections for educational purposes. Based upon fiscal 1968 Federal tax collections of \$153.6 billion, this would amount to some \$3 billion. Federal tax sharing for education would avoid the problems associated with new and expanded categorical aid programs as well as help the States and local governments meet their growing fiscal crises. It is the best approach I know of to providing meaningful and sustained property tax relief.

The problem facing State and local governments is essentially one of steeply rising expenditures and inadequate resources with which to meet the growing demands for increased services, not only in the case of education but in all other areas of State and local activities as well. If our Federal system is to survive, the growing imbalance between the financial resources of the Federal Government and that of State and local governments must be corrected. The financial plight of the American system of government may be characterized as one of increased revenue at the national level but fiscal poverty at the State and local levels. Although somewhat overstating the case, John Kenneth Galbraith is essentially correct when he states:

The great economic anachronism of our time is that economic growth gives the federal government the revenues while, along with the population increase, it gives the states and especially the cities, the problems. The one unit of government gets the money, the other gets the work.

Thus, while State and local governments have insufficient funds to embark upon new programs demanded by an increasingly sophisticated population, at the national level, the situation is reversed. The availability of funds at the national level oftentimes leads to approval of new programs and commitments without sufficient examination of the desirability or efficacy of such programs and commitments.

One only needs to contrast the Federal Government's vast income-gathering power with the growing income needs at the State and local levels to see the imbalance that has arisen. Between 1950 and 1968 Federal domestic—nondefense—spending rose 135 percent. In this same time, however, spending by State governments rose 295 percent and that of local governments 339 percent. Also, during this period, the national debt rose 35 percent while State government debt went up 578 percent, and local govern-

ment debt rose 373 percent. Legal limits on debt and on tax rates are curtailing the local governments' ability to rely on existing revenue sources. Even without legal limits, however, more and more we are seeing State and local taxpayers voting against bond issues and higher taxes.

While this has been going on, State and local governments have not stood still in using their taxing powers. State and local tax revenues have increased from \$17 billion in 1950 to \$71 billion in 1968. As a practical matter, though, the National Government has preempted the graduated income tax as a major revenue source. According to 1966 figures, the Federal Government collected 67.5 percent of all tax revenues in the Nation while State governments collected only 17.5 percent and local governments 15 percent. The income tax, which is the tax most responsive to economic growth, is overwhelmingly dominated by the Federal Government, which collected 92.6 percent of all personal income taxes paid in the United States in 1966. The three major sources for the bulk of State and local revenue—property taxes, sales taxes, and income taxes of flat or only mildly progressive rates—have not kept pace with inflated prices and the mushrooming demands of a growing population for improved governmental services.

In the face of these facts, State, and local governments have had to rely increasingly upon financial assistance from the Federal Government. Between 1950 and 1968, Federal aid to the States increased by 732 percent.

I ask unanimous consent to have printed in the RECORD at the end of my remarks a New York Times article which appeared in the Mason City, Iowa, Globe Gazette of Monday, July 14, 1969, entitled "State Taxes in U.S. Climb." This perceptive article shows the predicament the States are in and what some of them are doing about it.

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

(See exhibit 2.)

Mr. MILLER. Mr. President, I have received numerous letters from concerned constituents in my State complaining of high property taxes. I have had to respond to such persons by pointing out that property taxes are levied by the State and local governments and, therefore, are not a direct responsibility of the Federal Government. The Federal Government could help property owners, however, by sharing its tax receipts so that the tax burden on the States would not be so great. The bill I am introducing today would do this because in most States property tax revenues are used to support the local schools.

Unless legislation is enacted whereby Federal tax revenues are shared with State and local governments with a minimum of strings attached, the trend will continue toward more grant-in-aid programs, with increasing Federal intrusion into decisionmaking which can best be made at the State and local levels.

A revenue-sharing measure such as I am proposing will significantly help the State and local governments to meet their growing responsibilities while, at the same time, retaining primary oper-

ational independence. Basic Federal laws, such as the Civil Rights Act of 1964, would naturally continue to be effective. With the percentage of Federal revenue approach, there would be less Federal bureaucracy, and thus the foundation for future possible control from this direction would be eliminated. A law which would simply allocate a percentage of the Federal revenue collections to the States "for education purposes" would, once put into effect, have a status not unlike the annually recurring appropriation to pay interest on the national debt, and would be in little danger of amendment or restriction by the Appropriations Committees. Thus, the percentage-of-Federal-revenue approach which I have advocated for 9 years now, with increasing support each year, would be a major step forward in helping the States and local communities meet their needs for education—some being improved teachers salaries, some being classrooms, some being laboratories, some being assistance for higher operating costs, and some being all of these items—without Federal administrative waste and control. Furthermore, achieving a better fiscal balance between Federal, State, and local governments will greatly strengthen our unique system of federalism.

I realize that several other revenue-sharing measures have already been introduced in the Congress. Some of them allow the shared funds to be used for any purposes that the State desires, while some limit them to various activities. I believe that since revenue sharing would be a new approach, and since education is so important to the future of this country, any revenue sharing that is authorized should be limited, at first, to educational purposes, and that is what I have done in my bill. It has been shown that much of the increase—more than 40 percent—in general expenditures by State governments between 1955 and 1966 went for education. Therefore, it could be argued that even if it were not specified that the funds could be used only for educational purposes most of them would be used for those purposes anyway. Nevertheless, I believe it wise to limit revenue sharing to educational purposes—to put first things first. After we have had some experience with such a program, the purposes for which the money could be used could be expanded as the revenues shared are increased.

The principal provisions of my bill are as follows: The bill would establish a tax-sharing fund in the Treasury and would appropriate to such fund for the fiscal year beginning July 1, 1971, and for each fiscal year thereafter, an amount equal to 2 percent of total Federal tax collections received during the preceding fiscal year. The Secretary of the Treasury would be directed to pay the State allotments from this fund at least quarterly.

The allotment to each State would be determined primarily on the basis of the population of each State between ages 5 and 20 inclusive. Each State's basic allotment would be increased or decreased by the percentage that the State's annual per capita income is lesser or greater, respectively, than the average annual per capita income of all the States. This for-

mula, while primarily distributing the funds on the basis of school age population, would assure that the lower income States would receive an added amount.

The bill contains a pass-through provision to assure that the local governmental units would receive a fair share of the State allotment. The amount passed through to each political subdivision would be determined by the ratio that expenditures of such subdivision for education—exclusive of State aid—bear to the total expenditures for education by the State and all of its political subdivisions.

The States and their political subdivisions could use their allotment under the bill only for activities, programs, and services in the field of education, including activities, programs, and services provided with respect to elementary and secondary schools, vocational and technical schools, and institutions of higher learning.

If a State uses any of its allotment for other than educational purposes or if it does not obligate its allotment within 2 years after it was made, the Secretary of the Treasury, after notice and opportunity for hearing, would be required to subtract such amount from subsequent allotments to that State. Also, the States must give the Secretary assurances and certify that they will use fiscal control and fund accounting procedures necessary to assure proper disbursement and accounting of their allotment, make accounting reports to the General Accounting Office, and comply with all applicable laws, including title VI of the Civil Rights Act of 1964. If the Secretary finds any State or political subdivision not in substantial compliance with these requirements he would be required to cancel any subsequent payments to that State and reallocate such amount to the other States. Determination by the Secretary would be subject to appeal to the U.S. District Court for the District of Columbia, as a matter of preventing hardship due to any arbitrary decisions by administrative officials.

The bill (S. 2727) to provide for the sharing of Federal tax receipts with the States and their political subdivisions for purposes of education, introduced by Mr. MILLER, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Tax-Sharing Education Act of 1969".

SEC. 2. (a) There is hereby established in the Treasury of the United States a fund to be known as the tax-sharing fund. The tax-sharing fund shall consist of amounts appropriated to such fund as provided in this section.

(b) There is hereby appropriated to the tax-sharing fund, out of any money in the Treasury not otherwise appropriated, for the fiscal year beginning July 1, 1971, and for each fiscal year thereafter, an amount equal to 2 per centum of the total Federal tax collections received during the preceding fiscal year.

(c) The Secretary of the Treasury (hereinafter referred to as the "Secretary") shall,

from time to time, but not less often than quarterly, transfer from the general fund of the Treasury to the tax-sharing fund the amounts appropriated by subsection (b). Such transfers shall, to the extent necessary, be made on the basis of estimates by the Secretary of the amounts referred to in subsection (b). Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

SEC. 3. (a) The Secretary shall, during the fiscal year beginning July 1, 1971, and during each fiscal year thereafter, pay to each State, from amounts appropriated to the tax-sharing fund for the fiscal year in which payments are to be made, a total amount equal to the allotment of such State in such fiscal year computed under this section. Such payments may be made in installments periodically during any fiscal year, but not less often than quarterly.

(b) (1) From the total sum of the amounts appropriated to the tax-sharing fund pursuant to section 2 for any fiscal year, the Secretary shall allot to each State in such fiscal year an amount which bears the same ratio to such total sum as the population of such State between the ages of five and twenty, inclusive, bears to the total population of all of the States between the ages of five and twenty, inclusive. The allotment of each State in any fiscal year so computed shall be reduced or increased in accordance with the provisions of paragraph (2) of this subsection.

(2) Each such allotment computed under paragraph (1) shall be increased in the case of those States whose annual per capita income is less than the average annual per capita income of all of the States and shall be reduced in the case of those States whose annual per capita income is greater than the average annual per capita income of all of the States. The amount of any such increase or reduction to be made with respect to the allotment of any State shall be computed by multiplying such allotment by the percentage by which the annual per capita income of such State is less or greater, as the case may be, than the average annual per capita income of all of the States.

(c) For purposes of this section—

(1) The population of a State between the ages of five and twenty and of all the States between the ages of five and twenty shall be determined by the Secretary on the basis of the most recent data available from the Department of Commerce.

(2) The per capita income of a State and of all the States shall be determined by the Secretary on the basis of the most recent data available from the Department of Commerce.

SEC. 4. (a) Except as provided in subsection (b), each State may use payments from its allotment in any fiscal year under section 3 for activities, programs, and services in the field of education, including activities, programs, and services provided with respect to elementary and secondary schools, vocational and technical schools, and institutions of higher learning.

(b) (1) Each State receiving an allotment under section 3 for any fiscal year shall in turn allot and pay from such allotment to each political subdivision of such State an amount which bears the same ratio to such allotment as the amount of expenditures by such political subdivision for activities, programs, and services described in subsection (a) during the preceding fiscal year (exclusive of expenditures made with funds received from the State or the United States), bears to the total amount of expenditures by the State and all of its political subdivisions for activities, programs, and services described in subsection (a) during the preceding fiscal year.

(2) Each political subdivision of a State may use payments from its allotment in any fiscal year under paragraph (1) for activities, programs, and services described in subsection (a).

(3) A State may, in order to comply with the provisions of subsection (c) or of section 5, subtract amounts from allotments, or cancel payments, to any of its political subdivisions.

(c) Whenever the Secretary, after giving reasonable notice and opportunity for a hearing to a State, finds that such State or a political subdivision of such State (1) has used any amount of such allotment for purposes not within the scope of subsection (a), or (2) has not obligated any amount of such allotment within two fiscal years immediately following the fiscal year in which such allotment was made, the Secretary shall give notice of his intention to subtract, from any subsequent allotment or allotments to such State, a total amount equal to the amount referred to in clause (1) or (2). The State may, within thirty days following notice of such intention, appeal the decision to the United States District Court for the District of Columbia. In the event of any reduction in the allotment of any State in any fiscal year under this subsection, the Secretary shall reallocate and pay the amount of such reduction to other States in proportion to the original allotment to such States under subsection (b) of section 3 for such year.

SEC. 5. (a) (1) Any State desiring to receive its allotment in any fiscal year under this Act shall certify and provide satisfactory assurance to the Secretary that such State and its political subdivisions will—

(A) use such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for any allotment paid to such State;

(B) make accounting reports to the Secretary and the Comptroller General, in such form and containing such information as the Secretary and Comptroller General may reasonably require to carry out their functions under this Act; and

(C) adhere to all applicable Federal laws in connection with any activity, program, or service provided solely or in part from such allotment.

(2) For purposes of this subsection, the provisions of title VI of the Civil Rights Act of 1964 shall be deemed to be applicable to any activity, program, or service provided solely or in part from any allotment received by a State or a political subdivision under this Act.

(b) Whenever in any fiscal year the Secretary, after giving reasonable notice and opportunity for hearing to a State, finds that such State or any of its political subdivisions are not in substantial compliance with subsection (a), the Secretary shall, subject to appeal as provided in subsection 4(c), cancel any subsequent payments to such State under this Act in such fiscal year and reallocate any remainder of the allotment of such State for such fiscal year to other States in proportion to the original allotments to such States under subsection (b) of section 3 for such fiscal year.

SEC. 6. The Secretary shall report to the Congress not later than the first day of March of each year on the operation of the tax-sharing fund during the preceding fiscal year and on its expected operation during the current fiscal year. Each such report shall include a statement of the appropriation to, and the disbursements made from, the tax-sharing fund during the preceding fiscal year and an estimate of the expected appropriation to, and disbursements to be made from, the tax-sharing fund during the current fiscal year.

SEC. 7. As used in this Act, the term "State" includes any of the several States and the District of Columbia.

EXHIBIT 1
ESTIMATED DISTRIBUTION OF FUNDS BY STATE UNDER SENATOR MILLER'S FEDERAL TAX SHARING BILL

State	Population, 5 to 20 years, July 1, 1967		Col. 3 times \$3,073 million (thousands)	Per capita personal income, calendar year 1968	\$3,412 divided by col. 5	Unadjusted State allotment (col. 4 times col. 6) ¹ (thousands)	Col. 7 times 3.641 percent ¹ (thousands)	Total allotment (col. 7 minus col. 8) ¹ (thousands)
	Number	Percent of total						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Alabama.....	1,173	1.9	\$58,387	\$2,329	1.465	\$85,537	\$3,115	\$82,422
2. Alaska.....	106	.2	6,146	4,124	.827	5,083	185	4,898
3. Arizona.....	554	.9	27,657	2,983	1.144	31,640	1,152	30,488
4. Arkansas.....	618	1.0	30,730	2,304	1.481	45,511	1,657	43,854
5. California.....	5,884	9.6	295,008	4,012	.850	250,757	9,132	241,625
6. Colorado.....	659	1.1	33,803	3,371	1.012	34,209	1,246	32,963
7. Connecticut.....	872	1.4	43,022	4,231	.806	34,676	1,263	33,413
8. Delaware.....	169	.3	9,219	3,888	.878	8,094	295	7,799
9. District of Columbia.....	224	.4	12,292	4,516	.756	9,293	338	8,955
10. Florida.....	1,802	2.9	89,117	3,081	1.107	98,653	3,592	95,061
11. Georgia.....	1,491	2.4	73,752	2,743	1.244	91,747	3,341	88,406
12. Hawaii.....	270	.4	12,292	3,514	.971	11,936	435	11,501
13. Idaho.....	239	.4	12,292	2,728	1.251	15,377	560	14,817
14. Illinois.....	3,319	5.3	162,869	3,994	.854	139,090	5,065	134,025
15. Indiana.....	1,593	2.6	79,898	3,421	.997	79,658	2,901	76,757
16. Iowa.....	867	1.4	43,022	3,391	1.006	43,280	1,576	41,704
17. Kansas.....	722	1.2	36,876	3,333	1.024	37,761	1,375	36,386
18. Kentucky.....	1,031	1.7	52,241	2,597	1.314	68,645	2,500	66,145
19. Louisiana.....	1,264	2.0	61,460	2,615	1.305	80,205	2,821	77,384
20. Maine.....	308	.5	15,365	2,857	1.194	18,346	668	17,678
21. Maryland.....	1,188	1.2	36,876	3,712	.919	33,889	1,234	32,655
22. Massachusetts.....	1,602	2.6	79,898	3,796	.899	71,828	2,616	69,212
23. Michigan.....	2,837	4.6	141,358	3,674	.929	131,322	4,782	126,540
24. Minnesota.....	1,188	1.9	58,379	3,318	1.028	60,022	2,186	57,836
25. Mississippi.....	822	1.3	39,949	2,057	1.659	66,275	2,413	63,862
26. Missouri.....	1,380	2.2	67,606	3,220	1.060	71,662	2,610	69,052
27. Montana.....	236	.4	12,292	2,917	1.170	14,382	524	13,858
28. Nebraska.....	453	.7	21,511	3,220	1.060	22,802	830	21,972
29. Nevada.....	135	.2	6,146	3,992	.855	5,255	191	5,064
30. New Hampshire.....	209	.3	9,219	3,268	1.044	9,625	350	9,275
31. New Jersey.....	2,064	3.3	101,409	3,907	.873	88,530	3,223	85,307
32. New Mexico.....	371	.6	18,438	2,695	1.266	23,343	850	22,493
33. New York.....	5,103	8.3	255,059	4,133	.826	210,679	7,673	203,006
34. North Carolina.....	1,666	2.7	82,971	2,606	1.309	108,609	3,954	104,655
35. North Dakota.....	215	.3	9,219	2,808	1.215	11,201	408	10,793
36. Ohio.....	3,350	5.5	169,015	3,487	.978	165,297	6,019	159,278
37. Oklahoma.....	752	1.2	36,876	2,860	1.193	43,993	1,602	42,391
38. Oregon.....	611	1.0	30,730	3,325	1.026	31,529	1,148	30,381
39. Pennsylvania.....	3,445	5.7	175,161	3,409	1.001	175,336	6,385	168,951
40. Rhode Island.....	270	.4	12,292	3,537	.965	11,862	432	11,430
41. South Carolina.....	924	1.5	46,095	2,339	1.459	67,253	2,449	64,804
42. South Dakota.....	222	.4	12,292	2,916	1.170	14,382	524	13,858
43. Tennessee.....	1,231	2.0	65,460	2,553	1.336	82,111	2,990	79,121
44. Texas.....	3,584	5.9	181,307	3,016	1.131	205,858	7,496	198,362
45. Utah.....	370	.6	18,438	2,810	1.214	22,384	815	21,569
46. Vermont.....	131	.2	6,146	3,017	1.131	6,951	253	6,698
47. Virginia.....	1,475	2.4	73,752	3,049	1.119	82,528	3,005	79,523
48. Washington.....	1,026	1.7	52,241	3,676	.928	48,480	1,765	46,715
49. West Virginia.....	567	.9	27,657	2,491	1.370	37,890	1,380	36,510
50. Wisconsin.....	1,346	2.2	67,606	3,407	1.001	67,674	2,464	65,210
51. Wyoming.....	107	.2	6,146	3,139	1.087	6,681	243	6,438
55. Total.....	62,057	100.0	3,073,000	*3,412	1.000	3,189,131	116,131	3,073,000

¹ Under the formula given in this bill, it was impossible to arrive at a total distribution which coincided with the \$3,073,000,000 available for allotment to the States. The total unadjusted State distribution amounted to \$3,189,131,000 (col. 7) which is \$116,131,000 more than the \$3,073,000,000 available for distribution to the States. This \$116,131,000 represented 3.641 percent of the \$3,189,131,000 derived. We then multiplied this factor (3.641 percent) by each State's unadjusted allotment (col. 7) and derived the adjusted State distribution given in col.

Average.

Source: U.S. Department of Commerce, Bureau of the Census, U.S. Department of Commerce, Office of Business Economics, Survey of Current Business, April 1969, pp. 26-27.

EXHIBIT 2

[From the Mason City (Iowa) Globe Gazette, July 14, 1969]

STATE TAXES IN U.S. CLIMB—21 STATES ADD OR HIKE LEVIES

NEW YORK.—The hands of state legislatures are probing deeper than ever this year into taxpayer pockets in a sometimes desperate search for funds to meet the mounting costs of modern life.

In at least 21 states new taxes have been imposed or old ones increased. Others are in prospect.

And in the heat of summer, some states—among them Massachusetts, California, Pennsylvania and Ohio—have been enmeshed in protracted struggles, sometimes in an atmosphere of crisis, about how state governments are to cope with their fiscal problems.

Other states have deferred the struggle, but only temporarily, and a rare handful have yet to face it at all.

"In terms of state tax efforts," said William G. Colman, executive director of the Advisory Commission on Inter-governmental Relations in Washington, "this is probably the most eventful year since World War II."

Events, some of them precedent-shattering abounded:

North Carolina enacted the largest pro-

gram of new or increased taxes in its history, including its first tax on cigarettes.

Illinois and Maine introduced income taxes, bringing to 38 the number of states now imposing them.

Connecticut passed the largest tax increase program in its history.

New York raised its sales tax by 1 per cent, meaning that residents of New York City, which already imposed a 3 per cent sales tax, now pay a total of 6 percent in sales taxes.

South Carolina passed its first major tax increases in a decade, and many states raised taxes of such items as beer, liquor, cigarettes, gasoline, rooms and meals in efforts to bolster revenue.

OTHER STATES

Other states that have raised their taxes this year include Alabama, Colorado, Delaware, Maryland, Missouri, Montana, Nevada, New Hampshire, North Dakota, Oklahoma, Rhode Island, South Dakota, Tennessee, Vermont and Wyoming.

Iowans were not subjected to a general tax increase this year. The last big jump in Iowa taxes was in 1967.

In several instances, the revenue debates, continuing and resolved, were marked by acute awareness on the part of legislators

than many taxpayers already regard themselves as taxed beyond endurance.

As some officials see it, the public clamors for more services—better schools, better transportation, improved welfare systems, upgraded housing and hospitals—and then squeals with rage at the thought of paying for it.

In Massachusetts, for example, Gov. Francis W. Sargent put before the legislature a tax program designed to raise \$90 million. Earlier, he recommended pay rises for the state's 55,000 employees that would total \$40 million.

PAY HIKE PROBLEM

But early this month, the legislature enacted a bill, retroactive to Jan. 1, to provide raises that would total \$92.5 million, thus consuming all the new revenue the governor had sought and presumably facing him with the prospect of seeking additional taxes or reducing other programs.

The governor recently rejected the pay-rise package and offered a counterproposal calling for \$64.7 million in raises retroactive to May 1. Presumably, with \$90 million in new revenue in prospect, no other new levies would be needed.

Jack Flannery, the assistant to the Republican governor, says that the problem

illustrated by the pay rise "symbolizes perfectly the financial situation that the governor in particular, and most governors generally, are confronted with."

Flannery continues: "Law-making bodies, representing the people, freely vote money that they are not prepared to produce in the form of revenue programs. Nobody wants to pay the piper, yet everybody wants the piper to keep on playing."

States and localities are paying more for teachers, policemen, for welfare and for construction. And the demands on them are relatively larger, and more immediate, than those on the federal government.

Compounding the states' difficulties is the fact that, for the most part, their revenues do not increase in line with the growth in the economy, authorities say.

Federal revenues rely heavily on income taxes, which quickly reflect and outpace the climb in the gross national product, so the federal government can see its income growing steadily without raising the tax rate.

But state and local taxes are based largely on sales and real estate, values which grow more slowly. So state and city officials are more often forced to raise taxes to attain needed income.

Because of this, federal taxes now take only about 14 per cent of the gross national product against 16 per cent in 1946, Colman estimates. But state and local taxes in that time have risen from 5 per cent to more than 8 per cent of the gross national product.

And an increase in tax rates often leads to voter retribution, Colman, of the advisory commission, said.

"In most political situations, this (tax policy change) sets off a panic signal in the legislative halls and anxiety in politicians' hearts," said one tax authority.

"Citizens have underscored this aversion by defeating candidates for public office who venture to say candidly that higher taxes will be needed to support expenditure programs desired by the electorate," said a recent report by the Advisory Commission in Intergovernmental Relations.

THE NEED FOR THE SURTAX EXTENSION

Mr. COOPER. Mr. President, the Senate Finance Committee has reported favorably to the Senate H.R. 12290, the administration's tax bill.

This bill should be taken up by the Senate before the August recess. It is needed to provide necessary revenues to support the budget. It is needed as a fiscal measure to check our mounting inflation.

I would like to comment first on the importance of this bill as a revenue measure and its relationship to the 1970 budget and, second, on its importance as a means of relieving the inflationary pressures on our economy.

Upon taking office and after reviewing the proposed Johnson budget for fiscal 1970, President Nixon effected a reduction of \$2.4 billion in outlays, the net result of \$4 billion in cuts of controllable programs and a \$1.6 billion upward adjustment in estimates for uncontrollable programs. Even with these reductions, the administration estimated its total outlays in 1970 to be \$192.9 billion, some \$7.3 billion higher than in 1969. This increase includes the following:

First, \$3.4 billion for social security benefit increases;

Second, \$2.8 billion for civilian and military pay raises, effective July 1, 1969;

Third, \$1 billion increase in interest costs of the public debt; and

Fourth, \$1.1 billion public-assistance grants to States, including medicaid and the removal of the aid to dependent families.

However, in signing the Second Supplemental Appropriations Act on July 22, the President commented on title IV, the "limitation on fiscal year 1970 budget outlays" section of the bill. That act by Congress limits expenditures in fiscal 1970 to \$191.9 billion, \$1 billion under the administration's estimated budget, at the same time giving the President authority to adjust the ceiling upward for social security, veterans' pensions, interest, and farm price supports. The President emphasized the need to hold expenditures to the administration's budget estimate of \$192.9 billion and noted that since the April 15 estimates were made, he anticipates further increases totaling \$2.5 billion in expenditures for uncontrollable items.

In addition, the President commented on the failure of Congress to act on the administration's recommendations for a postal rate increase to be effective July 1, 1969, and recent actions taken by the Congress which would increase expenditures over his 1970 budget and add at least a billion dollars net to Federal spending in 1970. Thus the total anticipated increases on spending would amount to \$3.5 billion.

In view of these additions to Federal spending the President stated the policy that his administration would follow:

Given our commitment to hold Federal spending to the April figure of \$192.9 billion there is only one course of action open to the Administration, and we are taking it. I am directing the heads of all Departments and agencies to reduce spending in the fiscal year just begun by an additional \$3.5 billion, the amount necessary to bring current estimates back in line with the \$192.9 billion target figure we set in April.

Mr. President, I ask unanimous consent that the President's statement of July 22 be included in the RECORD at this point:

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

STATEMENT BY THE PRESIDENT, JULY 22, 1969

I have today signed into law the final supplemental appropriations bill for the fiscal year ended June 30. In addition to providing budget authority for the federal government's operations last year, the measure removes a restriction that had been placed on federal hiring by the Revenue and Expenditure Control Act of 1968.

Written into the law is another ceiling—on federal spending during the fiscal year 1970, the one we just entered. The ceiling is set at \$191.9 billion—one billion dollars below my own expenditure recommendations of last April.

However, the Congress has made this new ceiling somewhat flexible. There are a number of categories in the federal budget—such as medicare, interest on the public debt, social insurance benefits and farm price supports—where costs can rise without new appropriation action. Congress has determined that increases in these items—up to \$2 billion—will be exempt from the \$191.9 billion ceiling.

There are other items such as military expenditures in Southeast Asia, public assistance, medicaid benefits and veterans benefits, where it is also very difficult to budget a precise figure. Any additional appropriations the Congress votes in these categories—above our 1970 revised budget estimates—will result in an upward adjustment of that \$191.9 billion ceiling.

There is another side to the proposal. If, after voting this new lower ceiling, Congress fails to cut the budget to fit under it, the President must take over and finish the job. On the other hand, if Congress should cut the budget below the \$191.9 billion—that new lower figure automatically becomes a new ceiling. The latter hypothesis does not appear at this point to be a strong probability.

In making the new ceiling somewhat flexible, the Congress has acted wisely. However, the new ceiling will be of little help in keeping federal spending under control—if the Congress that imposed it does not cooperate actively with the Administration in meeting it.

Last April I presented a revised 1970 budget to the Congress. That budget contained specific reductions totaling \$4,000,000,000 from the budget left by the previous Administration. It brought the proposed federal spending figure for this fiscal year down to \$192.9 billion, a figure I still believe reflects a responsible fiscal policy in our highly inflationary environment. If we hold the line on that spending figure, as I intend to, and if the requisite revenues are provided, this fiscal year will leave us the kind of budget surplus needed to cool off an economy that was dangerously overheated before we assumed office.

Three months have passed since the Administration's revised budget was sent to the Congress. We are already three weeks into the 1970 fiscal year—and the Congress has not completed its action on a single regular 1970 appropriations bill. It seems apparent that it will not be known until the late fall just how much of a contribution the Congress intends to make toward meeting the spending ceiling Congress itself has imposed.

In the meantime, since April, the budget picture has worsened. We now anticipate further increases of approximately \$2.5 billion in expenditure for uncontrollable items in the budget such as interest on the public debt, Medicare, social security, civil service retirement benefits, reduced receipts from off-shore oil leases, public assistance, and veterans' benefits.

Congressional action to date has been inconsistent with a number of my proposals in April. For example, Congress has not acted on my recommendation for a postal rate increase effective July 1. Nor has it terminated the special milk and agriculture conservation programs as I recommended. Instead of reducing aid to schools in impacted areas, it is moving to increase such aid. These, and similar actions, could add at least another billion dollars net to Federal spending in 1970.

Thus our current estimate of fiscal 1970 spending has risen to \$196.4 billion even though we in the Administration have done nothing in the way of discretionary action to add to our earlier \$192.9 billion estimate.

Given our commitment to hold federal spending to the April figure of \$192.9 billion there is only one course of action open to the Administration, and we are taking it. I am directing the heads of all Departments and agencies to reduce spending in the fiscal year just begun by an additional \$3.5 billion, the amount necessary to bring current estimates back in line with the \$192.9 billion target figure we set in April.

No federal program is above scrutiny. Some highly desirable programs will have to be

stretched out—others reduced. The dollar reductions will be accompanied by a further lowering of the personnel ceilings established last April.

I know Congress shares my determination to make the budget an effective instrument against the inflation that has wrought so much damage to the income and savings of millions of Americans. If Congress did not share that commitment, it would not have imposed this spending ceiling. However, this general expression of support for fiscal restraint must now be matched by specific acts of the Congress.

Congress should also recognize that if it approves further increases above the April Budget estimates, we cannot live within the \$192.9 billion figure unless more off-setting cuts are made.

I would prefer that the Congress make these off-setting cuts in programs it considers of lesser priority, when and if it votes increases over my April budget for activities it considers essential. If it does not do so, the duty of making such cuts clearly becomes mine.

Mr. COOPER. Mr. President, these estimates are, of course, based on the assumption that Congress will enact H.R. 12290 which would provide some \$9.3 billion in revenues. In his statement to the Senate Finance Committee on July 8, Secretary Kennedy estimated that first, the extension of the surcharge at 10 percent to December 31, 1969, and at 5 percent to June 30, 1970 would yield \$7.6 billion in fiscal 1970; second, the postponement for 1 year the reduction in excise taxes on automobiles and telephone services would provide \$540 million; third, the repeal of the investment credit tax, would produce a net revenue yield of \$1.35 billion; and fourth, the low income allowance would result in a reduction in revenues of \$270 million.

What, we may ask, would be the status of the budget if Congress did not enact H.R. 12290?

On a unified budget basis we would shift a projected budget surplus now estimated to be \$5.2 billion to a deficit of \$4 billion, and increase the projected deficit in the administrative budget from \$5.1 billion to a deficit of \$14.3 billion. Furthermore, these projected deficits would be increased by the amount of any additional expenditures, excepted from the limitations of the \$191.9 billion ceiling contained in Public Law 91-47.

Mr. President, I ask unanimous consent that the statement by Secretary of the Treasury Kennedy, and Director of the Budget Mayo, before the Senate Finance Committee on July 8, in support of H.R. 12290 be included in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE DAVID M. KENNEDY, SECRETARY OF THE TREASURY, BEFORE THE SENATE FINANCE COMMITTEE, TUESDAY, JULY 8, 1969

Mr. Chairman and members of the Committee, I am grateful for this opportunity to testify in behalf of H.R. 12290—a bill which contains the anti-inflation measures proposed by the President.

Specifically, H.R. 12290 would—

1. extend the surcharge at 10 percent to December 31, 1969, and at 5 percent thereafter to June 30, 1970, producing a revenue yield of \$7.6 billion in fiscal year 1970.

2. defer for one year the reduction in the excise taxes on automobiles and on telephone

and teletypewriter exchange services, producing a revenue increase of \$540 million in fiscal year 1970.

3. repeal the investment credit, producing a revenue increase of \$1.35 billion in fiscal year 1970 and more than \$3 billion in annual revenue in later years. The House bill incorporates certain transition rules for repeal of the credit, similar generally to those used in the 1966 suspension of the credit, reducing the revenue yield in fiscal year 1970 from the President's recommendation by about \$150 million.

In addition, the President had recommended as a part of his initial reform proposals the adoption of the Low Income Allowance to remove the burden of the income tax from persons with incomes below the poverty level and to reduce the tax burden on persons with incomes just above this level.

The Low Income Allowance was incorporated by the House in H.R. 12290 with minor changes, effective January 1, 1970. It involves a revenue reduction of \$270 million for fiscal year 1970 and of \$625 million for a full year. Since it had been recommended by the President as a reform measure and had been taken into account in revised budget estimates for fiscal year 1970, its insertion in the bill did not affect the revenue estimates.

Mr. Chairman, I submit that the economic case for speedy action on these tax proposals is overwhelming. During 1969 consumer prices—the significant shopping basket indicator—have risen at an annual rate of 6.1 percent and wholesale prices at a rate of 6.3 percent.

It is not necessary to point out to this panel the very real dangers our country faces if inflation is allowed to continue unchecked. Inflation of this magnitude could lead to a serious economic readjustment accompanied by a painful high level of unemployment.

Failure to extend the surcharge would amount to a cut in taxes at a time of accelerating inflation. The consequences of failing to pass this legislation are unthinkable.

Even delay poses serious risks.

Delay contributes to a loss of confidence by our people in the determination of government to bring an orderly halt to inflation.

Delay feeds inflationary expectations and thus makes inflation even more difficult to control.

Delay weakens our balance of payments and foreign confidence in the integrity of the dollar and contributes to unsettled conditions in the international monetary markets.

In view of the clear need to continue the fight against inflation, we must not contemplate delay.

Let me turn to an argument that many raise for opposing this bill. These people feel that passage of the tax surcharge must be linked with tax reform in order to insure enactment of significant reform.

I understand the sense of frustration of those who hold this position. However, we must remember that essentially there are two separate and distinct problems before us. One, the control of inflation, is immediate and urgent. The other, tax reform, is vitally important, highly complex, and requires careful action both by the Congress and the Executive branch.

Linking these two problems may mean that we fail in both of our objectives.

I agree with those who believe the wait for meaningful tax reform has been "too long." But I would point out that the Ways and Means Committee has met in lengthy public hearings and executive sessions to consider tax reforms. On May 27, the Committee announced tentative decisions on tax reform subjects, and the Chairman of the Committee has announced that reform would be before the House prior to the August recess.

Moreover, President Nixon fully supports

these efforts and is determined to bring equity to our Federal tax system.

On April 21 the President submitted to the Congress a major tax reform package, including the low income allowance which has become a part of the bill before you. In addition, it contained these broad proposals:

A *limit on tax preferences*, which puts a limit of 50 percent on that portion of a person's income which could enjoy a preferred status, and an *allocation of deductions* proposal preventing double benefits from tax preferences. In addition to these proposals, the President's initial proposals include meaningful reforms dealing with mineral production payments, private foundations, charitable contribution deductions, business income of tax-exempt organizations, tax treatment of corporate securities frequently used by conglomerates, multiple corporate surtax exemptions, stock dividends, dividends out of accelerated depreciation reserves, restricted stock plans, farm losses, multiple trusts, moving expenses, and a number of other important items.

(With the consent of the Committee, I would like to ask that a summary of the Administration's interim tax reform proposals of April 22, 1969 be inserted in the record of the hearings at the conclusion of my statement.)

In that April 21 message, President Nixon said: "Fairness calls for tax reform now; beyond that, the American people need and deserve a simplified Federal tax system, and one that is attuned to the 1970's."

He has repeatedly pledged—and in a letter to the House of Representatives just last week stated again—that he supports and is determined that there shall be significant, meaningful, and fair tax reform.

In addition, House and Senate leaders on both sides of the aisle have pledged to themselves and to their constituents that there will be tax reform this year.

Gentlemen, there is no need to hold up the extension of the tax surcharge pending enactment of tax reform. The commitment to tax reform has been made to the American people, and I pledge to you that this Administration will honor that commitment. I feel confident that the Congress will respond in like spirit. I know that the American people will accept nothing less.

Before concluding, I would like to mention several areas where the House-passed bill differs from the President's recommendations. Then I would be happy to answer any questions you may have about those changes or any other aspect of the legislation.

First, as I noted earlier, the Low Income Allowance recommended by the President as a part of his interim tax reform proposals, has been included in this bill. Action on this measure should be recognized as a commitment to tax reform, and we endorse adding it to this bill on the assumption that reform will be enacted.

Secondly, the transition rules adopted by the House in connection with the repeal of the investment credit will reduce the revenue yield from repeal of the credit by about \$150 million in fiscal year 1970 as compared with the rules initially recommended by the Treasury. The transition rules in the bill would allow the credit for certain expenditures after April 18, 1969, even though there was no binding contract on that date. They are, however, generally the same rules adopted in 1966 on suspension of the investment credit to deal with cases in which there is an economic commitment evidenced by expenditures constituting more than half the cost of a facility prior to the cut-off date. There are some extensions of the 1966 rules to cases of generally similar nature. However, any further extension beyond these rules would be a mistake. The binding contract rule and these additional rules provide equitable treatment in the most deserving

cases, and they represent the most reasonable cut-off point.

Finally, the House bill provides that certain capital facilities acquired to reduce air or water pollution may be amortized over five years instead of their normal useful lives. This acceleration of cost recovery will provide an incentive for installation of anti-pollution facilities. While we did not recommend it, it is reasonable if the Committee agrees that such an incentive is justified. However, we have serious reservations about the scope of the House provision, as I will indicate. The provision as contained in the House bill will result in no substantial short-term revenue loss but will result in a long-term revenue loss which will reach \$300 to \$400 million annually by 1975.

A revenue loss of this magnitude deserves careful scrutiny. We have concluded on further study of the House provision that the five-year amortization provision need not be made available to new plants constructed in the future which install anti-pollution control facilities. Technological advances which are occurring in the control of pollution will greatly reduce the burden on industry in designing new plants to meet anti-pollution standards. In these cases, a major tax concession to provide incentive and achieve cost-sharing is not nearly so important as in the case of existing plants where the burden is much clearer.

It is also our conclusion on further study of the provision as passed by the House that it provides too great a benefit to property which has a long useful life. Thus, anti-pollution property qualifying under the bill which has a useful life of 50 years would receive a tax concession equivalent to an investment credit of approximately 20 percent. The rapid amortization provision is intended to replace the investment credit for anti-pollution facilities, but an increased benefit of this magnitude is not warranted. The Treasury therefore proposes that a limitation be placed on the rapid writeoff so that its benefits would be available only for the first 15 years of the life of any property. Thus, property with a 50-year useful life could obtain the benefit of the rapid writeoff for 30 percent of the cost of the facility and use regular depreciation methods for the remaining cost of the property. Such a provision has precedent in the rapid amortization permitted for emergency facilities constructed during World War II.

Finally, the definition of a pollution control facility needs to be tightened so that the rapid amortization provisions will apply only to treatment facilities which are clearly identifiable as serving only anti-pollution purposes. Under the present broad definition, a smokestack or sewer pipe might qualify for the rapid writeoff, even though these facilities would be installed in any event and perform functions other than pollution abatement of the type this tax concession is designed to give special encouragement.

I urge this Committee to take prompt action on this bill. The existing 31-day temporary extension of current withholding rates will expire on July 31. As you know, business payrolls are a complicated matter. An enormous burden would be imposed upon American business—not to speak of the administrative nightmare for the Internal Revenue Service—if they were required to re-program their payroll systems to withhold at tax rates without a surcharge and then were required in a month or so to re-program again to include the surcharge.

STATEMENT OF ROBERT P. MAYO, DIRECTOR OF THE BUREAU OF THE BUDGET, BEFORE THE SENATE FINANCE COMMITTEE ON THE PRESIDENT'S TAX PROGRAM FOR FISCAL YEAR 1970

INTRODUCTION

Mr. Chairman and Members of the Committee: Secretary Kennedy's statement properly emphasizes the urgent need for passage

of H.R. 12290 to help bring inflation under control.

Our current economic predicament—characterized by persistent inflation, exceedingly tight money markets, and historically high interest rates—reflects past miscalculations in managing the Nation's economic affairs. These miscalculations set in motion a series of events that produced a pervasive and deeply imbedded inflationary psychology, which makes continued and even increasing inflation a distinct possibility. This situation will not be changed easily. But change it we must. To do so, we need the economic restraint that would be provided by H.R. 12290, together with appropriate monetary restraint and previously announced spending reductions in the budget for fiscal year 1970.

Bringing inflation under control and restoring the economy to a balanced and sustainable rate of economic growth are, together, the primary domestic task of this Administration. We must bring inflation under control to eliminate the distortions that have developed in the economy. We must restore balanced and sustainable economic

growth, or the inflation will inevitably lead to painful economic consequences.

We can achieve our anti-inflationary objectives only if we maintain a restrictive fiscal policy in the year ahead. The consequences of relying on overly restrictive monetary policy, in the absence of an appropriate fiscal policy, should be clear to us now. The "credit crunch" of the late summer of 1966 forced housing to bear the brunt of economic restraint, but the swift run-up in interest rates during that period reflected more widespread dislocations in financial markets. The economy did not recover quickly from these disruptions. In short, we cannot leave the task of controlling inflation to monetary policy alone because this course compounds the task of achieving balanced and sustainable growth.

LESSONS OF THE RECENT PAST

Movements in the general price level are caused by many things, not the least of which is the Federal fiscal position. The delayed influence of fiscal policy on the behavior of prices during recent years is suggested by Table 1.

TABLE 1.—BUDGET TOTALS AND CHANGES IN THE GNP IMPLICIT DEFLATOR AND THE CONSUMER PRICE INDEX, FISCAL YEARS 1965-70

[Dollar amounts in billions]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (—)	Percentage change in—	
				GNP implicit deflator	Consumer price index
1965	\$116.8	\$118.4	—\$1.6	1.8	1.3
1966	130.9	134.7	—3.8	1.9	2.2
1967	149.6	158.4	—8.8	3.1	3.1
1968	153.7	178.9	—25.2	3.4	3.3
1969 (estimate)	186.5	185.6	.9	4.0	4.8
1970 (estimate)	199.2	192.9	6.3	(¹)	(¹)

¹ Not available.

Outlays for military programs increased sharply after the escalation of our activities in Vietnam in the summer of 1965. This increase was not offset by lower outlays for other programs. Nor was it offset by higher taxes until fiscal year 1969. The budget deficit rose from \$1.6 billion in fiscal 1965 to \$25.2 billion in fiscal year 1968, stoking an already overheated economy. Excessive demand was generated and price rises became progressively greater.

Modest fiscal restraint was exercised through changes in tax collection regulations, but the primary instrument of restraint was monetary policy. Increasingly restrictive monetary policy produced the credit crunch of 1966, gross inequities in the degree of restraint imposed on the economy, and a fear of "overkill" that led to subsequent errors of judgment.

Legislation imposing fiscal restraint—through an income tax surcharge and expenditure control—was adopted in June 1968, about two years after it was first needed. With it came a shift in expectations both at home and abroad. It was generally anticipated that the U.S. economy would experience a slowing in its rate of growth and that less stringent financial market conditions would result and would permit an easing of monetary policy. For a few weeks these expectations were borne out as interest rates declined. But prices did not slacken their pace. Moreover, in a short time, interest rates turned up again. By the end of the year, it was clear that the economy was still overheated. The fiscal restraint imposed in June of last year was partially offset by a monetary policy that became too accommodating—largely because of the fear of "overkill" and because the strength of the inflationary pressures was underestimated. Monetary policy shifted back toward restraint late in the year. Nevertheless, doubt lingered that fiscal and monetary policy-

makers meant business about curbing inflation. Consequently, a new surge of inflationary psychology developed. Our task today is difficult primarily because of the depth and strength of this psychology.

We should not be surprised or dismayed by the difficulties we are now having in bringing inflation under control. An extended inflationary period such as we are experiencing engenders expectations of further inflation and, therefore, has a major impact on wage and price setting. It also provides an incentive for not postponing buying for consumption or investment purposes. The resulting continued strong demand helps neutralize the influence of the restraining forces at work in the economy. For this reason, we need time to root out the inflation that has invaded our economy.

We need time and we need coordinated and complementary economic policies:

Continued restraint on demand, which would result from the President's tax program for fiscal year 1970,

Continued vigorous efforts by the Congress and by the Administration to control Federal spending, and

Appropriate monetary restraint.

Each is important in its own right, but none can be fully effective except as part of a coordinated set of policies.

THE BUDGET OUTLOOK

This Administration recognizes that rapid growth of Federal spending has been a major cause of inflation since 1965 and that expenditure control is essential to sound fiscal policy and responsible management of Government activities. Accordingly, soon after taking office, President Nixon directed his agency heads to undertake an intensive review of the January budget of the prior administration.

The Federal budget reflects the Nation's priorities as perceived by the President and by the Congress. At any point in time—and

for at least one year into the future—it consists largely of “uncontrollable” programs, whose levels are determined by existing laws and previous commitments. For this reason, substantial reductions in individual elements of the budget do not often occur from one budget to the next.

President Nixon knew the strength of this momentum in the budget when he took office in January. He did not expect major reductions in the 1969 budget but was determined to begin, with the 1970 budget, the difficult task of bringing Federal outlays under control and of trying to shift the course of Federal programs toward his Administration's objectives. These efforts did not cease when the April 15 Review of the 1970 Budget was published. Indeed, they are being intensified now that we have begun the 1971 budget process.

The intensive review of the January budget was concluded and a report summarizing the results was issued in April. Revised estimates for both 1969 and 1970 were contained in my May 20 testimony before the House Ways and Means Committee on the President's tax program.

Fiscal year 1969

For the year that ended a week ago yesterday, the budget published in January estimated receipts at \$186.1 billion and outlays at \$183.7 billion, with a surplus of \$2.4 billion. Our May 20 estimate indicated receipts of \$186.5 billion and outlays of \$185.6 billion, reducing the projected surplus to \$0.9 billion. Preliminary data on actual receipts and outlays for the year will be published in the *Monthly Treasury Statement* late this month. When those data are published, we expect them to show that both receipts and outlays will be somewhat higher than our May 20 estimates.

Fiscal year 1970

For the fiscal year we have just entered, the January budget estimated receipts to be \$198.7 billion and outlays to be \$195.3 billion, resulting in a projected surplus of \$3.4 billion. On May 20, we estimated that receipts will be \$199.2 billion and outlays will be \$192.9 billion, with a surplus of \$6.3 billion. Of course, a most important influence on the budget will be congressional action.

Receipts

The net increase of \$0.5 billion in estimated receipts over the January budget figure—from \$198.7 billion to \$199.2 billion—results from: (a) a combined increase of \$2.5 billion due to higher than anticipated tax yields and economic activity—and accompanying higher prices and wages, (b) a downward revision of \$0.4 billion in estimated receipts from corporation income taxes and customs duties, and (c) a net decrease of \$1.6 billion due to changes in proposed legislation and the anticipated dates of enactment, largely in proposed employment taxes associated with social security legislation. One of the reasons for being conservative about higher receipts in 1970 is that the January budget contemplated some receipts based on the assumption that the necessary legislation would become effective by June 30. No such legislation has yet cleared the Congress.

Outlays

As our May 20 statement indicated, increases in uncontrollable items raised January budget outlays for 1970 from \$195.3 billion to \$196.9 billion and budget authority from \$210.1 billion to \$211.4 billion. However, this Administration's review of the 1970 budget produced reductions in outlays from the corrected January budget totaling \$4.0 billion. Budget authority was reduced \$5.5 billion.

Since May 20, interest rates have risen even higher and the pace of rising costs under the Medicare program has been more rapid than anticipated. These and similar

other factors will probably lift outlays at least \$1 billion above the May 20 estimate. To be sure, there will be some offsetting decreases. On the other hand, the net effect of congressional action to date on fiscal year 1970 appropriations requests has been to increase estimated outlays. The House actions are expected to reduce Treasury, Post Office, and Executive Office spending by \$36 million and Independent Offices and Housing and Urban Development outlays by \$43 million, but to increase Agriculture outlays by \$173 million—a net increase of nearly \$95 million. Senate actions to date would reduce Treasury, Post Office, and Executive Office outlays by \$31 million but increase Agriculture outlays by nearly \$570 million—a net increase of nearly \$540 million.

There are a number of uncertainties concerning 1970 outlays. These include the fact that congressional decisions on many appropriation requests and on a possible outlay limitation are yet to be made. For now, we are inclined to hold to the \$192.9 billion estimate of May 20, but recognizing, for the moment at least, that pressures for higher outlays seem greater than prospects for additional reductions by the Congress.

Indeed, the \$192.9 billion outlay estimate is a tight one, despite the fact that it will be about \$7 billion higher than 1969 outlays. The \$7 billion increase includes:

Social security benefit payment increases of \$3.4 billion;

Civilian and military pay raises, effective July 1, 1969, under existing pay comparability legislation of \$2.8 billion;

Interest on the public debt, reflecting refinancing at the currently higher rates of interest, amounting to about \$1 billion; and

Public assistance grants to States, including Medicaid and the removal of the Aid to Dependent Families program freeze, of \$1.1 billion.

The above four items account for more than the \$7 billion increase in the total, which means that there is a net reduction for all other programs.

CONCLUSION

Our current economic situation is primarily the product of past decisions. Similarly, the future will be largely the product of what is done now.

It takes time for fiscal policy and monetary policy to take hold. We will need a period of balanced, reduced growth to turn the forces of inflation, for throughout much of the economy, supply factors (labor and material costs) keep pressure on prices for some time after demand pressures ease.

Economic restraint cannot be successful if it is applied only intermittently. This is the lesson of the recent past. We need now a further, gradual slowing of the rate of economic expansion in the months ahead if we are really to bring inflation under control. Failure by the Senate to act favorably and quickly on H.R. 12290 will result in either more inflation or too heavy reliance on monetary restraint—and a loss of confidence by persons at home and abroad in the seriousness of our Government's determination to bring an orderly halt to inflation.

It is crucial in the months ahead that we continue the coordination of monetary and fiscal policy that we have had since the first of this year. Only if a fiscal program is adopted that will keep these policies in concert for the current fiscal year, are we likely to have a balanced and reasonably even slowing of growth rates across major sectors of the economy.

The question has been raised as to why the President's tax program is necessary in view of the projected budget surplus of \$6.3 billion for fiscal year 1970. The answer is that there would be no surplus unless there is an extension of the surcharge, for the extension would produce \$7.6 billion in receipts. Without the surcharge extension, we

would shift from the surplus we are now running to a deficit—a strongly expansionary move that is clearly not appropriate in the current economic environment. It would also be inappropriate in that it would shift the Federal Government from being a net supplier of funds to being a net demander of funds during the full course of the fiscal year, which would put an additional burden on the Nation's financial markets at a time when they are already under heavy pressure. Thus, the President's tax program will provide the fiscal restraint that is synonymous with responsible economic policy.

This Administration has no desire that the income tax surcharge be extended a day longer than is necessary. The proposed reduction of the surcharge on January 1 is in line with the President's intention to propose complete elimination of the surcharge as soon as military and economic conditions permit.

In our budgetary planning for fiscal year 1971, we will take this intention into account. It will provide a brake on the growth of the budget in that year. The restraint that characterizes the 1970 budget cannot be regarded as transitory. It will also characterize the 1971 budget.

In coming years, the Nation will be facing a whole new set of problems and challenges. In that environment, we will be constantly reevaluating our priorities and reallocating resources. To have a healthy economy growing at a reasonable, sustainable, and noninflationary rate, and to protect the dollar at home and abroad, we must maintain prudent and responsible economic policies. The appropriate first step was taken in the coordination of fiscal and monetary policy toward the end of last year, and the second step was the \$4 billion reduction of expenditures in the 1970 budget; the third step should be the passage of the President's tax program, including continuation of the surcharge. Only in this way, can we have a well balanced mix of monetary and fiscal policy.

Failure to adopt the President's tax program runs the risk of boom and bust at home and deterioration of the value of the dollar both here and abroad. Stop-and-go economic policy has never worked in the past—in this country or anywhere else; there is no reason to expect that it would work in the period ahead.

I urge your early support of H.R. 12290 to provide the restraint needed to return the economy to balanced and sustainable noninflationary growth.

Mr. COOPER. Mr. President, some oppose the extension of the surtax, arguing that since the inflationary trend has increased during the first 6 months of 1969 with the surtax in effect and, therefore, any continuation of the surtax could not attain the desired goal of arresting inflation.

The Senate Finance Committee report on H.R. 12290 attributes the slowness of effectiveness of the 1968 surcharge as due, in part, to the easing of monetary policy in the last half of 1968, which offset some of the restricting effects of the surcharge and, in part, to the buildup of inflationary pressures over a long period of time. The committee comments as follows:

1. RESTRAINT OF THE 1968 SURCHARGE

Reasons for slowness of effect.—While in the past the surcharge has exerted a useful restraint on the economy and prices, it is clear that it has not yet exerted the full impact intended at the time it was imposed. In part, this lack of effectiveness was due to the unfortunate easing of monetary policy in the last half of 1968 which offset some of the restraining effect of the surcharge. This policy

was reversed about the first of 1969, however, and should, therefore, no longer deter the effectiveness of the surcharge if it is continued until next June.

In part, the slowness of the effect of the surcharge has been attributable to the extent of the growth of inflationary pressures during the long period before it was possible to obtain sufficient expenditure restraint. These pressures increased the length of the time which otherwise would have elapsed before the effects of fiscal action are generally felt. In the case of the surcharge, the time lag in consumer response has been substantially longer than the one which followed the 1964 tax reduction. The impact of the surcharge was delayed because consumers did not initially reduce their spending as their disposable incomes decreased; instead their first response was to reduce their rate of saving.

Overall, I believe that a large part of these price increases may be due to what has been called an "inflation psychology."

I concur with the statement made by the distinguished chairman of the House Ways and Means Committee (Mr. MILLS) in the House debate on the bill, when he expressed his view that there is an "inflation psychology" prevalent in the country today.

So the American businessman buys today what he thinks he may need tomorrow, but that he will have to pay more for it. That is true of the individual in many respects in supplying all of his own individual needs. That is inflation psychology. I think that has been part of our trouble during the last year—the last half of 1968 and through the first part of 1969. * * * Yes, a lot of it is psychological, but if we do not pass this bill today—say what you want about continuing withholding for 31 days—you will have added oil to the flames of this inflationary psychology. Unfortunately this is a serious part of the total ingredients of our present situation. How serious it is none of us is certain but certainly it is a most important part.

In its report, the Senate Finance Committee makes this same observation:

It may also take time for the public to become convinced that it will work. It appears that we are at the point now where part of the public is convinced that there will be a lessening of price increases in the future and part of the public remains skeptical. If the surcharge is extended and the investment credit repealed, this should not only directly reduce inflationary pressures, but also gradually remove the inflationary psychology, as more and more people become convinced that inflation will be controlled. If workers and businesses do not believe that inflation will be controlled, they can be expected to act in ways that will make inflation far more difficult to control. In the absence of the surcharge extension, their expectations could become a self-fulfilling prophecy. But with extension of the surcharge, the committee is thoroughly convinced that there will be no basis for this inflationary psychology.

One provision of the bill that is designed to check inflation is the repeal of the investment credit tax, which is estimated to produce \$1.35 billion in revenue for fiscal 1970, and \$2.6 billion in later years.

In 1962, when we passed the investment tax credit, annual expenditures for new plant and equipment were \$37.31 billion. In 1968, these expenditures totaled \$64.08 billion and are estimated to reach \$72.17 billion in 1969. The 1969 estimate indicates an increase over the prior year of 12.6 percent, a tremendous increase.

One consequence has been an excessive demand by the business community for bank funds to finance this expansion in plant and facilities. Since the demand for loans has been far greater than the supply of bank funds available banks have increased the prime interest rate as a mechanism for rationing funds among their customers. On December 2, 1968, the prime interest rate rose from 6 to 6½ percent. By June 10, 1969, the prime rate had risen to 8½ percent, the highest since the Civil War. And there is talk today of further increases. We are all aware of the consequences on all segments of the economy and in particular, on the supply of mortgage money to the housing industry.

With respect to the repeal of the investment credit tax, the House has added an amendment—which was not recommended by the administration—to cushion the economic impact that the repeal would have on the investment by industry in air and water pollution facilities.

In the past, I have supported and introduced bills similar to the House amendment. It would allow the cost of new pollution control facilities to be amortized over a 5-year period. Because these facilities often have a useful life of as much as 20 years or more, the usual depreciation deduction per year is inadequate.

Hearings held by the Public Works Committee, of which I am a member, over the past 6 years have established clearly the need for a financial incentive to industry to acquire and install air and water pollution control equipment if the Nation is to make headway in meeting the ever-mounting problems of water and air pollution. I would like to see this particular amendment retained but, at this time, it is more important that the Congress make a decision with respect to the surtax.

I now turn to the present procedural situation in the Senate concerning the scheduling for Senate consideration of H.R. 12290 and a tax reform bill.

The distinguished majority leader (Mr. MANSFIELD) proposed on the floor of the Senate last Friday that the Senate extend the surtax for a 5-month period to November 30, 1969, by attaching this proposal as a Senate amendment to a House passed bill. The administration bill, H.R. 12290, would remain on the Senate Calendar until a tax reform bill is reported by the Senate Finance Committee. The chairman of the Finance Committee (Mr. LONG) has given assurances that a tax reform bill will be reported by the committee to the Senate on or before October 31, 1969. In addition, the proposal would retain April 18, 1969—the date specified in H.R. 12290—as the cutoff date for the repeal of the investment tax credit.

I find myself in agreement with the conclusions reached by the distinguished minority leader (Mr. DIRKSEN), minority members of the Senate Finance Committee, and the Secretary of the Treasury, Mr. Kennedy, when they say that a 5-month extension would not meet our country's fiscal problems and, at the same time, would not dispel the uncer-

tainty among businessmen and all individuals and could create an unmanageable situation with respect to the fiscal 1970 budget. However, because the resolution continuing the withholding of the surtax will expire on Thursday midnight of this week, it may be that we will have no other alternative than to pass a 5-month extension.

I wholeheartedly support tax reform proposals that would provide a more equitable distribution of the tax burden among various categories of taxpayers. In this regard I would like to add that I would hope the committee would also consider ways and methods to simplify the present tax forms so that they may be more readily understood by the taxpayers. I think this one area deserves the committee's attention, and the committee could perform a great service to the American taxpayer by making recommendations for more simplified and more readily understood forms.

The President in a major tax message to Congress on April 21 has made tax reform recommendations and, in addition, the Treasury Department has added further recommendations. The distinguished chairman of the House Ways and Means Committee (Mr. MILLS) and the next ranking majority member of the committee and majority whip (Mr. BOGGS) and the ranking minority member of the committee (Mr. BYRNES) have given their assurances that a tax reform bill would be before the House before the August recess. The committee has taken testimony from over 600 witnesses to date on tax reform proposals. It has been meeting almost daily in executive session and has reached tentative agreement on many difficult and far-reaching amendments to present tax laws. I note that the Ways and Means Committee plans to have its tax reform bill completed by Friday of this week and to bring the bill before the House the following Wednesday, August 6.

I know from mail and from talks with constituents that there is a strong opinion in my State and in the country that our tax laws should be reformed and made more equitable and that Congress must act this year to do so. I have no doubt that Congress will act and act responsibly.

EXTENSION OF AUTHORITY OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE TO INVESTIGATE PROBLEMS OF EDUCATION OF AMERICAN INDIANS

Mr. MONDALE. Mr. President, I am sending to the desk an original Senate resolution unanimously reported from the Committee on Labor and Public Welfare this morning which would extend the authority of the Committee on Labor and Public Welfare to investigate problems of education of American Indians, and ask unanimous consent for its immediate consideration.

I have cleared this matter with the majority and minority leaders and with the distinguished chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) and the Committee on

Rules and Administration (Mr. JORDAN of North Carolina).

The PRESIDING OFFICER. The resolution will be stated.

Mr. MONDALE. Mr. President, I ask unanimous consent that the reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there objection to the present consideration of the resolution?

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

Mr. MONDALE. Mr. President, this resolution will allow the Indian Education Subcommittee an additional 3 months within which to file its final report, and will allow the continued expenditure of the funds for the work of this subcommittee which have been previously authorized. This time is needed so that the Senators on the committee may themselves have the opportunity to fully consider and evaluate the record of hearings which have been held by the subcommittee and to arrive at such recommendations as may be appropriate to bring before the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 226) was agreed to, as follows:

S. RES. 226

Resolved, That Senate Resolution 80, Ninety-first Congress, approved February 17, 1969, is amended as follows:

- (1) In section 2, strike "July 31, 1969" and insert in lieu thereof "November 1, 1969".
- (2) In section 3, strike "July 31, 1969" and insert in lieu thereof "November 1, 1969".

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I had expected to be engaged in a colloquy at this time, but events over which I have no control have intervened; so I yield to the distinguished Senator from Colorado, and express the hope that when he completes his remarks, we can get underway.

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

The Senate resumed the consideration of the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

Mr. ALLOTT. Mr. President, there will be one virtue in my remarks. They will be on the subject which is the matter of debate on the Senate floor, the Safeguard anti-ballistic-missile system.

Mr. President, as with most Senators

who are charged with the responsibility of making the final decision regarding the wisdom of deploying an ABM system at this time, I try to follow the debate as closely as I can here on the floor. When other responsibilities have kept me from the floor I read the RECORD of each day's debate with the closest of attention in order to fully inform myself with regard to the progress of the information which is being imparted for the benefit of the Senate, indeed, of the country.

Thus, it was with a great deal of interest that I read the statements contained in the colloquy between the Senator from Arkansas (Mr. FULBRIGHT) and the distinguished chairman of the Armed Services Committee on Friday, July 25, beginning at page 20826 and continuing over to 20827 in the CONGRESSIONAL RECORD. I noticed that the subject was mentioned again in yesterday's RECORD. They alluded to the possible effects of radiation upon radars, electrical communication systems, computers, and their mutual interaction in fulfilling the command and control function for Safeguard.

I believe that the distinguished Senator from Arkansas was referring to the effects of the electromagnetic pulse or, EMP. EMP is created when gamma rays and X-rays from an exploding thermonuclear warhead strike electrons in the air, causing them to rapidly move away from the burst. The overall effect is somewhat like that caused by a flow of electrons accelerating in only one direction.

I should like to point out that this phenomenon is not unique to the ABM. It is, in fact, probably much more relevant to offensive ICBM's and it relies on the same basic mechanism by which the Spartan missile neutralizes incoming warheads.

For many years the effects of radiation on missile systems have been openly discussed in the technical and nontechnical literature. For instance, the January 2, 1967 issue of Technology Week states:

Growing concern over the vulnerability of U.S. missiles to X-rays from nuclear warheads of anti-missile missiles is leading to new specifications for ICBM guidance systems.

The May 26, 1967 issue of Time magazine stated:

Nearly 80% of the energy released by the explosion of the new warheads, believed to be in the one-megaton range, is in the form of high-energy X-rays.

This article continues:

Even if the shock wave fails to set off the warhead's conventional explosive, it can damage electronic components or cause sufficient changes in the critical shape of internal cavities within the warhead to prevent a nuclear explosion.

In addition to these radiation effects which are now well known, weapons designers recognized some time ago that they had to contend with the EMP phenomenon. Although EMP has not received the notoriety that has been accorded to X-rays, neutrons, and some other effects of thermonuclear explosions, it is extremely important. In its issue dated November 29, 1968, Time magazine stated further:

EMP produces powerful currents in any electrical conductor it crosses . . . these induced currents are strong enough to blow fuses or melt wiring and other metallic components in ground installations and aircraft. They would probably have the same effect on the missile and guidance firing systems.

This article goes on to point out that electronic defenses and offensive missiles are susceptible to EMP.

Mr. President, I believe the Senator from Arkansas referred to the fact that under the Nuclear Test Ban Treaty, "it is not easy to conduct a nuclear explosion in the air to test its effect upon communications."

This is manifestly apparent, of course. As Senators will recall prior to the ratification of the nuclear Test Ban Treaty the Russians detonated their so-called superbomb with a yield in the neighborhood of 100 megatons. The argument was made then, not without a great deal of merit, I believe, that the United States should postpone ratification of the Test Ban Treaty until this country has had a chance to detonate a similar high-yield nuclear device. Such a detonation was suggested merely for the purpose of studying the myriad phenomena of such a high-yield nuclear explosion, including, of course, the EMP phenomenon.

Those Senators who argued against such a postponement carried the day, the treaty was ratified, and the United States has since been precluded from studying the radiation and EMP effects in an atmospheric environment.

Thus, Mr. President, it is not inconceivable to this Senator that the Russians may have learned a great deal more than we now know with regard to this EMP problem. It must be pointed out, of course, that our Minuteman sites and ICBM forces in their present silos depend on communications systems which were developed and tested 10 years ago, long before the EMP phenomenon was clearly understood. Perhaps this is not the case, but if it is a matter which is of an unclassified nature, I would like to have the Senate informed on this question. But, clearly the EMP problem raises some serious questions with regard to our assured second-strike capability.

Recognizing this danger to our missiles, the United States has developed large machines in order to realistically simulate the phenomena induced by electromagnetic radiation. It is well known from unclassified sources that the Defense Atomic Support Agency—DASA—views this as a critical problem about which more information is needed.

In summary, EMP is undoubtedly an important problem. It is not a new one; it is not one which has suddenly appeared with the ABM. It is probably most important, however, in its potential to degrade the second-strike capability of our offensive, land-based ICBM's. This is because many of our offensive missiles were deployed before the full importance of EMP was recognized and because there are many more offensive missiles than planned defensive ABM's. Last year Senator HENRY JACKSON stated that despite 5 years of research, EMP still poses a serious problem to the Nation's communications, radar, and the missile systems. I believe this, rather than mitigating

against ABM deployment, furnishes additional reasons for approval of Safeguard. Safeguard gives the defense one more option in keeping a credible second-strike capability, by providing one more way of protecting our missile sites from the EMP produced by thermonuclear explosions.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I understand that the distinguished Senator from New York (Mr. JAVITS) desires to speak for not to exceed 2 or 3 minutes.

PETITION FROM AD HOC COMMITTEE OF NEW YORKERS AGAINST ABM

Mr. JAVITS. Mr. President, there was presented to me today by Representative REID, of Westchester County, N.Y., and by Representative BINGHAM, of Bronx County, N.Y., a petition signed by 10,000 individuals throughout the State of New York, expressing from the depths of their being their conviction on the deployment of the anti-ballistic-missile system. It is so spontaneous a movement, so individual in its character and so profound in its conviction, that I wish to call it to the attention of the Senate. The petition, which is signed by these thousands of individuals, reads as follows:

We the undersigned citizens, protest the Administration's recent decision to deploy an Anti-Ballistic Missile System for the following reasons:

1. Such deployment would waste many billions of dollars of the taxpayers money;
2. The ABM system is of unproven effectiveness. Most scientific testimony indicates that it probably would not work;
3. Deployment of the ABM would accelerate the nuclear arms race;
4. Deployment of the ABM would seriously endanger nuclear disarmament talks between the United States and Russia.

We urge the Congress to take appropriate measures to insure that this unfortunate decision is not implemented.

The petition, signed with the names and addresses of 10,000 persons from all over the State of New York, was gathered by a highly responsible committee. Any Senator is invited to examine the petition.

Mr. GORE. Mr. President, will the Senator yield.

Mr. JAVITS. I yield.

Mr. GORE. Mr. President, I have not had the pleasure of examining the petition. It is indeed voluminous. The voice, through the signature of 10,000 citizens of the State of New York, is eloquent indeed.

I note that the petition expresses doubt as to the workability of the ABM, even if deployed and even if needed. Would not the senior Senator from New York agree that in the event that it should become necessary to detonate

ABM's in an attempt to defend against incoming nuclear missiles, it would indicate our policy of deterrence would have already failed?

Mr. JAVITS. The Senator is correct. I think that is the deep feeling from their hearts that these thousands have expressed.

Mr. GORE. So the question of its workability, however fraught with doubt that is, is a secondary matter indeed. The real question for the country is what action it can take that would most likely lead to an agreement on nuclear arms limitation. This is true, because the only measure of security between the two major nuclear powers, each possessing the power to destroy the other, is the avoidance of nuclear war.

So the first question is whether ABM is necessary, whether it will contribute to an arms limitation agreement, or, conversely, whether it will interfere, hinder, make more difficult the achievement of an arms limitation.

Mr. JAVITS. I agree with the Senator.

Without imposing on the time so graciously granted by the Senator from Montana, I only say that this does not inhere in what the parties may momentarily think they will do. They will do a lot more if we do not deploy than if we do.

AMENDMENT OF FEDERAL AVIATION ACT OF 1958, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1373.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1373) to amend the Federal Aviation Act of 1958, as amended, and for other purposes, which was to strike out all after the enacting clause, and insert:

That the Federal Aviation Act of 1958, as amended, is further amended as follows:

SECTION 1. Section 407(b) (49 U.S.C. 1377 (b)) is amended by adding the following additional sentence: "Any person owning, beneficially or as trustee, more than 5 per centum of any class of the capital stock or capital, as the case may be, of an air carrier shall submit annually, and at such other times as the Board may require, a description of the shares of stock or other interest owned by such person, and the amount thereof."

SEC. 2. Section 408 (49 U.S.C. 1378) is amended by striking subsection 408(a) (5) in its entirety, and inserting in lieu thereof the following:

"(5) For any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, or any other person, to acquire control of any air carrier in any manner whatsoever: *Provided*, That the Board may by order exempt any such acquisition of a noncertificated air carrier from this requirement to the extent and for such periods as may be in the public interest."

SEC. 3. (a) Section 408 is further amended by deleting the first sentence of subsection 408(b) and substituting in lieu thereof the following: "Any person seeking approval of a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section, shall present an application to the Board, and thereupon the Board shall notify the

persons involved in the consolidation, merger, purchase, lease, operating contract, or acquisition of control, other persons known to have a substantial interest in the proceeding, and the Attorney General of the time and place of a public hearing."

(b) Section 408 is further amended by inserting in the third proviso of subsection 408(b) after the words "determines that no person disclosing a substantial interest" the following: "or the Attorney General".

SEC. 4. (a) Section 408 is further amended by adding the following new subsection 408 (f):

"Presumption of control

"(f) For the purposes of this section, any person owning beneficially 10 per centum or more of any class of the capital stock or capital of an air carrier shall be presumed to be in control of such air carrier unless the Board finds otherwise."

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Sec. 408. Consolidation, merger, and acquisition of control." is amended by adding at the end thereof the following: "(f) Presumption of control."

SEC. 5. The provisions of this Act shall take effect on the date of the enactment of this Act.

Mr. MANSFIELD. I move that the Senate disagree to the amendment of the House to S. 1373, a bill to amend the Federal Aviation Act of 1958, and ask for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. CANNON, Mr. HART, Mr. COTTON, and Mr. PROUTY conferees on the part of the Senate.

EXTENSION OF THE SURTAX

Mr. MANSFIELD. Mr. President, today I was fortunate enough to have the opportunity to discuss on the telephone the situation in which the Senate, and I believe Congress, finds itself in relation to the extension of the surtax and its connection with meaningful tax reform.

I discussed possibilities with the Vice President this morning. I discussed possibilities later with the distinguished minority leader. Shortly after the Senate convened, I met, in the office of the Vice President, with the Vice President, the minority leader, and the distinguished senior Senator from Delaware (Mr. WILLIAMS). At that time they discussed the possibility—and these discussions were most friendly—of a 15-day extension of the withholding section of the surtax bill.

I stated that, in view of the action taken by the policy committee in conjunction with the Democratic members of the Committee on Finance, it was my opinion that the response would be negative so far as that joint membership was concerned. However, I did state that I would be most happy to call the policy committee together, with the chairman of the Committee on Finance and the Democratic members of that committee, to lay before them the questions which had been raised in the various conferences today and to find out what their judgment would be. I promised that once I found out what their judgment would

be, what their position was, I would notify the Vice President, the minority leader, and the senior Senator from Delaware.

So, at the conclusion of that meeting, which unanimously, without exception, agreed to hold fast to the stipulation which was unanimously agreed to on Thursday last, I dispatched a copy of the minutes of the meeting to the three members mentioned.

At the same time I sent a letter to my beloved friend the distinguished Senator from Illinois, the minority leader, which accompanied the statement which I made at that time. The letter reads as follows:

JULY 29, 1969.

HON. EVERETT M. DIRKSEN,
Minority Leader, U.S. Senate, Washington,
D.C.

DEAR EV: In an attempt to carry out my promise at our meeting this morning in the Vice President's office, I am sending this statement to you, the Vice President, and Senator Williams so that, if you desire, you can discuss it with your colleagues.

I have been instructed by the Policy-Finance Committee to make a public statement on this situation today. I will not do so, however, until you have completed your discussion and are on the floor.

With best personal wishes, I am,
Sincerely yours,

MIKE MANSFIELD.

Copies to: the Vice President; Senator
JOHN J. WILLIAMS.

Mr. President, that is all I have to say, except that to keep the RECORD straight I shall ask unanimous consent that a copy of the statement which was delivered to the Vice President, the minority leader, and the Senator from Delaware (Mr. WILLIAMS) be printed in the RECORD.

Mr. President, I will read the statement. I had thought it was distributed. This is the unanimous finding of the policy-finance committee at its meeting today.

STATEMENT OF SENATOR MIKE MANSFIELD

The Democratic Policy Committee met with the Democratic members of the Finance Committee today. The joint membership agreed unanimously that a further 15-day extension of the withholding rates would not meet the problem of surtax-extension. Rather it would serve only to postpone a decision and create an unnecessary pall of uncertainty.

The group agreed further that the previous offer to the minority to support an extension of the surtax until November 30, 1969 on a separate House-passed bill—with the understanding that the general tax reform measure would be reported by October 31—should be renewed as offering the best prospect of passing a surtax-extension and still meeting the public demand for the removal of the inequities in the present tax structure.

The Democratic Policy Committee-Finance Committee group agreed unanimously to renew the effort to secure a five-months extension of the surtax provided, of course, that the approach receives the accord of the Administration and the minority leadership. This endorsement seems necessary to preclude the offering of extraneous amendments to the House-passed bill which would be used as a vehicle for effecting the extension of the surtax until November 30.

If the Administration and the Minority Leadership give the word on the acceptability of the compromise, the Leadership is prepared to move without delay—it is prepared to move today—in an effort to bring the surtax extension before the Senate for prompt

disposition. I would hope for the assistance of the distinguished Minority Leader and the ranking Republican member of the Finance Committee on this urgent and difficult matter.

The House-passed bill, H.R. 9951, which is on the calendar would provide the vehicle. The controversial amendment in this bill dealing with foundations would be removed—as per the earlier offer of Senator Williams—since this matter is being considered in the general tax reform package. The extension of the surtax—and nothing more—would be offered as a substitute for that committee amendment.

Without clearance all around, it is difficult to say how an extension of the surtax can be brought about at this time.

Mr. DIRKSEN. Mr. President, what the distinguished majority leader has said is quite correct.

It was on Thursday last, after meeting with the majority policy committee, that a statement had been prepared, but there was such a surge of newspaper, television, and radio people in the corridor at the time that the majority leader could not well make his way over to my office, and so he telephoned and delivered the statement that had been prepared. It was of sufficient moment I thought for me to convene the minority members of the Committee on Finance and, likewise, the Secretary of the Treasury because it contained two distinct proposals: One proposal dealt with the surtax, and the other proposal dealt with the investment tax credit. It dealt with the latter in rather meticulous detail so as to nail down the date and the circumstances so that there would be a full understanding as to what the majority policy committee had in mind. It contained also language about acceptability by the administration and by the minority leadership.

Before we finished our deliberation of the matter it was well into the evening, and so there was nothing more to be done that day. We did have some further discussion of the matter on Friday in one place or another, as I recall, but off and on I have been rather pursuing this matter, because I saw the uncertainty that was developing in the commercial channels of the country, and in the industries of the country, and I thought surely we cannot permit an impasse to prevent us from getting something done on this very vital matter. After all, on an annual basis, there is involved in that surtax something over \$7.5 billion, and that is a lot of revenue under any circumstance. I thought, "How, then, do we get this thing done?"

I had occasion to speak with the distinguished majority leader about the prospect of intercepting the House bill when it was messaged to the Senate. The bill I refer to is the one that would extend the time for the withholding tables for a period of 15 days.

They undertook to call up that bill in the House yesterday. However, there was objection and the leadership found it necessary to go to the Rules Committee for a rule. I made inquiry. They said it would be the customary rule for 1 hour and they would probably ask for an hour's discussion on the resolution. Evidently they did not try to bring up the matter today, as I recall, so nothing will

be done about the withholding table or the resolution relating thereto until tomorrow.

However, in the first sentence of this new resolution which came to light today the majority policy committee and the majority members of the Committee on Finance deal with this whole matter. As the majority leader has so well said, I called this morning and I know the Vice President called him; and at an appropriate moment we met in the office of the Vice President. There we had a discussion, and the Vice President raised the hope that they could convene the majority policy committee again and have a further discussion of this whole matter. The majority leader graciously agreed, and at about noontime or a little thereafter I noticed that members of the Committee on Finance were going into his office. So I assumed that the meeting was in progress about that time. This was the regular day for the minority to have its policy luncheon, attended by every minority Senator. In the course of the luncheon meeting this noon, the majority leader was kind enough to send me the note that he read and a copy of the statement that was uttered with the approval of this joint committee, the Committee on Finance, and the Democratic policy committee.

Now, in the first paragraph there is this recital:

The Democratic Policy Committee met with the Democratic members of the Finance Committee today. The joint membership agreed unanimously that a further 15-day extension of the withholding rates would not meet the problem of surtax-extension. Rather it would serve only to postpone a decision and create an unnecessary pall of uncertainty.

In view of that estimate of what that 15-day bill would do—I thought I read that reasonably and fairly—that no action would be taken, that we could not intercept the bill when it came over and try to get immediate consideration, which I knew ran the hazard of an objection and, thereafter, it would have to go to the calendar. The majority leader contended that, properly speaking, it should go to the Finance Committee.

Certainly, I have no quarrel with that viewpoint, because that is what committees are for. When a matter that comes within the purview of their jurisdiction is sent here, it is quite the customary thing to send it to committee.

But I thought this sounded something of a death knell for that 15-day extension because of the general opinion uttered here that it would create an unnecessary pall of uncertainty.

The new statement deals only with the surtax extension. At first, it was proposed, on last Thursday, to have an extension until the 31st of October. That has been modified, and in the statement it would be an extension to the 30th of November. There is phraseology here that has given me some difficulty—

Mr. MANSFIELD. Will the Senator from Illinois yield right there?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. There has been no change, may I say most respectfully, in the date. Last Thursday it was November 30, and it still is.

Mr. DIRKSEN. The Senator is correct. Mr. President, here is the language that offers difficulty:

If the administration and the minority leadership give the word on the acceptability of the compromise, the leadership is prepared to move without delay. It is prepared to move today.

I did not finish pointing out that in the earlier statement of last week, they did deal with the so-called investment tax credit. That, however, does not appear in today's statement. This deals only with keeping the surtax alive until the 30th of November.

Mr. President, I cannot arrogate to myself the authority actually to speak for the administration. The President must do that and, momentarily, he is out of the country. I did summon for our meeting today the Secretary of the Treasury, the Director of the Bureau of the Budget, and some White House staff; but, frankly, I presume they would have difficulty in speaking for the administration, also.

Now, a query: Could we get the President on the telephone and would that be the appropriate thing to do?

I had hoped that perhaps the whole matter could wait until the President returned; but, unfortunately, we are up against a deadline, not only with respect to the extension of the surtax tables, but also on a deadline so far as the surtax itself is concerned.

Obviously, there are only days available to us before some kind of action might be contrived. Consequently, I felt in duty bound, when the majority leader indicated that he would like, in fact, for me to indicate to him what the situation was, to be frank to say to him that actually I could not speak for the leadership.

If we formalize the leadership, it consists of five members of the minority. Well, I have not talked to them and, consequently, I could not feel that I should speak to them, not if there was one dissident viewpoint. Thus, I could not comply with that request of the minority leadership. I can speak for one member of that leadership, and no more.

I have some views that were not actually consonant with some views I have heard expressed today, nor can I speak for the administration. That was the reason for summoning those identified with the executive branch for whatever kind of statement they might be able to make.

Accordingly, under those circumstances, Mr. President, I cannot say that the proposal is rejected. I cannot say that it is accepted, because I am in a slightly awkward position and not quite able to say exactly that.

So that it would be pursuant to and also responsive to the very language of this statement from the joint committee that I explain the whole story.

I might add to it that, in my book, this is such an important thing, one cannot fail to consider what is happening in the markets today, the uncertainty in business and elsewhere, without feeling that it is that uncertainty that, somehow, beclouds business judgment. We see it in the trade markets and in the press: Exactly what is Congress going to do?

I had, of course, hoped if we could have done this for 6 months, it would seem a little more reasonable. One month may not seem so much. However, if we are dealing on a fiscal year basis, it takes us to the end of the first 6-month period. If we are dealing on a calendar year basis, it takes us to the end of the calendar year. It brings us up to the time when business begins to make its purchase plans, when it begins its inventories and when it determines the models and so many other things. So that the impact of taxes is so important in every one of those economic decisions which are made.

That is why, in my judgment, this is so extremely vital. I had hoped that it would come to certainly a better end than what appears at the moment.

So, now what happens at the other end of the Capitol, I cannot say.

Obviously, this must come to their attention and it could readily have some impact on how they feel about going ahead with that 15-day extension.

That was all that was involved this morning at the meeting in the Vice President's Office; namely, how quickly to get that 15-day extension, because there would be some maneuvering room and we could take a further look in the hope that out of sweet reason we might come to a satisfactory conclusion.

Mr. MANSFIELD. Mr. President, I can find very little fault with what the distinguished minority leader has said today and on previous occasions.

He has been most gracious and most considerate. He has tried to keep the door open and do what he could, and, based on the limits of his responsibility and authority, to bring this matter to a head.

All I can say, Mr. President, is that today's offer—that we are prepared to move without delay in an effort to bring the surtax extension before the Senate for prompt disposition—applies not only today, but it applies to tomorrow and it applies to Thursday. If it is necessary to call the President—and I understand that that has been done since he has left the country—to discuss matters of prime interest—no pun intended—I think that is the way it will have to be, that is the way it must be.

But I want to say on the part of the Democratic membership of this body—and I think I can speak for practically all of them—what we want to do is to extend the hand of accommodation to the President of the United States. We think that by extending this provision for 5 months, we are helping the President, getting out of a deadlock, living up to our responsibilities, and laying the groundwork for a tax reform bill, as well as a full 12-month surtax extension, with all its attributes, being considered in plenty of time.

That, I think, is a gesture which I hope would not be misinterpreted, because I have said this before—I will say it again—there is no politics involved in this accommodation, but I realize that politics will be charged and alleged. And that is the way it is. That is the way you have to go. There is nothing personal in this accommodation, and that statement I am sure will not be disagreed with.

As far as the Senator from Montana is concerned, there is nothing in the way

of prestige connected with it. As I have said many times before, I could not care less about such things. But it is an honest attempt to try to reach an accommodation.

I want to thank the distinguished minority leader for the strenuous efforts he has made in this area. I want to thank the distinguished Senator from Delaware (Mr. WILLIAMS), the ranking minority member of the Finance Committee, for the strenuous and honest and respectable efforts he has made to try to reach an accommodation. All I can say is that what I have stated today bears the imprint of the approval of all the Democratic members of the Finance Committee and all the members of the Democratic policy committee.

I would hope that a solution to this matter could be found shortly, because, if nothing is done by midnight Thursday, it is a new ball game; and if something is attempted after that time, my guess would be that it would be very, very difficult to revive the surtax at that time.

It is a situation in which I can well understand the dilemma in which the distinguished minority leader finds himself. I may point out that we are in a dilemma as well.

But again I want to say to whoever calls the President of the United States and explains this situation to him that, let it be clear to the President that as far as the loyal opposition is concerned, we are extending the hand of accommodation. We think we are acting responsibly. We are quite sure that if this accommodation is accepted, the matter of surtax extension and tax reform of a meaningful nature will be complied with, in our opinion, in plenty of time before the 30th of November.

Mr. LONG. Mr. President, the Senator from Louisiana has done the best he could, to bring together honorable men of differing opinions.

It took some time for us on the Finance Committee to understand what those on the policy committee had in mind. At one point the Senator from Louisiana undertook to invite the policy committee to meet with the Finance Committee so we could discuss the matter and see if we could reach some agreement as to just exactly what both groups were attempting to do and to see if there could be some kind of agreement as to procedure and also whether there was some condition as to what the committee was expected to do if the bill was to be called up.

The majority leader felt—and I am now convinced quite properly—that it would not be proper for the policy committee to sit with the Finance Committee, because the policy committee spoke for Democrats and did not speak for Republicans. He was quite willing to have the policy committee sit with the Democrats on the Finance Committee and discuss their position, because the policy committee represented Democrats. Accordingly, we did that, and we were able to come to an agreement as to the procedure that we thought would be appropriate to meet the conditions of all concerned.

Unfortunately, before we could do that,

a motion was made in the committee to report the surtax extension bill and the amendments to it precisely as it passed the House of Representatives. Two Democrats voted with seven Republicans, and it was voted out 9 to 8.

Since that time it was made clear that the leadership did not propose to call up that measure until we were in a position to vote on a rather sweeping type of tax reform bill, the type of measure which is being considered in the House of Representatives.

It was the point of view of the leadership that they were perfectly willing to move a measure which could carry an amendment to extend the surtax, which is the really unpopular provision in that bill, as far as October 31.

After we met, the majority leader was willing to go the extra mile, at my urging, to suggest that the date be November 30, and that we should have until October 31 to report out of committee our recommendations on reform.

As a practical matter, if I were trying to look after the President's business on the floor, I would look at the bill and say, "Here is a bill for \$10 billion and the Democrats are offering us \$4.9 billion on the surtax extension. They are telling us that they will help us get the other \$1.3 billion on the investment tax credit by repealing that provision, and they are reserving judgment with regard to about \$3 billion which will expire unless they are accorded the opportunity to vote on their amendments and have the kind of reform package that might be voted on by the committee or as sent by the House of Representatives."

As a practical matter, if this suggested compromise is agreed on, looking at it in terms of revenue, the administration will get nearly two-thirds of what it is asking for, as temporary matters, which is a generous offering the Democrats make when they insist on having an opportunity to offer their amendments and have an opportunity to vote on the reforms offered by the House of Representatives to the Senate.

If one expects those who take the view that there must be some consideration of tax reform, in connection with the surtax extension bill, to go any further than that, it seems to me it is unreasonable. The administration is getting more than half of what it would like to have as a part of this proposed compromise.

As one who has tried to help this administration get the revenue necessary to balance the budget and to stabilize the economy, it seems to me Members on this side of the aisle are asked to go as far as they can be expected to do to help the administration act responsibly, unless they are to prejudice their chance to prevail upon reform proposals.

If the 15-day extension took place, what bothers me is that in 15 days we certainly could not give due consideration to all the legislative representations made by the House. I have not even tried to understand them, feeling it would be well to wait until we got them here and had an opportunity to let people testify on them.

But the Senate wants to vote on that; at least the Democratic majority in the Senate wants to vote on those recom-

mendations, and they do not want to let the administration get all its revenue bills through, to have its fiscal house completely in order, without having a chance to vote on the amendments Senators want.

That is not limited to this side of the aisle, to the Senator from Tennessee, or to any other Senator. As far as I am concerned, I have felt that the biggest loophole in the tax law at this point is the investment tax credit. It is my understanding that the Senator from Delaware has felt the same way. The Senator from Delaware, the Senator from Tennessee, and I would have joined to move for the repeal of the investment tax credit on the first big revenue bill that came to us.

The President foresaw that, and recommended its repeal himself, which I think was a very wise thing for him to do. The Senate Finance Committee has voted to do it. The Democratic policy committee, almost unanimously, with the votes of all committee members except one, went on record as favoring repeal of the investment tax credit, as did the House of Representatives.

So we are pretty much united as to everything except one thing: What are we going to do with the surtax as of November 30?

It would seem to me that the wisest thing to do and the best way to proceed to give the Government the revenue it needs would be to extend the surtax until November 30, and by that time we would expect to have a comprehensive revenue bill before the Senate—in fact, a month before that time—on which the Senate could work its will.

I think the leadership has gone about as far as it could be expected to go. It would seem to me that if the majority leader would make an effort to work this thing out with the minority leader, they could work something out within the general area on which there is agreement. It would seem to me further to serve no purpose at all to have a 15-day extension. What would that accomplish, except to make it necessary to ask for another extension? The House of Representatives did not want a 92-day extension, or a 60-day extension; they wanted only a 31-day extension. We gave them that. Now I would propose that, responsibly, we ask them for such time as we would require to act responsibly on a measure such as the Senate desires. That is only fair. It is difficult for me to understand how those statesmen in the House of Representatives can ask us for such time as they require, and then deny us 50 percent as much time as they have spent working on a revenue bill. That is about par for the course; we usually take half the time they take, but it does pose for us somewhat of a difficult task to have them send us a bill and expect us to make it law the day after they send it to us.

If they take 8 months on a bill, it would seem to me that the Senate would be entitled to take 4; or if they take 6 months, that the Senate would be entitled to 3. But for us to take their bill, on which they have spent 7 or 8 months, and when, in many instances, they wrote the bill after they had concluded their hearings,

so no one had a chance to be heard on their ideas at all, and be asked to pass it the day after it gets here, is asking too much. It is also asking too much to ask us to do it in 15 days.

I have tried to be accommodating to the majority leader, the minority leader, the majority on the committee, and the minority on the committee; and if this suggested compromise, which the Democratic policy committee has proposed is accepted, no one will be denied the opportunity to be heard, we will provide the Government with the revenue it needs, and everyone will have a chance for a vote on his proposal.

If Senators want to have their amendments considered, if they can obtain a majority vote in connection with some legislation which the President feels some need to sign, they can do so. I do not think he can ask the Democrats who insist on tax reforms to go any farther than they have gone. So I would very much hope that a compromise can be worked out along the lines that have been suggested here.

Mr. WILLIAMS of Delaware. Mr. President, I appreciate the position of the majority leader, who is speaking for the Democratic policy committee, and as much as anyone else would I like to work out some agreement whereby we could proceed. But many of us, including the chairman of the committee, felt that an important part of this package was the repeal of the investment tax credit.

In all of the arguments that we heard in the testimony before our committee the testimony was that this investment credit was subsidizing the expansion of industry at a time when we did not need new plant capacity. It represents on an annual basis about a \$3 billion subsidy for American industry, something which we as a committee felt was not desirable. As I recall the vote it was practically unanimous; there may have been one or two votes against the repeal of the investment credit, but I think it was nearly unanimous, as I believe the chairman will bear me out.

We felt this was a vital part of the measure in order to combat inflation at this time, because the repeal of this 7-percent investment credit has the double objective not only to repeal a \$3 billion unwarranted subsidy for American industry, which we felt at this time was not justified in the light of the revenue condition of the Government, but also to stop encouraging expansion of plant capacity at a time when we do not need it. It puts an added drain on the financial markets to finance that new capacity at a time when money is short, thereby contributing to pushing interest rates still higher, and its retention places an added drain on materials, supplies, labor, and so forth, at a time when our economy is already overheated. Many of us are of the opinion and feel very strongly that the repeal of this investment credit is an important part of any inflation control package.

Yet at the same time I respect the position of the majority Members who want to make sure that we are going to get some meaningful tax reform later, and I am just as anxious on that point and have been working for a major re-

form of our tax laws as long as any other Senator. But I think there is a way that this objective can be met and satisfy both sides.

There is in the surtax extension bill that came over from the House of Representatives the proposed extension of excise taxes on telephones and automobiles, which represents, as I recall it, around \$2.5 billion to \$3 billion additional revenue. These do not expire until December 31, 1969, but they were to be extended another year. Certainly those excise taxes are an important part of the administration's package. To my knowledge there is not a single member of the committee who opposed the extension of those excise taxes, and they do not expire until December 31; but they will have to be acted upon prior to December 31.

Why could we not defer action on those excise taxes and leave them on the calendar? They would be a hostage, so to speak, something that the administration would be vitally interested in, with action on their extension to be acted on as a part of the major tax reform bill. Thus, we could proceed now to act on the surtax extension and the repeal of the investment credit. If we could reach such an agreement I would agree to withdraw the foundation amendment which I have on the bill now on the Senate Calendar, which is somewhat controversial—although it is not controversial as I examine it—and make that a part of the reform bill, to be acted on at a later date. That would give us a clean bill before the Senate that deals only with the accelerated payments on the withholding taxes, and I would be willing, as one Member and speaking only for myself, to enter in advance into a unanimous-consent agreement that when that bill was made the pending business it would be subject to only those amendments dealing with the question of extension of the surtax and the repeal of the investment tax credit, with the further understanding that no amendment relating to any other subject would be germane; that would give us a chance to work our will on these two proposals together. Then, if it is the will of the Senate to extend the surtax for 1 year, 6 months, 5 months, or 3 months, that could be worked out by rollcall votes in the Senate.

At the same time, the Senate would be taking final action on the repeal or nonrepeal of the 7-percent investment credit.

By this advance unanimous-consent agreement, the Senate leadership would be sure there would be no nongermane amendments other than those two subjects dealt with on that bill. I would be willing to enter into such an arrangement and I think this could be an area of agreement.

I do think, though, that those of us who do feel very strongly that this surcharge should be extended a little longer than the 5-month period should have the right to vote on it. I am perfectly willing to abide by the decision of the Senate. I might state that, as the majority leader knows, it is not unanimous on our side of the aisle either as to whether

it should be extended the full year or whether it should be extended at all.

At the same time the Senate would be extended the privilege of voting and deciding the question as to whether the 7-percent investment credit will or will not be repealed and if repealed what exemptions will be made. In that manner American taxpayers would be in a position to make their plans with the knowledge of what the law would provide.

I am not trying to persuade any Senator as to how he should or should not vote. I do think, however, that when we vote on a matter as important as this we as individual Senators should be able to express our own opinions.

I hope that the majority leader will not close the door, but at least let the Senate have an opportunity to vote. As the minority leader has said he will talk further with those who speak for the administration.

I am only speaking for myself. However, I do think it is very important for the Senate to deal with the two subjects before any August recess. Certainly the Senate will not take a vacation and leave this tax bill in abeyance.

I mentioned this argument the other day, but I shall repeat it again if the Senate will bear with me. I point out that if we do not act on the investment tax credit and make a final decision now we will have a most confused situation. The 7-percent investment tax credit is the law of the land until Congress will have taken final action, whether it be in November or whatever date in the future it may be.

In the meantime those companies that operate on a fiscal year basis have no choice except to deduct the investment tax credit as they file their tax returns. Suppose they bought equipment after the April 18 date, which we generally accept as the ultimate date to be agreed on. They will continue to deduct the investment tax credit until the law is actually passed, and if this is the case it is estimated that by November this will amount to nearly \$200 million. As one company official said, he will invest it in 60- or 90-day Treasury bills drawing 6 percent for the time that lapses until Congress is making its decision. The company could draw interest on the Treasury bills for 60 more days after Congress does act. The Treasury Department would have no choice, based on precedent, except to allow them adequate time after final congressional action, to file an amended return and pay the tax. The Department could not put a penalty on that company for a retroactive tax because the taxpayer would be paying the proper tax under the law as of the date his tax returns were filed.

I realize that there is a difference of opinion in the Senate as to whether Congress should or should not repeal the 7-percent investment tax credit. As the Senator from Louisiana knows, he and I suggested that we repeal it. However, let the Congress make its own decision either to repeal it or not to repeal it. I am willing to abide by the decision of the Senate. Why not enter into an agreement that we confine our actions to these

two items alone and let the Senate work its will on the surtax and investment credit?

That is all we ask—just a chance to vote. Surely the nine Members comprising the Democratic policy committee are not going to try forcing their views on the remaining 91 Senators under the threat that either we agree in advance to vote as they dictate or they will deny the Senate an opportunity to vote at all.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LONG. Mr. President, the most urgent thing and the first question that should be settled is whether we will extend the surtax or not. If we bring the matter to a vote, it can be settled speedily. And I think that if there is any delay, it will not be on our side of the aisle. So far as I can determine, while some people want to vote against the measure, they are willing to vote and I think the votes will be there.

The second question comes on the investment tax credit. There are people who feel that there are two sets of problems involved.

In the first place, it can be pointed out that there are inequities in the bill the House sent us. There are Senators who are perfectly willing to go along with a repeal of the investment tax credit, but they are insisting that amendments be considered so as to clear up the inequities contained in the House bill.

Other Senators feel that the investment tax credit should not be repealed completely, at least insofar as the transportation industry is concerned.

Some feel that the railroads need rolling stock or that the airlines need additional aircraft which they must acquire. Some feel that shipping companies have signed contracts relying on the investment tax credit.

Many feel that there a special exception should be allowed.

It seems to me that we have the votes to repeal it. But we ought to separate the two matters and take some other revenue bill as a vehicle to repeal the investment tax credit.

One came over today, which I would like to have held on the calendar. If we could reach some agreement, some other bill could be amended to take care of the investment tax credit problem for the time being.

Then industry would have its answer and would know where it stands between now and November 30.

And as far as the investment tax credit is concerned, they would know where they stand forever in the future.

We could be in the position then of guaranteeing Senators that they would have an opportunity to vote with regard to a further extension of the surtax and with regard to an extension of the excise taxes, or with regard to whatever reform amendment they want to offer.

That is what the policy committee agreed to do, to go along with those of us on the Finance Committee in saying we were going to put the repeal of the investment tax credit on some bill, not specifying what bill, so that once we

get the first item settled, we would then have no difficulty in settling the second.

However, on something that should be passed by Thursday, if we try to put it all together, it is open for all amendments. Everyone has a different point of view. Even though we can agree on the matter of what we want to do, it is subject to Senators offering amendments in good faith and dragging the thing out for some time.

I certainly hope that the Senator will find it in his heart to go along with an extension of the surtax until November 30.

I would then be willing to cooperate with the Senator in finding some vehicle that may already be on the calendar by which we may repeal the investment tax credit.

When we get that big reform bill here, we can go to work on that part of it and see what we can do with respect to the big problem which will take many hours of work.

Mr. WILLIAMS of Delaware. When I said we could get a unanimous-consent agreement limited to amendments dealing with extension of the surtax and the repeal of the investment tax credit I meant that it should be limited to those two subjects. I did not mean that we would preclude the right of a Senator to offer an amendment dealing with a modification of either the investment tax credit or the surtax. For example, if someone wanted to change the formula for phasing out the investment tax credit as provided in the House bill, if someone wished to include an exemption for some industry that he felt was justified, if someone suggested an amendment to retain the credit with respect to a smaller business, and so forth, they would be in order. I had in mind considering those amendments on their merits on the basis that they were related to the issue. The same would be true of amendments relating to the period for which the surtax was to be extended or at what rate.

I think there was general agreement in the Finance Committee that the investment tax credit should be repealed in some form. However, uncertainty presently prevails in industry concerning the question, "Will I be one of the lucky ones to get exempted from the repeal?" That is what I would like to settle.

This uncertainty as to what action Congress will ultimately take on these two points is creating great disturbance in our financial markets. This delay is only adding fuel to the fires of inflation.

Mr. LONG. Mr. President, why should any Senator who wants to protect the transportation industry give unanimous consent to vote if it were to mean that he would be foreclosed from having an opportunity to protect the transportation industry?

Mr. WILLIAMS of Delaware. I did not say that. They would be protected under this proposed agreement.

Mr. LONG. Well, if we are going to follow this thing through and it means that the industry must carry the burden with respect to the investment tax credit of filing an amendment return and paying the money back, why would such a Senator give unanimous consent?

Mr. WILLIAMS of Delaware. The Senator misunderstood me.

I said that in the unanimous-consent agreement we could start with the language of the House bill as it deals with the surtax extension and the repeal of the investment credit.

That would be a good bill with which to start. Then let Senators who want to modify those sections offer their amendments. For example, some may wish to retain the investment tax credit for the transportation industry then they could offer such an amendment and have it voted up or down in the Senate on its merits.

It would be a germane amendment. It would relate to the subject under the agreement.

The nongermane amendments I was thinking of, for example, are the ones that are part of the reform package. There would be various amendments of that sort. I have a half dozen of my own that relate to correcting inequities in our tax laws. Those would be nongermane on this bill.

Certainly any amendments dealing with the investment tax credit or the surtax extension would be germane.

I have not made any survey; but why not try to get a unanimous-consent agreement to limit it to amendments germane to those two subjects? Why not get an agreement to limit the debate on each amendment so that there will be no undue delay and so that action can be expedited?

I am willing to enter into an agreement. There is an exemption or two in the House bill relating to the investment credit that I would like to have deleted. That would be in order under this agreement. Such amendments can be considered on their merits, but they can be disposed of expeditiously.

Then the Senate could start consideration of the reform package coming over from the House. The extension of the excise taxes on automobiles and telephones could be included as a part of that bill.

I offer this suggestion, that rather than make the final decision now let this be considered as a possible area in which we could reach an agreement under which the Senate can proceed to a vote.

Mr. LONG. In my judgment, any Senator who is opposed to the extension of the surtax is going the extra mile to permit that matter to be brought to a vote in the fashion suggested. He is going the extra mile to accommodate the Senator in doing that. I believe we might be able to get some kind of unanimous-consent agreement to vote on an extension of the surtax to November 30.

But with regard to the investment tax credit, I should think that any Senator who wanted to assure the railroads of their right to have the credit on their rolling stock, or if he wanted to correct certain inequities in the House bill which adversely affect industries which have big investments in his State, or if he wanted to protect some other phase of the transportation industry, or if there were some other problem on which he was determined to win, if he gave that unanimous consent, he would not be very smart; because he might have a chance

to win if he made his case and presented his witnesses. On the other hand, he would be left in the position of trying to repeal a bill that was a fait accompli if he gave the Senator that agreement and let it go through the way it is likely to happen under such an agreement.

I do not think the majority leader would want to ask for a unanimous-consent agreement to which Senators would not agree had they been present to hear the request. He would not want to prejudice them. No majority leader would want to do that.

I think the type of agreement the Senator has in mind would be difficult to achieve. But if he is talking about providing the revenue that this Government needs to sustain itself, to balance the budget, and to stabilize the economy, there is really no problem in getting this done. I believe that proceeding the way the Senator would like to proceed would involve a unanimous-consent request which could not be obtained—not at this time, anyway.

Mr. WILLIAMS of Delaware. Surely the Senator from Louisiana is not suggesting that we only get an agreement to bring up a bill for a vote in the U.S. Senate under conditions that the Democratic policy committee would get unanimous consent of 90 Senators that they all will vote as they dictate. That is incredible. We are not going to get that kind of agreement because the Senator realizes that each Member is going to insist upon the right to make up his own mind and to cast his own vote.

I think that what I have suggested here today may be an area in which we could get the matter before the Senate. The Senate could then work its will—if the majority of the Senate saw fit it could extend the surtax without acting on the investment credit. Let the Senate as a whole decide.

Mr. ALLEN. Mr. President, as a newcomer to the Senate, I have been interested in the game that is being played by the distinguished Senators. I am somewhat at a loss as to whether the name of the game is "poker," "brinkmanship," or the game that some of our reckless teenagers in my section of the country play, called "chicken." In that game, one teenager will get at one end of the field, in a car, and another teenager will be at the other end of the field, in another car, and they will head toward each other at rapid speed. The first one who gives away is called "chicken."

I have listened very carefully to the proposal of the majority leader. I am not a member of the policy committee. I am not a member of the Committee on Finance. So I can view the matter objectively. It seems to me that the Democratic vehicle is not going to give way in the proposal that has been made.

The proposal is made that action can be taken on the surtax as early as today and that will provide plenty of time for passage before the law expires on Thursday at midnight. The extension would be for 5 months, but that would provide ample time for the consideration of reform measures that all concede must come. The administration asks for the extension of the surtax.

The action of the Democratic policy committee and Finance Committee assures that a vote can be had on the surtax. It can be had, possibly today, certainly by tomorrow. What more could the other side want? I might say, parenthetically, that I plan to vote against the extension of the surtax, but I should like to see it come to a vote, so that we might then proceed to the further consideration of the ABM, for which I shall vote. I believe that the extension of the surtax for 5 months, with an opportunity then to vote on its further extension, is certainly a fair and reasonable proposal, one on which the Democratic Party could certainly go before the people, because if that proposal is not accepted by the minority party, and the surtax is allowed to expire, certainly the blame would lie at the door of the minority party.

So I believe that the Democratic "automobile" will not veer from the straight and narrow path that it is on.

Something has been said about the inability of Senators of the opposition party to speak for the administration. I should think that it would be the first time that they have been unable to speak for the administration if they are not able at this time to do so. To have 43 Senators not able to act on a bill in the legislative process would certainly indicate to me that there has been a great delegation of power to the executive on the part of a portion of the membership of the Senate.

I should like to see the majority leader's proposal accepted and the bill come to a vote. I believe the proposal is fair and reasonable, one that I would certainly be willing, as a member of the Alabama Democratic Party, but not a member of either of the two committees, to stand by and support.

Mr. ALLOTT. Mr. President, I shall not speak at length, but I feel that one remark that has just been made should be answered. I think the Senator from Alabama has not read carefully the message of the majority leader (Mr. MANSFIELD) to the minority leader, in which he made it specific that not only would the leadership of the minority speak, but also that the administration would speak—and, of course, the administration is the President of the United States, and no one needs to be told what the present situation is with respect to that.

There are two or three other things that I would want to make clear tonight. We have been regaled in the last few weeks with a lot of weeping about tax reform. I might tell my friends on the other side of the aisle that they do not have any monopoly on an interest in tax reform. We have had Democratic Presidents for 8 years. They had the overwhelming majority of the Members from their party in Congress for 8 years. I did not see any great enthusiasm in those last 8 years for any tax reform.

I feel somewhat sensitive about this, because my own great former colleague from Colorado, the late Senator Millikin, probably—and without doubt, in my mind—broke his health and perhaps caused his death by working so hard on the last great tax reform bill

that came before the Senate, the tax reform bill of 1954.

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

Mr. ALLOTT. I yield.

Mr. MURPHY. I wish to ask the Senator if the effort made in 1954 was the last attempt at a tax reform bill.

Mr. ALLOTT. No. I believe there was a subsequent effort. Perhaps the Senator from Louisiana could give us the date. Was it 1957?

Mr. LONG. We had a comprehensive bill in 1962 and another comprehensive bill in 1964.

Mr. ALLOTT. It depends on what one would call "comprehensive." I did not call it comprehensive. We patched up some excise taxes and things of that nature, but it was not a comprehensive bill.

The last comprehensive bill that I recall, when we went through the tax structure, was 1954.

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

Mr. ALLOTT. I yield.

Mr. LONG. Mr. President, I am now compiling a statement on this matter. However, if one will look at the bills that were passed in 1962 and 1964 he will see that those bills pretty well covered everything in the Internal Revenue Code so far as income taxes were concerned. Another act, in 1965, pretty well covered the excise tax provisions. I think one of them included more than 10 so-called reforms and the other about 20 so-called reforms. But both of those bills in 1962 and 1964 attempted to go through the entire Internal Revenue Code, but they did not look at the gift tax or the inheritance tax.

Mr. ALLOTT. And they did not look at foundations or other things.

Mr. LONG. The Senator will find we did something about foundations. I think it was in the 1964 bill.

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

The PRESIDING OFFICER (Mr. ALLEN in the chair.) Does the Senator yield?

Mr. ALLOTT. I yield.

Mr. MURPHY. Mr. President, I have listened attentively. I think that sometimes in debates or discussions some of the basic precepts involved get lost. We are in a vexing situation. The majority party has made an offer to be accepted by the minority party. They have had meetings and decided this is a concession. As I read the offer, it was an offer either to be accepted immediately or withdrawn. I did not realize when I heard the reading of it that it could be accepted tomorrow or Thursday, as the Senator from Louisiana suggested.

For purposes of clarification I would like to ask my distinguished friend, the Senator from Colorado, to go back to the beginning. As I recall, there are two matters confronting the Senate. One matter is the tax reform, upon which all agree. I know of no one who disagrees that we should not immediately and as quickly as possible have a complete and really comprehensive tax reform.

However, there is a separate matter.

Mr. ALLOTT. Mr. President, on that subject, I wish to say that I find no less enthusiasm on this side of the aisle for tax reform than I have heard expressed on the other side of the aisle.

Mr. MURPHY. I had been talking about it even before I thought of running for the Senate.

The other matter has to do with the emergency crisis situation. It has nothing to do with the long haul, but it has to do with the immediate problem which has been building up over the years, and which was even recognized last year when there was a joint effort to try to alleviate the situation, which did not go through the way it was planned. The distinguished Senator from Delaware was very active in connection with that measure.

This is an emergency situation wherein the President has asked that the surtax be continued. Everybody agrees that inflation is possibly the most important and the most serious question we face in this body at this time. Nobody wants the surtax. Certainly I do not want it. I think our people have been taxed far too heavily, and I think it is time we became more cautious and we should have better ways for raising revenue. But the surtax at long last is beginning to show signs of having the effect we all desire of slowing down the inflationary spiral.

These are two separate and distinct matters. I wish to ask the Senator from Colorado whether I am correct or whether I am in error.

Mr. ALLOTT. Mr. President, I thank the Senator. He is entirely correct and proper, except in the minds of those who want to utilize one as a wedge for the other.

Mr. MURPHY. That was to be my next question. Does it not appear, with full realization that the emergency exists, that the surtax is only an instrument for the situation and is not to be considered a part of the tax structure on a permanent basis? It is not at all. It is merely an instrument to try to stop inflation.

Mr. ALLOTT. As one of the instruments.

Mr. MURPHY. As one of the instruments. Would it not be reasonable that we ask that these be separated and one matter be taken up; and in the meantime there is no question about the desire to have a complete tax reform. I do not know that it can be accomplished in 4 months, 6 months, or a year. I think it is so important and it has been so long that it is going to take our very best effort to get it done by the end of this session.

But I wish to ask the Senator if it would not be practical, if it would not be thoughtful, if it would not be with full consideration of the welfare of the financial structure, and the welfare of individual citizens that we separate these two matters and decide whether or not the surtax should be continued; and that we should separately how fast we can move ahead to write a complete tax reform?

It seems to me that to continue to tie the two considerations together at one

point would indicate a reluctance on the part of some Senators. I know of no such reluctance and I know of no such disagreement. This is what concerns me. These two matters are intermingled in an impractical way and I get the feeling there is a use of coercion, which at best is not wise and at worst it is not worthy of the dignity of this great body.

Mr. ALLOTT. I thank the Senator. I could not agree with him more. I was about to discuss two or three of these things which I feel should be part of the RECORD today.

We heard the important discussion between the Senator from Louisiana and the majority leader. It was said, in effect, that the 15-day extension would not meet the problem. I could not agree with him more; that in a true sense the 15-day extension does not meet the problem. But—and it is a big “but” on the end of that—the 15-day extension would bring us past the date when Congress is supposed to begin a summer recess. We may have a little discussion about that recess before we are through here, because I do not think we can mess and tamper with the basic fiscal soundness of the Federal Government while we run off on a recess.

The significance of the 15-day extension is that this would bring it to the 15th of August. Congress is supposed to recess on the 13th of August. But at the meeting held at the White House a week ago this morning at which members of the Ways and Means Committee, the Republican and Democratic leadership of the House, and members of the Finance Committee of the Senate, both majority and minority leaders of the Senate were present, this matter was discussed in great detail.

As to the people in the House, I must say in all frankness that the chairman of the Ways and Means Committee was not there, but the ranking minority member was. The next to the senior member, next to the chairman on the majority side, was there.

At that time, he laid out in no unequivocal language that we were tampering with the safety of the Government if we did not pass the surtax bill for the entire year. This is from the other party, not from our party.

At the same time, four Secretaries of the Treasury were there. Bob Anderson was there, who was Secretary of the Treasury under President Eisenhower. Douglas Dillon was there. Henry Fowler was there, Secretary of the Treasury under the last administration, as well as David Kennedy, the present Secretary of the Treasury. They were all there. They said that passage of the legislation on extension of the surtax was an absolute “must” for the continued fight against inflation.

No one contends that the surtax alone will cure inflation. It will not. There are all sorts of means which will have to be employed to do that. We will have to employ the means to cut expenditures and to cut wherever we can. We will have to employ means which Congress has been so reluctant to do, is the thing the majority leader himself has advocated time and again; namely, the exercise of legislative oversight, taking some of the ill-conceived and rapidly written laws

which have been placed on the statute books in the past few years, and no matter how meritorious they may have been, they should be rewritten to the point that they are workable so that the Government's money—which is the people's money—will be well and beneficially spent.

The significant thing that occurred at that meeting last Tuesday morning was that both majority and minority members of the Ways and Means Committee committed themselves—I repeat, committed themselves—to have a tax reform bill passed in the House before August 13, when we adjourn.

Thus, when we considered the 15-day extension in that context, it means that, at that time, for those people who say, “Well, I want to be assured of tax reform before I vote on a surtax,” it means that those people—those in the Senate committee in which they have a majority—could have a meaningful tax reform bill in the Senate by the time we adjourned.

Whether, with the action taken today, we will still see those pledges lived up to, I am not sure. Upon the basis that the surtax was a vital necessity in this country, they made that flat commitment there, and I am sure that each and every one of them intended to do it.

Mr. MURPHY. Mr. President, will the Senator from Colorado yield at that point for a question?

Mr. ALLOTT. I yield.

Mr. MURPHY. Then it is the opinion of my distinguished friend from Colorado that it is not necessary the two considerations be tied together?

Mr. ALLOTT. I cannot see how they need to be tied together, because there are other so-called tax reforms in the surtax bill. The continuation of the excise tax, of course, is not a tax reform, but, for example, there is the termination of the investment credit and also provision for a low-income allowance for individuals and for other purposes.

Before the House passed that bill, it was only passed, as I recall, by a majority of five votes.

Mr. MURPHY. Five votes.

Mr. ALLOTT. Before they passed that bill, they had to put in those two reforms, granting some 3 million persons in this country in the lower income brackets relief from income tax, and then the repeal of investment credit.

They had to put those two reforms in the bill when it came over here. The Senator from Delaware (Mr. WILLIAMS) had another one with relation to foundations which he has shown great statesmanship, I believe, in stating that he was willing to waive his position temporarily if we could move this.

Knowing how strongly he feels about that particular amendment, I think he should be congratulated upon his great and generous offer to remove that particular amendment so that we can move forward on this bill.

There is another point I think we should make, that the surtax will raise approximately \$7.5 billion. With the proposal made today, that will be reduced to about \$4.1 billion.

Mr. President, the people who do that have got to assume the responsibility for

what cuts will have to be made in many of the social problems we have to deal with in this country today.

I have been examining in the past few weeks, and have been sitting in on the hearings of the Independent Offices Subcommittee, of which I am the ranking member, appeals for money for urban affairs, model cities, for section 235 funds, and section 236, the interest subsidy funds. This administration is putting more money into them than has ever been done before. Yet, what are we going to do when we come to November and we do not have the assurance of the income from the surtax to take care of that?

Something will have to give at that time. The ones we will hear the most from, the ones who will speak the loudest at that time will be the same ones who are in the Chamber here saying that we need more money in the cities and ghettos and for social services. They will be those who in December, and in the latter part of November, will be talking the loudest that we have got to do more for these people. Yet, today, if we go through with this plan, we will be chopping off \$3.4 billion which the Government needs to carry on the various services.

Mr. MURPHY. I wanted to make certain that I had a clear understanding, that the entire dilemma as it appears to me, and the reason it is taking this unique form at this time is caused by the decision to tie the necessary crisis consideration of the surtax to what we all agree has been a long needed attempt to do a complete rewriting job of the entire tax bill. Had these not been tied together, the condition that exists now, at this 11th hour decision—almost on a take-it-or-leave-it basis—would not have prevailed. Is that a fair statement of fact?

Mr. ALLOTT. Let me put it this way. The other body, I think, has exercised good judgment and has attacked the surtax problem first. As I stated a few moments ago, in order to get that through the House, they had to put certain tax reform provisions in that bill, which they did, particularly on the investment tax credit and taking 3 million low-income people off the tax rolls of this country—a provision, incidentally, which was suggested by the President. So they acted upon that first. They apparently did not have—and I frankly do not think a deliberative body of this kind could consider intelligently—a comprehensive tax bill to raise revenue and a tax reform bill. It would take weeks and weeks and months.

We may all have different ideas about what constitutes reform. I suppose that there would be, on either side of the aisle, all the variations one could think of about what constitutes tax reform. But we know that some reforms are needed. We know it is unconscionable that any American could so invest his money that he could walk away from any tax at all while living in luxury. I do not think that is justice. It has never been my idea of justice, anyway.

That is what they are trying to do in the House on that second tax bill—take care of the investment tax credit, about

which there was so much hue and cry, and take care of the President's suggestion that we cut 3 million low-income people off the tax rolls.

Then they turned around and tackled a tax reform bill. I know, of my personal knowledge, that they have been working like beavers—I hope they do not take umbrage at that term; that is the word we use when we consider somebody working hard to try to fill the commitment which was made by both the Democrats and Republicans at the White House meeting a week ago today—to have that tax reform bill brought here by the time we adjourn.

While it is not a significant reform, or anything of that sort, that is why the continuation for 15 days becomes very important. Those who say, "I want to see a tax reform within my grasp before I vote for a surtax," can have a reform bill in the Senate. It can be referred to the Finance Committee, of which the distinguished Senator from Louisiana is chairman. They have the majority to vote that bill out of the committee almost at their will. But they will have that bill here. So it cannot be said that anybody is blocking them from having a reform bill. The commitment was made that morning that it would be here.

I do not understand why we talk in circles around here to the effect, "You cannot have a surtax because I want to be assured of reform." I cannot assure them of reform, as a member of the minority party, but surely the majority leader and the chairman of the Finance Committee can assure them that they will have a reform bill before we adjourn this year.

There is a lot of other mischief. The distinguished Senator from Delaware, a while ago, mentioned some of the uncertainties and difficulties, not the least of which is that with the uncertainty in the tax situation people are hedging against inflation. If there is going to be inflation, the thing to do is to buy things that a person will use in his business and stockpile them for the future, because prices are going up.

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

Mr. ALLOTT. I yield.

Mr. MURPHY. Having had some experience in business, I do not know of any business that operates on a projection as short as 4 months.

Mr. ALLOTT. Neither do I.

Mr. MURPHY. I do not think this would do anything except cause utter confusion, when there is already enough confusion.

Mr. ALLOTT. Even my corner drug-gist does not operate on as short a projection as 4 months.

Mr. MURPHY. Particularly with the ending date about the end of the year, I fail to understand it. The longer I consider it, the more I am afraid it is going to complicate matters, rather than help.

Mr. ALLOTT. I thank the distinguished Senator for his help and his remarks, because they are very meaningful.

I would just like to conclude with two or three observations. It seems to me that the November 30 date causes a lot

of difficulties. What it actually means is that every corporation is going to have to proceed on an eleven-twelfths year and a one-twelfth year basis.

As I understood the majority leader this afternoon, what they are proposing is to consider, at a later time, the surtax before it expires again. Well, all that is done is to compound uncertainty in this country. If we create an atmosphere of certainty as to what was going to be done in the surtax area, and resolve the question of the investment credit, and resolve the tax situation as to poor individuals who certainly cannot afford to pay a tax on the incomes they have, but who by our laws are required to pay an income tax, then I think we would be taking another step toward curing the inflationary problem.

Let there be no mistake about it, inflation is not just something people talk about; inflation has been said to be the cruellest tax of all. No matter how we go about it, a poor man cannot meet inflation. The man who has a great deal of money can invest in certain types of securities and make money and get rich, as hundreds of them have in an inflationary period. I would say it is not an overstatement. I do not say this is true of any Member of the Senate at the present time, but there are people in this country—many of them, perhaps thousands of them—who are just hoping to God that the Senate does not pass a surtax extension, because they want more inflation. They have perfected the techniques of making money out of inflation.

So we have the uncertainty. We have the mischief that is going to be caused by corporations having to operate on a eleven-twelfth-year and a one-twelfth-year basis. Most of all, we have done anything for tax reform.

When the people from the other body got up last week and said, "We will have a tax reform bill in the Senate by August 13, when we adjourn," I believed them. I believe only the occurrence of a cataclysm or a catastrophe could keep us from having such a bill by that time. That being so, I really cannot see any justification for the argument that we must have a tax reform bill on the Senate calendar before we consider the surtax extension.

With the assurance that has come not only from Members of my party but from the ranking Members of their own party in the House of Representatives, it would make much more sense to put the surtax extension to the first of the year, because they have assurance that they are going to have a tax reform bill. Let them vote on individual items. Each individual amendment is, of course, up to every Senators' own conscience. But the bill will be here. For that reason, there is not any justification for not extending the surtax now until the first of the year, at the minimum.

Mr. President, I yield the floor.

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.

ORDER FOR ADJOURNMENT FROM TOMORROW TO THURSDAY, JULY 31, AT 11:30 A.M.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, at the completion of business on tomorrow, the Senate stand in adjournment until 11:30 on Thursday morning next.

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

ORDER FOR RECOGNITION OF SENATOR AIKEN ON THURSDAY, JULY 31, 1969

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, upon the completion of the prayer and the disposition of the reading of the Journal on Thursday morning next, the able senior Senator from Vermont (Mr. AIKEN) be recognized for not to exceed 30 minutes.

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

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON THURSDAY, JULY 31, 1969

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, on the completion of the address by the able senior Senator from Vermont (Mr. AIKEN) on Thursday morning next, there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 41 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 30, 1969, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1969:

SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Carl J. Gilbert, of Massachusetts, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary.

HOUSING AND URBAN DEVELOPMENT ACT OF 1968 CORPORATION

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.

FEDERAL HOME LOAN BANK BOARD

Thomas Hal Clarke, of Georgia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1973.